

IMPORTANT NOTICE (FOR ELECTRONIC DELIVERY)

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Offering Memorandum attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the attached Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Managers, the Company or the Selling Shareholders (each as defined in the attached Offering Memorandum) as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and is intended for you only and you agree you will not forward this electronic transmission or the attached Offering Memorandum (electronically or otherwise) to any other person.

THE COMPANY'S SHARES MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") AS DEFINED IN AND IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT.

Confirmation of your representation: In order to be eligible to view the document or make an investment decision with respect to the Company's shares, investors must be either (1) QIBs or (2) outside the United States transacting in an "offshore transaction" (in accordance with Regulation S under the Securities Act). By accepting electronic delivery or electronically accessing the attached Offering Memorandum, you shall be deemed to have confirmed to the Managers, the Company and the Selling Shareholders, that (i) you have understood and agree to the terms set out herein, (ii) (a) you, any customers you represent, and the electronic mail address you have given to us are not located in the United States, its territories and possessions or (b) you and any customers you represent are QIBs, (iii) you consent to delivery by electronic transmission of the attached Offering Memorandum, (iv) you will not transmit the attached Offering Memorandum (or any copy of it or part thereof) or disclose, whether orally, electronically or in writing, any of its contents to any other person except with the consent of the Managers and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other financial considerations with respect to your decision to purchase the Company's shares.

You are reminded that the attached Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the attached Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the attached Offering Memorandum, electronically or otherwise, to any other person and in particular to any person in the United States or to any U.S. address.

Failure to comply with this directive may result in a violation of the U.S. securities laws or the applicable laws of other jurisdictions.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE SUCH OFFER IS UNLAWFUL.

THE COMPANY'S SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LEGISLATION OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES EXCEPT UNDER AN AVAILABLE EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LEGISLATION IN THE RELEVANT STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES. THE COMPANY'S SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. ANY OFFERING OF THE COMPANY'S SHARES IN THE UNITED STATES WILL BE MADE ONLY TO A LIMITED NUMBER OF INVESTORS WHO ARE DEEMED TO BE QIBS IN RELIANCE ON RULE 144A OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM, OR IN TRANSACTIONS NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLING SHAREHOLDERS MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE COMPANY'S SHARES DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

THE COMPANY'S HAVE NEITHER BEEN APPROVED NOR REJECTED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), ANY STATE SECURITIES AUTHORITY OR ANY OTHER AUTHORITY IN THE UNITED STATES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE ATTACHED OFFERING MEMORANDUM. TO ASSERT THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

Under no circumstances shall the attached Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Company's shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached Offering Memorandum who intend to purchase any of the Company's shares are reminded that any such purchase may only be made on the basis of the information contained in the attached Offering Memorandum.

No public offering of the Company's shares is made to any countries within the European Economic Area ("EEA") other than Sweden. In other member states of the EEA which have implemented European Parliament and Council Directive 2003/71/EC (the "Prospectus Directive"), such offering may be made only under the exemption in the Prospectus Directive as well as every relevant implementation measure (including measures to implement European Parliament and Council Directive 2010/73/EU).

The attached Offering Memorandum is being distributed only to and is directed only at, and any investment or investment activity to which the attached Offering Memorandum relates is available only to, and will be engaged in only with "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom the attached Offering Memorandum may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Company's shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Company shares will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of the attached Offering Memorandum and should not act or rely on it.

The attached Offering Memorandum has been delivered to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Managers, any person who controls any of the Managers, the Company or the Selling Shareholders, any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Offering Memorandum distributed to you in electronic format and the hard copy version of such Offering Memorandum. Please ensure your copy is complete.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Manager or any affiliate of a Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of the Company and the Selling Shareholders in that jurisdiction.

The Company has furnished the information in the attached Offering Memorandum. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of the attached Offering Memorandum or any such statement.

None of the Company, the Selling Shareholders or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Company's shares regarding the legality of an investment in the Company's shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Company shares.

The Managers are acting exclusively for Humana AB and the Selling Shareholders and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to any other person for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document and the attached Offering Memorandum via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



Humana

Invitation to acquire shares in Humana AB

THE DISTRIBUTION OF THIS OFFERING MEMORANDUM AND THE ACQUISITION OF NEW SHARES ARE SUBJECT TO RESTRICTIONS IN CERTAIN JURISDICTIONS (SEE THE SECTION ENTITLED "TRANSFER RESTRICTIONS").



JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS



JOINT BOOKRUNNERS



IMPORTANT INFORMATION

Information to investors

For definitions and the meaning of certain expressions used this offering memorandum (this “**Offering Memorandum**”), see “*Certain definitions*”.

A separate prospectus in Swedish has been approved and registered by the Swedish Financial Supervisory Authority (the “**SFSA**”) in accordance with Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980) [Sw: *lag (1991:980) om handel med finansiella instrument*]. Approval and registration do not imply that the SFSA guarantees that the information in the prospectus or this Offering Memorandum is accurate or complete.

This Offering Memorandum contains certain sections specifically directed to investors outside of Sweden which are not included in the Swedish language prospectus. In the event of a conflict between this Offering Memorandum and the Swedish language prospectus, in addition to the aforementioned information, the Swedish language prospectus shall prevail. This Offering Memorandum, the Swedish language prospectus and the offering in this Offering Memorandum are governed by Swedish law. Disputes arising out of the contents of this Offering Memorandum, the offering and related legal matters shall be settled exclusively by the Swedish courts.

In certain jurisdictions, distribution of this Offering Memorandum and participation in the offering under this Offering Memorandum is subject to restrictions under law and other regulations.

Humana AB (the “**Company**” or “**Humana**”), Air Syndication S.C.A (an entity registered in Luxembourg with number B 133.432 and address 52–54 Avenue du X Septembre, L-2550, Luxembourg and wholly owned by funds advised or managed by Argan Capital Advisors LLP) (“**Argan Capital**”), any of the Selling Shareholders or Managers have not taken, and will not take any actions to allow a public offering in any jurisdiction other than Sweden. The offering is not made to persons resident in the United States, Canada, Hong Kong, Japan, Australia, New Zealand, South Africa, Singapore or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the Offering Memorandum, the subscription form or any other documents in respect of the offering may not be distributed in or into the mentioned countries or any other country or any other jurisdiction in which distribution or the offering in accordance with this Offering Memorandum require such measures or otherwise would be in conflict with applicable regulation. Acquisition of shares in violation of the restrictions described above may be void. Recipients of this Offering Memorandum are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

Certain risks apply when investments in shares are made (see the section “*Risk factors*”). When an investor makes an investment decision, he or she must rely on his or her own analysis of Humana and the offering in accordance with this Offering Memorandum, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this Offering Memorandum and any possible supplements to this Offering Memorandum. No person is authorised to provide any information or make any statements other than those made in this Offering Memorandum. Should such information or statement nevertheless be provided or made it should not be considered to have been approved by Humana, Argan Capital or Managers, and none of them is responsible for such information or statements. Neither the publication or distribution of this Offering Memorandum nor any transaction made in respect of the offering shall be deemed to imply that the information in this Offering Memorandum is accurate or applicable at any time other than on the date of the publication of this Offering Memorandum or that there have been no changes in Humana’s business since this date. If significant changes in the information in this Offering Memorandum occur, such changes will be announced in accordance with the provisions on supplements to prospectuses under the Swedish Financial Instruments Trading Act.

As a condition for acquiring new shares under the offering in this Offering Memorandum, each person subscribing for new shares shall be deemed to have made or, in some cases, be required to make, certain representations and warranties that will be relied upon by Humana, Argan Capital and Managers. Humana, Argan Capital and Managers reserve the right to declare null and void any subscription for shares that they believe may give rise to a breach or violation of any law, rule or regulation in any jurisdiction.

Information to investors in the United States

The shares in Humana have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (“**Securities Act**”) or the securities legislation of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. The shares in Humana are being offered outside the United States in compliance with Regulation S under the Securities Act. A public offering will not be made in the United States. Any offering of the shares made in the United States will be made only to a limited number of investors who are deemed to be qualified institutional buyers as defined in Rule 144A under the Securities Act (“**QIBs**”) in reliance on Rule 144A or pursuant to another available exemption from, or transaction not subject to, the registration requirements under the Securities Act.

The shares in Humana have neither been approved nor rejected by the United States Securities and Exchange Commission (“**SEC**”), any state securities authority or any other authority in the United States. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. To assert the contrary is a criminal offence in the United States.

Information to investors in the EEA

No public offering of shares in Humana is made to any countries within the European Economic Area (“**EEA**”) other than Sweden. In other member states of the EEA which have implemented European Parliament and Council Directive 2003/71/EC (the “**Prospectus Directive**”), such offering may be made only under the exemption in the Prospectus Directive as well as every relevant implementation measure (including measures to implement European Parliament and Council Directive 2010/73/EU).

Information to investors in the United Kingdom

In the United Kingdom, this Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with, “*qualified investors*” (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of “*investment professionals*” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). Persons who are not relevant persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

Forward-looking information and risk factors

The Offering Memorandum contains forward-looking information that reflects Humana’s present view of future events as well as financial and operational development. Words such as “*intend*”, “*assess*”, “*expect*”, “*may*”, “*plan*”, “*believe*”, “*estimate*” and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

Factors that may result in any difference in Humana’s future results and development from those set forth in the forward-looking information statements include, but are not limited to, those described under the section “*Risk factors*”. Neither Humana, Argan Capital nor Managers undertake to announce any update or change in the forward-looking information as a result of new information, future events or similar circumstances other than as required by applicable laws and regulation.

Presentation of financial information

Certain financial and other information that is presented in the Offering Memorandum has been rounded off in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly correspond to the stated total amount. Other than as expressly stated herein, no financial information in the Offering Memorandum has been audited or reviewed by the Company’s auditor.

Stabilisation

In connection with the offering, Joint Global Coordinators may carry out transactions which result in the price of the share being maintained at a higher level than would otherwise have been the case. Such stabilisation transactions may be carried out on Nasdaq Stockholm, on the OTC exchange or in another way, and may be carried out whenever during the period that starts on the first day of trading in the shares on Nasdaq Stockholm and terminates at latest 30 calendar days thereafter. Joint Global Coordinators are not obliged to carry out any stabilisation and there can be no assurances that stabilisation will be carried out. For further information, see “*Legal considerations and supplementary information – Stabilisation*”. The fact that Joint Global Coordinators has the possibility to carry out stabilisation measures does not mean that such measures will necessarily be taken. Stabilisation measures taken may be discontinued at any time whatsoever. When the stabilisation period (30 calendar days) has expired, Joint Global Coordinators will, through the Company, announce whether stabilisation measures were taken, the dates (where appropriate) on which stabilisation measures were taken, including the final date for such measures, and the price range within which the stabilisation transactions were carried out.

Important information regarding the possibility to sell allotted shares

Notification of allocation to the public in Sweden will be made through distribution of contract notes. Such contract notes are expected to be distributed on or about 22 March 2016. After payment has been received for allotted shares by Carnegie, SEB and Avanza, the shares duly paid for will be transferred to the securities account or securities depository account designated by the investor. Due to the time required for transfer of shares acquired to investors of shares in Humana, the shares acquired will not be available for the investors on the designated securities account or securities depository account until on or about 24 March 2016, at the earliest. Trading in Humana’s shares on Nasdaq Stockholm is expected to commence on or about 22 March 2016. The fact that the shares may not be available on the investors’ securities account or securities depository account until on or about 24 March 2016, at the earliest, may result in the investors being unable to sell the shares on Nasdaq Stockholm on the first day of trading. Instead they may only be able to sell the shares once the shares are available on their securities account or securities depository account.

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The offering in brief

Offer Price

SEK 54–62 per share

Subscription period for the general public in Sweden

11 March – 18 March 2016

Subscription period for the offer to institutional investors

11 March – 21 March 2016

Announcement of the Offer Price

22 March 2016

First day of trading in Humana's shares

22 March 2016

Settlement day

24 March 2016

Other information

Ticker: HUM

ISIN code: SE0008040653

Financial information

Interim report January – March 2016 19 May 2016

Interim report January – June 2016 19 August 2016

Interim report January – September 2016 18 November 2016

Year-end report 2016 February 2017

Certain definitions

In this Offering Memorandum, the following definitions, among others, are used:

The Anchor Investors means Zeres Capital ("**Zeres Capital**"), Swedbank Robur Fonder AB ("**Swedbank Robur**"), ODIN Fonder, Swedish branch of ODIN forvaltning AS ("**ODIN Fonder**"), Handelsbanken Fonder AB ("**Handelsbanken Fonder**"), Incentive AS ("**Incentive**") and Bodenholm Capital AB ("**Bodenholm Capital**").

Argan Capital or the Principal Owner means Air Syndication S.C.A., an entity registered in Luxembourg with number B 133.432 and address 52–54 Avenue du X Septembre, L-2550, Luxembourg and wholly owned by funds advised or managed by Argan Capital Advisors LLP.

The Company, Humana or the Group means, depending on the context, Humana AB or Humana AB and its subsidiaries.

The Offering means the offer to acquire shares in Humana in accordance with this Offering Memorandum.

Euroclear Sweden means Euroclear Sweden AB.

Joint Bookrunners means Joint Global Coordinators, ABG Sundal Collier AB ("**ABG**") and DNB Bank ASA, Swedish branch ("**DNB**").

Joint Global Coordinators means Carnegie Investment Bank AB (publ) ("**Carnegie**") and Skandinaviska Enskilda Banken AB (publ) ("**SEB**").

Managers means Joint Global Coordinators and Joint Bookrunners.

Nasdaq Stockholm means the Swedish regulated market operated by Nasdaq Stockholm AB.

SEK and NOK means Swedish kronor and Norwegian kronor. **T** means thousands, **M** means millions and **B** means billions.

Selling Shareholders means Argan Capital, Per Granath (board member and former CEO,) through company, Simon Lindfors (board member) through company, Maria Nilsson (board member), Lars Johansson (former deputy board member) through company, Zeinab Daugaard through company and Christer Hansson through company.

Summary

Prospectus or Offering Memorandum summaries consist of information requirements presented in “items”. The items are numbered in sections A–E (A. 1–E.7).

The summary in this Offering Memorandum includes all of the items required in a summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of prospectuses or offering memorandums, there may be gaps in the numbering of the items.

Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information can be provided regarding the item. In such case, the information is replaced by a brief description of the item together with the indication “not applicable”.

SECTION A – INTRODUCTIONS AND WARNINGS

A.1	<i>Introduction and warnings</i>	<p>This summary should be read as an introduction to the Offering Memorandum.</p> <p>Any decision to invest in the securities should be based on consideration of the Offering Memorandum as a whole by the investor.</p> <p>Where a claim relating to the information in this Offering Memorandum is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Offering Memorandum before the legal proceedings are initiated.</p> <p>Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the Offering Memorandum or if, together with other parts of the Offering Memorandum, it fails to provide key information to help investors when considering investing in such securities.</p>
A.2	<i>Consent to use the Offering Memorandum</i>	Not applicable. Financial intermediaries are not entitled to use the Offering Memorandum for subsequent resale or final placement of securities.

SECTION B – ISSUER

B.1	<i>Company name and trading name</i>	The Company's name (and trading name) is Humana AB and the corporate registration number of Humana is 556760-8475.
B.2	<i>Registered office and type of company</i>	The registered office of the board of directors is the municipality of Stockholm, Sweden. The Company was incorporated in Sweden on 22 May 2008 and registered with the Swedish Companies Registration Office on 1 July 2008. The Company is a public limited liability company (Sw. <i>publikt aktiebolag</i>) governed by the Swedish Companies Act (Sw. <i>Aktiebolagslagen (2005:551)</i>).
B.3	<i>Main business operations</i>	<p>Humana is the leading¹⁾ Nordic provider of private care services within individual and family care and personal assistance. Humana conducts business in Sweden and Norway.</p> <p><i>Humana Individual & Family</i> offers housing, care and treatment within psychiatry and psychosocial change work to families and individuals within all age groups. The services are, among other things, provided through operations as HVB, emergency homes and family homes, special accommodation, outpatient care and support housing. During 2015, the business area had on average 1,795 full-year employees and 1,659 clients.</p> <p><i>Humana Personal Assistance</i> offers personal assistance to individuals with extensive and permanent functional impairments. During 2015, the business area had on average 5,313 full-year employees and 1,952 clients.</p> <p><small>1) Based on the Company's revenues compared to the Company's assessment of the size of the relevant markets and competitors' revenues.</small></p>

B.3	<i>Main business operations, cont.</i>	<p><i>Humana Elderly Care</i> comprises operations which offer individualised elderly care (home service care and accommodation units for the elderly), special service housing adapted for individuals with functional impairments and a special school for children with multi-functional impairments. During 2015, the business area had on average 1,640 full-time employees and 3,449 clients.</p> <p><i>Humana Norway</i> offers housing, family homes and outpatient care for children and adolescents, as well as personal assistance and housing with care for individuals with functional impairments. <i>Humana Norway</i> also accepts unaccompanied refugee children below the age of 15. During 2015, the business area had on average 393 full-year employees and 202 clients.</p>																		
B.4a	<i>Trends</i>	<p>During 2015 and 2016, underlying factors have continued to point towards continued growth in demand for care services. An increasing number of diagnoses among younger and older people has resulted in a greater need for measures within psychiatry and psychosocial change work. In particular, the need for care for children and adolescents has increased.</p> <p>The increase in employers' social security contributions for young employees during the year has had an adverse effect on Humana's profitability. In addition, it is being discussed that the Swedish Social Insurance Agency (Sw. <i>Försäkringskassan</i>) will change the payment system for assistance allowances from payment in advance to payment in arrears, which in such case will have an adverse effect on cash flows for companies within the personal assistance area, notwithstanding that the impact on profit irrespective of any increasing financing expenses should be neutral.</p>																		
B.5	<i>The Group</i>	Humana is the parent company of the Group, which comprises 74 directly and indirectly owned subsidiaries in Sweden and Norway.																		
B.6	<i>Major shareholders, etc.</i>	<p>In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (so-called flagging) is five per cent of all shares or votes in respect of all shares. The table below shows the Company's shareholders with holdings corresponding to at least five per cent of the shares and votes as of the day for this Offering Memorandum (assuming that the Offer Price corresponds to the midpoint in the Price Range and that the Share Conversion and the reallocation as a result of the Share Conversion have been completed):</p> <table> <tr> <th>Shareholders with holdings exceeding five per cent of the shares and votes</th><th>Number of shares</th><th>Shares and votes, %</th></tr> <tr> <td>Argan Capital</td><td>34,156,499</td><td>74.4</td></tr> <tr> <td>Per Granath (board member and former CEO) through company</td><td>3,962,852</td><td>8.6</td></tr> <tr> <td>Sum</td><td>38,119,351</td><td>83.1</td></tr> <tr> <td>Other shareholders</td><td>7,762,649</td><td>16.9</td></tr> <tr> <td>Total</td><td>45,882,000</td><td>100</td></tr> </table> <p>Following completion of the Offering, Argan Capital's and Per Granath's respective holdings in Humana will amount to approximately 58.1 and 7.1 per cent of the total number of shares and votes (assuming that the Offer Price corresponds to the midpoint in the Price Range and that the Over-Allotment Option is not exercised).</p>	Shareholders with holdings exceeding five per cent of the shares and votes	Number of shares	Shares and votes, %	Argan Capital	34,156,499	74.4	Per Granath (board member and former CEO) through company	3,962,852	8.6	Sum	38,119,351	83.1	Other shareholders	7,762,649	16.9	Total	45,882,000	100
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Other shareholders	7,762,649	16.9																		
Total	45,882,000	100																		

B.7	Selected historical financial information	<p>Unless otherwise stated, the condensed selected financial information presented below in respect of the financial years 2013–2015 is derived from Humana’s audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.</p> <p>The information below contains certain financial key ratios which have not been defined in accordance with IFRS, including key ratios such as “EBITDA”, “adjusted operating profit”, “adjusted EBITDA”, “operating cash flow” and “cash flow generation”, as well as other financial ratios. A key ratio that is not defined in accordance with IFRS has been used by management to monitor the underlying trend in the Company’s business and operations. A key ratio which is not specified or defined in accordance with IFRS is defined as a key ratio which measures historical or future economic performance, financial position or cash flows, but which excludes or includes values that would not be adjusted in such manner in the nearest comparable IFRS key ratio. The financial key ratios that are not calculated in accordance with IFRS are not to be regarded, in particular, as a substitute for net revenue, operating profit/loss, profit/loss for the period, cash flow from operating activities, or other items in the income statement or in the statement of cash flows that are calculated in accordance with IFRS. Financial key ratios that are not calculated in accordance with IFRS do not necessarily indicate whether the cash flows will be disposable or sufficiently large to meet Humana’s liquidity requirements, and do not necessarily reflect the Company’s historical operating profit. They are also not intended to predict Humana’s future profit. Humana has presented these financial key ratios in this Offering Memorandum since the Company believes that they constitute important supplementary key ratios regarding the Company’s profit and believe that they are often used by investors for the purpose of comparing the earnings of companies. Since all companies do not use these or other non-IFRS key ratios in the same manner, due to the manner in which the Company’s management has chosen to present these financial key ratios it may not be possible to compare the financial key ratios presented in this Offering Memorandum with similar defined concepts used by other companies.</p> <p>The following financial key ratios have not been calculated in accordance with IFRS:</p> <p>Acquired growth Growth in net revenue attributable to companies acquired during the current period or during a corresponding comparison period.</p> <p>Adjusted EBITDA Operating profit/loss before depreciation/amortisation and impairment adjusted for non-recurring items.</p> <p>Adjusted EBITDA margin Adjusted EBITDA divided by net revenue.</p> <p>Adjusted operating margin Adjusted operating profit divided by net revenue.</p> <p>Adjusted operating profit/loss Operating profit/loss adjusted for non-recurring items.</p> <p>Cash flow generation Operating cash flow divided by adjusted EBITDA.</p> <p>EBITDA Operating profit/loss before depreciation/amortisation and impairment.</p> <p>EBITDA margin EBITDA divided by net revenue multiplied with 100.</p> <p>Equity ratio Shareholders’ equity as a percentage of total assets.</p> <p>Growth Change in net revenue compared with equivalent corresponding period.</p> <p>Interest-bearing net debt Loan raised excluding interest rate derivatives, less cash and cash equivalents and interest-bearing assets.</p>
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B.7

Selected historical financial information, cont.

Interest-bearing net debt/adjusted EBITDA

Interest-bearing net debt divided by adjusted EBITDA.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Adjusted EBITDA, less changes in working capital, less acquisition of intangible assets and property, plant and equipment, net.

Organic growth

Growth in net revenue within the respective segment for companies which Humana owned during the entire current period as well as the entire corresponding comparison period.

Operating margin

Operating profit/loss divided by net revenue.

Recalculated earnings per share

Earnings for the period divided by the number of ordinary shares on the date of this Offering Memorandum taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016. Right to dividend to holders of preference shares has not been considered, i.e. has not been included as a deduction from earnings.

Recalculated equity per share

Equity attributable to the parent company's shareholders divided by the number of ordinary shares on the date of this Offering Memorandum taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016.

Return on capital employed

Adjusted working capital and financial income as a percentage of total capital employed multiplied by 100, where capital employed is defined as total assets less non-interest-bearing liabilities at the end of the period.

Working capital

The total of trade receivables and other operating receivables less the total of other operating liabilities and trade payables.

Consolidated condensed income statements

1 Jan – 31 Dec

SEK million	2015	2014	2013
Net revenue	5,593	5,065	3,489
Other revenue	62	–	–
Operating revenue	5,655	5,065	3,489
Other external expenses	(794)	(662)	(322)
Personnel costs	(4,430)	(4,041)	(2,931)
Depreciation/amortisation of assets	(46)	(32)	(13)
Goodwill impairment	(36)	–	–
Other operating expenses	(37)	(23)	(5)
Operating profit	312	307	218
Finance income	1	3	23
Finance expenses	(172)	(112)	(27)
Unrealised changes in value of derivatives	7	(41)	3
Profit before tax	149	156	216
Tax	(35)	(41)	(37)
Profit for the year	114	115	179

B.7

Selected historical financial information, cont.

Consolidated condensed balance sheets

31 Dec

SEK million	2015	2014	2013
Assets			
Non-current assets			
Goodwill	2,584	2,565	1,436
Other intangible assets	9	7	8
Property, plant and equipment	200	294	136
Financial assets	4	3	1
Total non-current assets	2,797	2,870	1,580
Current assets			
Trade receivables	440	391	242
Other receivables	100	155	82
Cash and cash equivalents	501	244	291
Total current assets	1,040	790	616
TOTAL ASSETS	3,838	3,660	2,196
Equity and liabilities			
Equity	1,093	986	853
Non-current liabilities			
Deferred tax liability	66	54	45
Interest-bearing liabilities	1,550	1,656	540
Total non-current liabilities	1,616	1,710	585
Current liabilities			
Interest-bearing liabilities	125	73	106
Trade payables	79	72	49
Other current liabilities	925	819	602
Total current liabilities	1,129	963	758
TOTAL EQUITY AND LIABILITIES	3,838	3,660	2,196

Consolidated condensed statements of cash flows

1 Jan – 31 Dec

SEK million	2015	2014	2013
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
Acquisition of subsidiaries, net effect on cash and cash equivalents	(141)	(821)	(134)
Disposal of subsidiaries, net effect on cash and cash equivalent	261	–	–
Disposal of property, plant and equipment	4	–	–
Acquisition of intangible assets and property, plant and equipment	(46)	(46)	(24)
Net cash provided by/used in investing activities	78	(868)	(158)
Loan 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	244	291	197
Exchange rate differences	(2)	(2)	–
Cash and cash equivalents at end of year	501	244	291

B.7	<i>Selected historical financial information, cont.</i>	Key ratios and data per share			
		Note that, unless otherwise stated, the tables and calculations below have not been audited.			
		Key ratios	2015	2014	2013
		Net revenue, SEK million ¹⁾	5,593	5,065	3,489
		Growth, %	10.4	45.2	17.0
		Organic growth, %	0.8	7.9	7.6
		Acquired growth, %	9.6	37.2	9.4
		EBITDA, SEK million	394	339	231
		EBITDA margin, %	7.0	6.7	6.6
		Adjusted EBITDA, SEK million	386	367	231
		Adjusted EBITDA margin, %	6.9	7.2	6.6
		Operating profit/loss (EBIT), SEK million ¹⁾	312	307	218
		Operating margin, %	5.6	6.1	6.2
		Adjusted operating profit/loss, SEK million	340	335	218
		Adjusted operating margin, %	6.1	6.6	6.2
		Profit for the year, SEK million ¹⁾	114	115	179
		Change in working capital, SEK million	37	18	57
		Acquisition of intangible assets and property, plant and equipment, SEK million ¹⁾	(46)	(46)	(24)
		Operating cash flow, SEK million	377	338	264
		Cash flow generation, %	97.8	92.2	114.3
		Equity ¹⁾	1,093	986	853
		Interest-bearing net debt, SEK million	1,174	1,484	355
		Interest-bearing net debt/EBITDA 12 months, times	3.0	4.4	1.5
		Interest-bearing net debt/adjusted EBITDA 12 months, times	3.0	4.0	1.5
		Equity ratio, %	28.5	27.0	38.9
		Return on capital employed, 12 months, %	12.3	12.4	16.0
		Clients, average number	7,262	7,324	4,198
		Full-year employees, average number ¹⁾	9,154	8,619	6,374
		Full-year employees, end of year	9,231	8,773	7,215
		Data per share	2015	2014	2013
		Recalculated earnings per share ²⁾	2.48	2.51	3.90
		Recalculated equity per share, SEK ²⁾	23.82	21.50	18.60
		<p>1) The information is derived from Humana's audited consolidated financial statements.</p> <p>2) Recalculated for the number of ordinary shares on the date of this Offering Memorandum (45,882,000) taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016. Right to dividend to holders of preference shares has not been considered, i.e. has not been included as a deduction from earnings.</p>			
		Significant changes during the period covered by the historical financial information			
		<p>Net revenue increased by 10.4 per cent during 2015, to SEK 5,593 million, compared with SEK 5,065 million in 2014. The increase was primarily due to seven supplemental acquisitions made during the year. Acquisitions made in 2014 and 2015 that were still held at the end of 2015 contributed SEK 509 million to the net revenue growth between 2014 and 2015.</p> <p>Net revenue increased by 45.2 per cent in 2014, to SEK 5,065 million, compared with SEK 3,489 million in 2013. The increase was primarily due to acquisitions. Acquisitions made in 2013 and 2014 contributed SEK 1,299 million to net revenue in 2014, of which the acquisition of INOM in January 2014 accounted for SEK 888 million.</p>			
		Significant changes since 31 December 2015			
		<p>On 4 February 2016, Humana announced that the Company had divested its home care services in Sollentuna and Solna, and parts of its home care business in Stockholm's inner city, to Attendo AB. Total net revenue and total operating profit/loss, respectively, for these operations for 2015 totalled SEK 59 million and negative SEK 7 million, respectively. The disposal is aimed at consolidating Humana's home care services business in order to secure Humana's long-term plan and focus within <i>Humana Elderly Care</i>. Attendo is considered to be a good contract party which will ensure that customers, employees and subcontractors have a secure future with a stable provider who will take over personnel and use the same collective agreements. The transaction is assessed as having no material impact on the Company's profit or cash flow.</p>			

B.7	Selected historical financial information, cont.	<p>On 10 February 2016, Humana announced that the Company had reached agreement with Växjö Municipality regarding the opening of a new elderly housing unit comprising 72 places. The project, which is being carried out in cooperation with Skanska, will commence in the winter of 2016, with occupancy planned for the summer of 2017.</p> <p>In other respects, there have been no material changes in Humana's financial position or position on the market since 31 December 2015.</p>																																																																								
B.8	Selected pro forma financial information	<p>During the fourth quarter of 2015, Humana divested 43 properties covering a total area of 30,270 square meters to Hemfosa through a sale and lease back transaction, whereupon lease agreements with lease terms between 12–15 years were entered. The transfer agreement was executed on 6 November 2015 and was completed on 30 November 2015, and is reflected in the Group's financial information from 30 November 2015. The transaction is expected to impact the Group's financial position and profit going forward. The pro forma income statement is solely intended to illustrate the effect the above transaction would have had on the consolidated income statement as if the transaction had been carried out on 1 January 2015.</p> <p>The pro forma income statement below is derived from the pro forma financial information for the Group presented elsewhere in this Offering Memorandum and describes a hypothetical situation and has been produced solely for an illustrative purpose to provide information, and is not intended to show the result for the period as if the above event had occurred on the date stated above. It also does not show the business's results at any future date.</p> <p>The Group's pro forma income statement for the financial year 2015</p> <table><tr><th>SEK million</th><th>Humana¹⁾</th><th>Pro forma adjustments</th><th>Proforma</th></tr><tr><td>Revenue</td><td></td><td></td><td></td></tr><tr><td>Net revenue</td><td>5,593</td><td></td><td>5,593</td></tr><tr><td>Other revenue</td><td>62</td><td>(62)²⁾</td><td>–</td></tr><tr><td>Operating revenue</td><td>5,655</td><td></td><td>5,593</td></tr><tr><td>Operating expenses</td><td></td><td></td><td></td></tr><tr><td>Other external expenses</td><td>(794)</td><td>(15)³⁾</td><td>(809)</td></tr><tr><td>Personnel costs</td><td>(4,430)</td><td></td><td>(4,430)</td></tr><tr><td>Depreciation/amortisation of assets</td><td>(46)</td><td>5⁴⁾</td><td>(41)</td></tr><tr><td>Goodwill impairment</td><td>(36)</td><td></td><td>(36)</td></tr><tr><td>Other operating expenses</td><td>(37)</td><td></td><td>(37)</td></tr><tr><td>Operating profit</td><td>312</td><td>(72)</td><td>240</td></tr><tr><td>Finance income</td><td>1</td><td></td><td>1</td></tr><tr><td>Finance expenses</td><td>(172)</td><td>2⁵⁾</td><td>(170)</td></tr><tr><td>Unrealised changes in value of derivatives</td><td>7</td><td></td><td>7</td></tr><tr><td>Profit before tax</td><td>149</td><td>(70)</td><td>79</td></tr><tr><td>Tax</td><td>(35)</td><td>2⁶⁾</td><td>(33)</td></tr><tr><td>Profit for the year</td><td>114</td><td>(68)</td><td>46</td></tr></table> <p>1) Derived from Humana's audited income statement for the financial year 2015. 2) The adjustment of other revenue relates to the capital gain of SEK 62 million on the divested properties, after deduction of transaction expenses. 3) The increase of SEK 15 million in other external expenses relates to an adjustment for increased lease costs resulting from the newly executed leases in conjunction with the Sale and lease back transaction. The leasing expenses are based on executed leases and calculated for a period of 11 months. 4) The adjustment of SEK 5 million in depreciation relates to reversal of reported depreciation in respect of the divested properties included in the Sale and lease back transaction. 5) The adjustment of SEK 2 million in financial costs is attributable to lower interest expenses as a consequence of lower indebtedness following the disposal of the properties. In accordance with bank agreements, SEK 50 million of the proceeds received in connection with the disposal of the properties on 22 January 2016 was used to repay loans. The pro forma adjustment is calculated applying the same interest rate margin as was relevant during the period, i.e. 4.5 per cent and as if the repayment had taken place on 22 February 2015 (i.e., a period of just over 10 months). 6) Pro forma adjustments with respect to increased leasing expenses of SEK 15 million, reduced depreciation of non-current assets of SEK 5 million, and reduced interest expenses of SEK 2 million, lead to reduced taxable earnings of SEK 8 million. The taxable earnings of SEK 8 million, multiplied by a relevant tax rate of 22 per cent, result in a pro forma adjustment in the form of reduced tax expense of SEK 2 million. The capital gain from the disposal of the properties is not taxable.</p>	SEK million	Humana ¹⁾	Pro forma adjustments	Proforma	Revenue				Net revenue	5,593		5,593	Other revenue	62	(62) ²⁾	–	Operating revenue	5,655		5,593	Operating expenses				Other external expenses	(794)	(15) ³⁾	(809)	Personnel costs	(4,430)		(4,430)	Depreciation/amortisation of assets	(46)	5 ⁴⁾	(41)	Goodwill impairment	(36)		(36)	Other operating expenses	(37)		(37)	Operating profit	312	(72)	240	Finance income	1		1	Finance expenses	(172)	2 ⁵⁾	(170)	Unrealised changes in value of derivatives	7		7	Profit before tax	149	(70)	79	Tax	(35)	2 ⁶⁾	(33)	Profit for the year	114	(68)	46
SEK million	Humana ¹⁾	Pro forma adjustments	Proforma																																																																							
Revenue																																																																										
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Tax	(35)	2 ⁶⁾	(33)																																																																							
Profit for the year	114	(68)	46																																																																							
B.9	Earnings forecast	Not applicable. The Offering Memorandum contains no earnings forecast or calculation of anticipated earnings.																																																																								
B.10	Qualification of audit report	Not applicable. There are no qualifications of audit reports.																																																																								
B.11	Insufficient working capital	Not applicable. The issuer's working capital is sufficient for its current requirements.																																																																								

SECTION C – SECURITIES

C.1	<i>Securities offered</i>	Shares in Humana AB (ISIN code SE0008040653).
C.2	<i>Denomination</i>	The shares are denominated in Swedish kronor, SEK.
C.3	<i>Number of shares in the issuer</i>	<p>As of the date of this Offering Memorandum, the Company's registered share capital is SEK 1,019,600, represented by 45,882,000 shares (of which 29,916,000 ordinary A shares, 15,965,685 ordinary B shares and 315 preference shares (of which 45 class C1, 90 class C2, 45 class C3, 45 class C4, 45 class C5 and 45 class C6), each with a quota value of SEK 0.022 per share). All shares are fully paid. After completion of the Offering and the share issue that intends to be carried out in connection therewith, the Company's registered share capital will be SEK 1,192,013.8, represented by 53,640,620 shares, each with a quota value of SEK 0.022 (assuming full subscription and that the share issue is carried out at a subscription price per share corresponding to the midpoint in the Price Range).</p> <p>In connection with the listing of Humana's shares on Nasdaq Stockholm, all outstanding preference shares and ordinary A shares will be converted into ordinary B shares, and consequently, upon listing, Humana will have only one class of share (named "shares").</p>
C.4	<i>Rights associated with the securities</i>	Right to dividend accrues to persons registered as owners in the share register maintained by Euroclear Sweden on the record date determined by the general meeting of shareholders. Each share entitles to one vote and each shareholder is entitled to vote for the total number of shares held without limitation in the voting rights. If the Company decides to issue shares, stock options or convertibles in a cash issue or a set-off issue, the shareholders shall have preferential rights to subscribe in proportion to the number of shares held prior the issue. There are however no provisions in the Company's Articles of Association that limit the Company's ability to decide to, in accordance with the rules set out in the Companies Act, issue new shares, stock options or convertibles with deviation from the shareholders' preferential rights. All shares carry the same right to dividend and any surplus in the event of liquidation.
C.5	<i>Restrictions on transferability</i>	Not applicable. In connection with the listing, the shares will not be subject to restrictions on transferability.
C.6	<i>Admission to trading</i>	Humana's board of director's has applied for the shares to be admitted for trading on Nasdaq Stockholm. The first day of trading is expected to be 22 March 2016.
C.7	<i>Dividend policy</i>	Humana has adopted a dividend policy entailing a dividend of up to 30 per cent of the net profit. The proposed dividend shall take into account Humana's long-term development possibilities and its financial position.

SECTION D – RISKS

D.1	<i>Main risks associated with the issuer or the industry</i>	<p>An investment in securities associated with risk. Prior to taking any investment decision, it is important to carefully analyse the risk factors that are considered to be of importance for the future performance of the Company and the shares. These risks include the following main risks related to the industry and market:</p> <ul style="list-style-type: none"> ● The Group is dependent on demand for the services offered by the Group. Demand for the Group's services is, in turn, dependent on a number of demographic and economic factors. Demand for private care services may decrease, which may have a material adverse effect on the Group's business, results and financial position. ● In accordance with national frameworks, municipalities allow private operators to provide health and care services to varying degrees. The decision to allow private operators to provide health and care services depends on political decisions on both a national and local level, and consequently Humana's growth possibilities are dependent on the views of politicians as to how health and care services should be run. Election results and political decisions that lead to changes in governing legislation or the view held regarding the possibilities of private operators to operate on a local market may have a significant impact on Humana's business. Restrictions on the possibility to provide private health and care services for profit, and tougher permit rules, may result in significant limitations on the Group's business model. ● The care sector is subject to extensive regulation on those markets on which the Group operates. For example, the Group is affected by, and is required to comply with, comprehensive and complex statutory instruments and regulations on national, regional and local levels. Amendments and new interpretations of acts, regulations, ordinances and case law, as well as violations of regulatory provisions may have a material adverse effect on the Group's business, results and financial position.
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D.1	Main risks associated with the issuer or the industry, cont.	<ul style="list-style-type: none"> ● Operations conducted by private health and care operators are monitored by the media and there is extensive media coverage of such operators. There is a risk that one or more serious incidents might occur, due to deliberate actions or negligence or, for example, due to defects or deficiencies in deliveries from suppliers to Humana, which might injure one or more of the Group's clients, or that the statutory instruments governing the Group's operations are violated. The Group's reputation is of crucial importance for the business and adverse publicity, whether justified or unjustified, regarding private care providers or the Group may have a material adverse effect on the Group's brand and reputation. ● Within the <i>Humana Personal Assistance</i> business area, the Group receives personal allowance payments from the Swedish Social Insurance Agency and municipalities. There is a significant risk that the Swedish Social Insurance Agency will ultimately decide to change the disbursement of assistance allowances from payment in advance to payment in arrears based on received work time reports, which would affect the Group's working capital requirements. ● The Group's business operations and growth are dependent on the Group being able to procure and maintain a number of permits necessary for the different parts of the business and to recruit and retain personnel within various professional groups, several of which are licensed. In the event the granting, renewal or transfer of permits necessary for the operations is delayed or if it is unsuccessful or if the conditions set forth in the permits obtained by the Group cannot be fulfilled or changed, or if the Group conducts operations without necessary permits, this may have a material adverse effect on the Group's business, results and financial position. ● Success in the Group's acquisition strategy depends on several factors, such as the Group's ability to identify suitable businesses for acquisition, reach agreement on acceptable purchase terms, and finance the acquisitions. The Group's ability to expand its business may be adversely affected if suitable acquisition possibilities cannot be identified, if acquired operations cannot be successfully integrated or if the Group misjudges the possibilities for organic growth. ● The Group has an experienced management group possessing great factual knowledge as regards the management of care operations and which has delivered good results in terms of achieved organic growth as well as acquiring and integrating new operations. Consequently, the Group is dependent on its senior executives and being able to recruit, enter into cooperation agreements with, and retain key individuals and qualified personnel at a reasonable cost. The loss of any of these employees, or inability to attract and retain qualified management personnel in the future, may adversely affect the Group's business, results and financial position. ● The Group may be adversely affected by court decisions, settlements, unexpected costs or other effects of legal and administrative proceedings and of investigations by supervisory authorities or other bodies that are pending or might be initiated in the future. Liability incurred by the Group as a consequence of such claims, writs or complaints may have an adverse effect on the Group's business, results and financial position.
D.3	Main risks associated with the securities	<p>The main risks associated with the shares and the Offering include the following:</p> <ul style="list-style-type: none"> ● The Company's Principal Owner has previously had, and will after the completion of the Offering, continue to have, a significant influence over the Company. The interests of the Principal Owner may differ significantly from, or compete with, those of the other shareholders and it is possible that the Principal Owner will exercise its influence over the Company in a manner which is not in the interests of other shareholders. ● The Offer Price will be decided by Argan Capital and the Company in consultation with Joint Global Coordinators, based on factors which perhaps are not guiding for future market conditions, and it is possible that liquid trading in the shares will not develop or, if such is developed, it will not continue after completion of the Offering. ● Decisions regarding future distribution of dividends will be taken by the Company's shareholders at general meetings. The Company's ability to pay dividends in the future depends on a large number of different factors, including but not limited to: the Company's business, future profits, financial position, results, unrestricted reserves, cash flows, prospects, capital requirements, as well as other factors which the Company's management considers to be important from time to time. It is possible that no dividend can or will be paid out in the future.

D.3	<i>Main risks associated with the securities, cont.</i>	<ul style="list-style-type: none"> Any sale of a large number of shares by major owners or members of the board or senior executives following the period of restrictions on sales under the lock-up agreements may adversely affect the share price. There is also a risk that the investors who have committed to subscribe for shares in the Offering will be unable to fulfil such commitments, which might have an adverse effect on the completion of the Offering.
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SECTION E – OFFERING

E.1	<i>Issue amount and issue expenses</i>	The share issue in the Offering is expected to raise approximately SEK 450 million, before issue expenses. Expenses, in form of compensation to Managers as well as other transaction costs attributable to the Offering, payable by the Company, are estimated to approximately SEK 40 million.
E.2a	<i>Reasons and use of the issue proceeds</i>	<p>Argan Capital and Humana's board of directors believe that this is now a suitable time to broaden Humana's ownership and apply for listing of the Company's shares on Nasdaq Stockholm. The Offering and the listing of the Company's shares on Nasdaq Stockholm are expected to be of benefit for the Company's future growth possibilities and strategy by providing additional financial strength for further development of Humana's services. As a result of the listing on Nasdaq Stockholm, Humana will gain access to the Swedish and international capital markets. In addition, the Company is expected to benefit from a more diversified ownership base comprising institutional investors and private individuals. A listing of the Company's shares is also expected to increase awareness of the Company and of the private health and care sector, which in turn is expected to enhance Humana's status as a private operator in the Nordic care sector. Humana also makes the assessment that the increased transparency resulting from the listing of the shares will benefit its clients, customers and employees.</p> <p>In the event of full subscription, the share issue in the Offering is expected to raise approximately SEK 450 million for Humana, before deduction of approximately SEK 40 million in costs to be paid by the Company related to the Offering. Consequently, through the Offering Humana expects to obtain net proceeds of approximately SEK 410 million. The Company intends to use the net proceeds to reduce current debt/equity and pay thereto related expenses to achieve a net debt/equity level which fulfils the financial objective established by the board of directors with respect to the capital structure. With the capital structure that Humana will have following the listing, the Company is of the view that it will be in a sound financial position for investments in newly started operations and supplemental acquisitions. Humana will receive no proceeds from sales of shares in the Offering by the Selling Shareholders.</p>
E.3	<i>Form and terms of the Offering</i>	<p>The Offering</p> <p>The Offering comprises a minimum of 12,622,721 and a maximum of 14,492,754 shares, of which a minimum of 7,258,064 and a maximum of 8,333,333 newly issued shares and a minimum of 5,364,657 and a maximum of 6,159,421 existing shares. The Offering is divided into two parts:</p> <ul style="list-style-type: none"> The offer to the general public in Sweden. The offer to institutional investors in Sweden and internationally. <p>The outcome of the Offering is expected to be published through a press release on or about 22 March 2016.</p> <p>Over-Allotment Option</p> <p>The Principal Owner intends to issue an option to Managers, that can be exercised in full or partially, entailing that Managers, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm have an option to acquire an additional number of maximum 1,932,366 existing shares, corresponding to maximum approximately 13 per cent of the highest number of shares in the Offering, corresponding to the Offer Price in the Offering, in order to cover any over-allotment in connection with the Offering (the "Over-Allotment Option").</p> <p>Allotment of shares</p> <p>The allotment of shares for each part of the Offering will be based on demand. The allotment will be determined by the Company's board of directors and the Principal Owner in consultation with the Joint Global Coordinators. However, Zeres Capital, Bodenholm Capital, Handelsbanken Fonder, Incentive, ODIN Fonder and Swedbank Robur (the "Anchor Investors") are guaranteed allotment in accordance with their respective commitments.</p>

E.3	<i>Form and terms of the Offering, cont.</i>	<p>Book-building process</p> <p>To achieve a market-based pricing of the shares in the Offering, institutional investors will be provided the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process will take place during the period 11 March – 21 March 2016. The Offer Price for all shares in the Offering will be determined through this process. The book-building process for institutional investors may be terminated prior to the date indicated herein or extended. Announcement of such termination or extension will be made through a press release.</p> <p>The Offer Price</p> <p>The Offer Price is expected to be set within the range of SEK 54–62 per share. The Price Range has been set by Humana's board of directors and the Selling Shareholder in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors. The Offer Price to the general public will not exceed SEK 62 per share. Brokerage commission will not be charged. The finally determined Offer Price is expected to be announced on or about 22 March 2016.</p> <p>Terms and conditions for completion of the Offering</p> <p>The Selling Shareholders, the Company and Managers intend to enter into an agreement on the placing of shares in the Company on or about 21 March 2016 (the "Placing Agreement"). The Offering is conditional upon the interest, in Joint Global Coordinators' assessment, being sufficient for the shares, that the Placing Agreement is entered, that certain conditions are met and the Placing Agreement is not terminated. If any of the above stated conditions are not fulfilled and if the Placing Agreement is terminated, the Offering may be cancelled. In such case, neither delivery nor payment for shares will be carried out under the Offering.</p>
E.4	<i>Interested parties of importance for the Offering</i>	<p>Humana's financial advisors in connection with the Offering and the listing on Nasdaq Stockholm are Carnegie and SEB who act as Joint Global Coordinators and Joint Bookrunners in the Offering. ABG and DNB act as Joint Bookrunners in the Offering. The total consideration to the financial advisors depends on the outcome of the Offering. These advisors (including related companies) have provided, and may in the future provide, various banking, financial, investing, commercial and other services to Humana for which they have received, and may receive, compensation.</p>
E.5	<i>Seller of the securities and lock up agreement</i>	<p>Argan Capital, Per Granath (board member and former CEO) through company, Simon Lindfors (board member) through company, Maria Nilsson (board member), Lars Johansson (former deputy board member) through company, Zeinab Daugaard through company and Christer Hansson through company are the Selling Shareholders.</p> <p>In connection with the Offering, Argan Capital and other shareholding members of the board of directors and the senior executives, will undertake towards Managers, with customary exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced. The lock-up period for Argan Capital will be 180 days, whereas the lock-up period for the shareholding members of the board of directors and the senior executives will be 360 days. Managers may grant an exemption from the undertaking in question.</p>
E.6	<i>Dilution effect</i>	<p>Assuming that the Offer Price will correspond to the midpoint in the Price Range, the share issue, if fully subscribed, will lead to an increase in the number of shares from 45,882,000 to 53,640,620 shares, corresponding to an increase of 16.9 per cent. For existing shareholders, a dilution of 7,758,620 new shares will arise, corresponding to 14.5 per cent of the total shares after the share issue.</p>
E.7	<i>Expenses borne by the investor</i>	<p>Not applicable. The issuer will not impose any charges on investors.</p>

Risk factors

An investment in shares is associated with risk. Prior to taking any investment decision, it is important to carefully analyse the risk factors that are considered to be of importance for the future performance of the Company and the shares. Set out below is a description of risks that are considered to be of importance for Humana, without being ranked in any particular order. There are risks associated with circumstances relating to Humana or the industry, as well as risks of a more general character and risks associated with the shares. Certain risks are beyond the Company's control. The description below does not purport to be complete and it is not possible to foresee and describe in detail any and all risk factors. Accordingly, a comprehensive analysis must also include other information in the Offering Memorandum as well as a general assessment of extraneous factors. The risks and uncertainty factors presented below may have a material adverse impact on Humana's operations, financial position and/or results. They may also result in a decrease in value of Humana's shares, which may lead to Humana's shareholders losing all or part of their invested capital. Additional factors of which Humana is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

RISKS RELATED TO THE INDUSTRY AND THE BUSINESS

Demand for private care services may decrease, which may have a material adverse effect on the Group's business, results and financial position.

The Group is dependent on demand for the services offered by the Group. Demand for the Group's services is, in turn, dependent on a number of demographic and economic factors.

The increasing psychological ill-health in society, particularly among children and adolescents, has increased demand for the Group's services within the *Humana Individual & Family* business area. In addition, the population on the markets where the Group operates is aging, a factor which has resulted in increased demand for the Group's services within elderly care. Any change in these trends, or any decline in demand for care services due to other reasons, may have an adverse impact on demand for the health and care services that the Group provides. Reduced demand for the Group's care services may have an adverse effect on the Group's operations, results and financial position.

The Group's financial results may be adversely affected by measures taken as a consequence of an economic downturn or public sector cutbacks in the countries and areas in which the Group operates. For example, the operating revenue generated by the Group's publicly financed services in Sweden and Norway would be adversely affected if governmental and municipal saving programmes are introduced within the care sector as a consequence of lower tax revenues, since this might lead to public sector purchasers paying less for the services they outsource to private operators. In addition, extraordinary external events, such as the current flows of refugees to Europe, might for example force governments, municipalities and county councils to reprioritise the allocation of public funds,

which might lead to a reduction in the public funds allocated to those areas in which Humana operates. This, in turn, might result in price pressure on the services provided by the Group.

Reduced demand in the private care sectors in Sweden and Norway may have a material adverse effect on the Group's business, results and financial position. Demand for care services has increased over the course of many years and, even though the Group anticipates increased demand for these care services, it is possible that demand for the Group's services will not continue to increase or remain at current levels. In addition, competition in the private care sector may increase, a factor which may adversely affect demand for the Group's services.

Restrictions on the possibility to provide private health and care services for profit, and tougher permit rules, may result in significant limitations on the Group's business model.

A large part of the health and care services provided on the markets on which the Group operates are publicly financed and conducted under the management of municipalities. In accordance with national frameworks, municipalities allow private operators to provide health and care services to varying degrees. The decision to allow private operators to provide health and care services depends on political decisions on both a national and local level, and consequently Humana's growth possibilities are dependent on the views of politicians as to how health and care services should be run. Election results and political decisions that lead to changes in governing legislation or the view held regarding the possibilities of private operators to operate on a local market may have a significant impact on Humana's business.

In October 2014, the Swedish Government announced that it intended to establish one or more committees with the aim of

studying and reviewing the regulatory framework for the Swedish welfare sector. According to the committee's terms of reference published on 5 March 2015, the committee shall study and present proposals as to how the rules governing public funding for the operation of tax-financed welfare services should be structured so that funds benefit the clients and that, as a main rule, surpluses are returned to the operations. The committee is also tasked with presenting proposals on how public financing of welfare services run by private operators might be structured so as to ensure equality of treatment, quality, socio-economic efficiency, a demand-driven approach and transparency.

After a majority in the Swedish Parliament adopted a declaration on 16 June 2015 calling on the Government to change the committee's terms of reference, on 5 November 2015, the Government issued supplemental terms of reference to the already-appointed committee. According to the supplemental terms of reference, the committee's duties have, among other things, been changed on the following points: (i) the examiner shall further develop the considerations made by the owner assessment committee (see below) by examining the need for individual operators to hold a permit to conduct operations in accordance with the Social Services Act (Sw. *socialtjänstlagen* (2001:453) – “**SoL**”) and the Act concerning Support and Service for Persons with Certain Functional Impairments (Sw. *lagen* (1993:387) *om stöd och service till vissa funktionshindrade* – “**LSS**”) and shall further develop the proposals of the owner assessment committee regarding requirements for a long-term economic approach, understanding, experience and suitability for a permit to conduct operations in accordance with SoL and LSS; (ii) the examiner shall analyse how various quality gauges might be used in a strategic manner in conjunction with, for example, procurement of welfare services and follow-up of performed welfare services; (iii) the examiner shall analyse and evaluate the advantages and disadvantages of reporting economic information regarding welfare services on a unit level and only propose provisions if such reporting of the advantages is considered to weigh more heavily; (iv) within the scope of the committee's assessment as to how the free healthcare choice system under the Act on Free Healthcare Choice System (Sw. *lagen* (2008:962) *om valfrihetssystem* – “**LOV**”) is to be legally classified, the examiner shall study the need for increased possibilities to exclude operators from the free healthcare choice system; and (v) the committee was relieved of the task of proposing how regulation might be changed so that county councils would not be obliged to have a care choice system in primary care in accordance with LOV. The aspects of the committee's assignment relating to a new regulatory framework for the performance of welfare services guaranteeing the use of public funds must be reported not later than 1 November 2016. As regards to other aspects of the assignment, the committee examination period has been extended and the assignment in this regard must be reported not later than 2 May 2017.

In January 2015, a final report (SOU 2015:7) was presented by the so-called owner assessment committee. The committee proposes, among other things, that private operators must hold

a permit from the Health and Social Care Inspectorate (Sw. *Inspektionen för vård och omsorg* – “**IVO**”) in order to engage in operations involving home care services and that the obligation to hold a permit shall apply to home care service operators irrespective of the type of procurement. The committee also proposes, among other things, that a party which is applying for approval or a permit pursuant to, among other things, SoL or LSS, must be able to prove that it possesses the economic conditions for conducting long-term operations. Among other things, requirements shall apply to owners with significant influence over the legal entity applying for an approval or a permit. In the committee's opinion, the proposals are of positive importance for public confidence in the welfare sector and the proposals are not considered to have any directly adverse consequences as regards diversity of operators within the welfare sector. If adopted, the proposed legislative amendments are expected to enter into force not earlier than 1 July 2016.

If such legislative requirements, reforms or other regulatory changes as described above are introduced on any of the Group's markets, this might result in the business models of private health and care operators being challenged and the operators' costs for regulatory compliance might increase. The aforesaid applies particularly with respect to new regulatory changes which restrict (i) the possibilities available to health and care operators to cover their costs, as a result of a prohibition on profit generation or only extremely limited profit generation being allowed; or (ii) the possibilities for private health and care operators to transfer profits to their shareholders. Furthermore, there is also a risk that extensive plans for increased regulation, which have been couched in general terms, will lead to local and national authorities deciding that certain publicly financed health and care services already provided by private operators will no longer be provided by private operators, and that public financing of privately performed health and care services shall be restricted or cease entirely.

In addition, the final result of on-going or planned investigations, investments or measures proposed or taken by relevant authorities is unknown. All in all, the circumstances described above may result in a reduced market share for the Group on those markets on which it operates and may restrict its growth possibilities and profitability. Such circumstances may also limit the Group's possibility to issue dividends or buy back its shares. Should any of these circumstances occur, this may have a material adverse effect on the Group's business, results and financial position.

The Group operates within a strongly regulated industry. Amendments and new interpretations of acts, regulations, ordinances and case law, as well as violations of regulatory provisions may have a material adverse effect on the Group's business, results and financial position.

The care sector is subject to extensive regulation on those markets on which the Group operates. For example, the Group is affected by, and is required to comply with, comprehensive and complex statutory instruments and regulations on national, regional and local levels. These relate to, among other

things, permits, availability and access to services, the quality of the services, employee qualifications and obligations, confidentiality provisions regarding patient medical records and other personal data regarding Humana's clients, public financing of care services, pricing of services, guidelines for the operations, and work environment and safety regulations.

Political, economic or other factors may lead to amendments or new interpretations of existing acts, regulations, ordinances, which may have a material adverse effect on the Group's business, results and financial position. As a consequence of such changes, the Group may, for example, incur increased operating expenses, experience reduced demand for its services, be forced to lower the prices for its services, receive reduced appropriations from the public purse, or be subject to new permit requirements. Amendments to statutory instruments that result in increased operating expenses need not necessarily always be followed by corresponding increases in appropriations to the Group from the public purse.

In addition, the Group may incur increased costs as a consequence of charges, fines, default fines or other sanctions imposed on the Group due to violations of governing provisions. Shortcomings in the Group's compliance with relevant acts, regulations, ordinances may also result in the Group's contract counterparties being entitled to terminate agreements. Deficient regulatory compliance, or what is perceived by the public sector as constituting deficient regulatory compliance, may also result in the Group acquiring a poor reputation and thereupon fewer contracts and fewer purchasers. Finally, deficient regulatory compliance may lead to the Group being forced to shut down its operations. Changes, violations, or perceived violations, of acts, regulations or ordinances may thus have a material adverse effect on the Group's business, results and financial position.

Increased exposure of publicly financed care services to competition may fail to materialise.

Private operators have achieved varying degrees of market coverage on the publicly financed markets in Sweden and Norway, where care services are largely provided by the public sector. Local and regional authorities who conduct operations within their respective areas decide which services are to be outsourced to private operators, and thereby determine to which extent the private care providers can penetrate the publicly financed market. The range of care services offered by private operators on the publicly financed markets in Sweden and Norway is thus dependent on political decisions taken by each municipality and regional authority in accordance with the statutory instruments governing such services.

Such political decisions may have a material adverse effect on the Group's business, results and financial position.

The Group's reputation is of crucial importance for the business and adverse publicity, whether justified or unjustified, regarding private care providers or the Group may have a material adverse effect on the Group's brand and reputation.

The Group's reputation is fundamental for maintaining good relations with current and potential clients and purchasers, particularly local and regional authorities, as well as supervisory authorities. Operations conducted by private health and care operators are monitored by the media and there is extensive media coverage of such operators. There is a risk that one or more serious incidents might occur, due to deliberate actions or negligence or, for example, due to defects or deficiencies in deliveries from suppliers to Humana, which might injure one or more of the Group's clients, or that the statutory instruments governing the Group's operations are violated. Such incidents or other incidents may give rise to adverse publicity and legal measures might be initiated against the Group and its employees. Such adverse publicity, whether justified or unjustified, and such legal proceedings, may have an adverse effect on the Group's brand and reputation, which might limit the number of potential clients who choose Humana in a free healthcare choice system and damage the Group's possibility to win or defend contracts with local and regional authorities. In addition, there is a risk that adverse publicity and legal proceedings might jeopardise existing contractual relations. Furthermore, any unsuccessful management by the Group of such incidents may result in further liability for the Group, entailing additional damage to the Group's brand and reputation. Adverse publicity regarding other operators within the care sector in Sweden, Norway and other countries may also detrimentally affect the Group, irrespective of whether the Group is responsible for, or otherwise involved in, the incident. All of the aforesaid may lead to loss of purchasers, clients and revenues, which may have a material adverse effect on the Group's business, results and financial position.

There is a significant risk that the Swedish Social Insurance Agency (Sw. *Försäkringskassan*) will ultimately decide to change the disbursement of assistance allowances from payment in advance to payment in arrears based on received work time reports, which would affect the Group's working capital requirements.

Within the *Humana Personal Assistance* business area, the Group receives personal allowance payments from the Swedish Social Insurance Agency and municipalities in accordance with LSS and the Social Insurance Code (Sw. *socialförsäkringsbalken (2010:10)* – "**SFB**"). Approximately 90 per cent of the assistance allowance payments that the Group receives are paid by the Swedish Social Insurance Agency. In practice, payments from the Swedish Social Insurance Agency often take place in advance, with settlement of account taking place in arrears in relation to the compensable time expended. The salaries that the Group pays to the personal assistant each month are financed from the payment that the Group received from the

Swedish Social Insurance Agency the month before. The Swedish Social Insurance Agency has given notice that it intends to change this procedure and, instead, pay assistance allowances in arrears based on received work time reports. As of the date of this Offering Memorandum, it has not been finally determined how or at what pace the change will be implemented. However, the Swedish Social Insurance Agency has taken a policy decision to implement payment in arrears of assistance allowances as from 1 October 2016. Depending on how the implementation takes place, this might, for example, lead to the Company requiring greater working capital, which it might be necessary to finance through borrowing. The Group currently estimates that such financing requirement will amount to SEK 200–300 million, which may have a material adverse effect on the Group's financial position.

The prices for care services are determined not only by the market, but can also be affected, limited or determined by national, local or regional authorities.

The prices for publicly financed care services can be affected, limited or determined by local, regional and national authorities, and thus the prices for care services are not determined solely by demand for, or access to, such services on these markets.

A major change in the structure of assistance allowances or other appropriations from public means might have an adverse effect on the Group's revenues. In Sweden, the Swedish Social Insurance Agency and municipalities pay assistance allowances at a standard rate of SEK 288 per assistance hour (2016), as decided by the Government. The standard rate does not depend on the revenue or wealth of the person entitled to personal assistance, nor on when or where the assistance is provided. When individual municipalities have themselves granted personal assistance, they can also reduce the assistance allowance to private operators. If several municipalities were to reduce the allowance, this would have an adverse effect on the Group's revenues. A reduction in the standard rate or a change in the structure of the allowance would affect, or might have an adverse impact on, the Group's revenues.

In addition, under the customer choice system in Sweden the municipalities may determine remuneration levels for services within, for example, elderly care. Decisions by municipalities regarding restrictions on the annual increase in remuneration levels within elderly care might have an adverse effect on the Group's revenues.

Thus, the payments received by the Group for performed services may thus decline as a consequence of measures taken by local and regional authorities. There is a risk that it will not be possible, wholly or partially, to compensate for changes in volume or pricing by offering additional services, implementing cost savings or adapting the price level to reflect inflation or increased operating expenses. Should one or more of such changes occur, this may have a material adverse effect on the Group's business, results and financial position.

The Group's operating revenue and profitability may diminish if the Group fails to successfully compete with public and private providers within the care sector.

The Group encounters competition from local, regional and national providers of care services, within both the public and private sector. The Group's ability to compete varies between different geographic areas depending on a number of factors, such as: the number of competitors and their respective ability to compete with the Group on the local market; the breadth in the Group's service offering; the Group's reputation locally; the dedication and professional knowledge of personnel; and the Group's ability to employ, retain and enter into cooperation agreements with skilled personnel within the care sector. In addition, public sector operators do not compete with the Group on a level playing field. Public sector operators are not required to compete with the best offering through public procurement, and public sector operators do not need to apply for permits for their respective activities. Public sector operators are also able to continue their operations despite economic losses and lower quality. To maintain a strong competitive edge, Humana must regularly develop its operations in order to offer the clients the best possible health and care services from a quality perspective at a competitive price.

If the Group fails to successfully compete with public and private sector providers of care services, this may, for example, result in a lower number of won or defended agreements and reduced demand for the Group's services, which may lead to a downturn in the Group's net revenue and profitability and have a material adverse effect on the Group's business, results and financial position.

The Group's ability to offer care services is dependent on permits and having personnel possessing the correct skills. The Group's business operations and growth are dependent on the Group being able to procure and maintain a number of permits necessary for the different parts of the business and to recruit and retain personnel within various professional groups, several of which are licensed. It is possible that permits that the Group requires in order to offer care services cannot be procured on reasonable terms, costs or at all. It may also be uncertain whether a permit is required to conduct certain operations and operations on a particular market and whether the Group, following an application, will ultimately be granted a permit.

A number of the permits that the Group has received in order to conduct operations are linked to properties owned or leased by the Group. If such properties are divested or if operations conducted in the properties must be relocated for some other reason, the Group will thus be forced to apply for new permits or to transfer permits for the affected part of the operations. In addition, as a consequence of the Offering, the Group may be obliged to apply for new permits to conduct its care operations, in the event the Offering is deemed to constitute a change in the ownership structure of the permit holder, which generally is a subsidiary within the Group. The permits held within the Group have formally been granted to individual subsidiaries. Consequently, the operations that are the subject of such

permits cannot be transferred to other subsidiaries. Instead, a new permit must be obtained, which may result in limitations on the implementation by the Group of restructurings which otherwise would have been desirable in order, for example, to reduce the Group's administrative costs.

In the event the granting, renewal or transfer of permits necessary for the operations is delayed, for example due to extended processing periods at IVO, or if it is unsuccessful or if the conditions set forth in the permits obtained by the Group cannot be fulfilled or changed, or if the Group conducts operations without necessary permits, this may have a material adverse effect on the Group's business, results and financial position.

The scope and volume of the services offered under framework agreements for the Group's operations in full responsibility homes may be uncertain and any incorrect assumptions and estimates by the Group may have a material adverse effect on the Group's results and financial position.

Many of the framework agreements that the Group enters into regarding operations in full responsibility homes do not include volume undertakings, and consequently the scope and volume of the services covered by such framework agreements may be uncertain. Since the Group enters into long-term leases for the premises used as full responsibility homes, the Group bears the risk that the operating revenue generated by the services in such premises will be lower than the personnel and lease costs associated with the premises. In full responsibility homes, the Group may also incur lease costs that exceed the net revenue relating to the premises if, for example, the lease term is longer than the term of the agreement for the services offered in the premises or if operating revenue relating to the premises diminishes.

Uncertainty regarding the scope and volume of the services to be offered by the Group may also affect the veracity and reliability of the Group's assumptions and estimates regarding personnel size and other costs associated with performance of the agreement and, consequently, the price terms contracted by the Group. If services are less profitable than the Group estimates or if the Group fails to achieve a sufficient occupancy level as regards treatment or housing within the Group's operations in full responsibility homes, this may have a material adverse effect on the Group's business, results and financial position.

The Group's operations in full responsibility homes are dependent on leases with property owners and control over premises.

Humana's services in full responsibility homes are normally provided in homes and premises that the Group leases from external property owners or otherwise controls. If property owners were to change the terms for such leases, during or after the lease term, this may lead to increased costs. Should any property owner decide to terminate, or not to extend, a lease during or after the lease term, this may result in a loss of revenue for the Group and that another private or public sector

competitor obtaining control over the premises. Changes in lease terms, lost leases or lost control over the premises may have a material adverse effect on the Group's business, results and financial position.

Serious errors or disruptions in the Group's data systems may have a material adverse effect on the Group's business, results and financial position.

The Group's ability to handle personal data, patient medical records and to carry out other activities critical to the business in an efficient and secure manner is dependent on the smooth and undisrupted functioning of the Group's IT system and IT routines. All outages or disruptions in these systems, including such caused by sabotage, computer viruses, operator errors, software errors or termination of IT agreements of importance for the Group, may have a material adverse effect on the Group's business. Notwithstanding that the Group endeavours to minimise such risks, for example through the use of firewalls, encryption and parallel data centres for backup copying and by maintaining good relations with providers of IT licences and services, it is possible that such disruptions, due to their length or seriousness, have a material adverse effect on the Group's business, results and financial position.

The Group's ability to expand its business may be adversely affected if suitable acquisition possibilities cannot be identified, if acquired operations cannot be successfully integrated or if the Group misjudges the possibilities for organic growth.

The Group is planning to continue to develop its business operations primarily through organic growth combined with acquisitions. Success in the Group's acquisition strategy depends on several factors, such as the Group's ability to identify suitable businesses for acquisition, reach agreement on acceptable purchase terms, and finance the acquisitions. It is possible that the Group's future acquisitions cannot be carried out on favourable terms. It is also possible that, in the future, there will not be a sufficient number of attractive objects available for acquisition by the Group or that the Group will not secure necessary financing.

There are also business risks, tax risks and economic risks associated with acquiring and integrating companies into the Group's existing business operations, for example, but not limited to, exposure to unknown obligations as well as acquisition and integration costs that are higher than expected. It is possible that the Group's assessments and assumptions regarding possible or implemented acquisitions (including assumptions regarding synergies) will prove to be incorrect or that obligations, contingent liabilities or other risks previously unknown to the Group might arise. Likewise, the Group's assessments and assumptions concerning the possibilities and prospects for organic growth may prove to be incorrect and obligations, unforeseen events or other risks that were unknown to the Group may arise.

The Group might also divest operations that no longer fit in with the Group's strategy. Several factors affect success in any divestment, for example the Group's ability to identify a buyer

and the Group's ability to negotiate acceptable revenue terms. In addition, it is possible that the Group might be required to provide certain warranties and undertakings in connection with such a sale. Going forward, the Group might find it difficult to divest operations or assets or might fail to successfully complete such divestments on terms favourable for the Group.

If any of the above factors were to occur, this may have a material adverse effect on the Group's business, results and financial position.

The Group is dependent on its senior executives and being able to recruit, enter into cooperation agreements with, and retain key individuals and qualified personnel at a reasonable cost.

The Group has an experienced management group possessing great factual knowledge as regards the management of care operations and which has delivered good results in terms of achieved organic growth as well as acquiring and integrating new operations. Consequently, the Group's business is dependent on the continued participation of management. The loss of any of these employees, or inability to attract and retain qualified management personnel in the future, may adversely affect the Group's business, results and financial position.

In addition, the Group's operations are very employee-intensive and, in 2015, the Group had approximately 14,000 full-year and part-time employees. Furthermore, skills requirements and the need for specialists are high within several areas of the Group's operations. Due to an anticipated shortage of qualified personnel in the coming years, the Group anticipates that competition for qualified personnel will become ever more intensive. Consequently, the Group might not be able, at a reasonable cost, to recruit, or enter into cooperation agreements with, a sufficient number of employees to conduct the operations or to grow. If the Group does not succeed in attracting and retaining highly qualified personnel in exchange for reasonable remuneration and other conditions, it may be difficult for the Company's senior management to conduct the operations efficiently or achieve the Group's growth targets, which may have a material adverse effect on the Group's business, results and financial position.

The Group may be detrimentally affected by employment disputes, etc. with the employees' trade unions.

Most of the Group's employees are covered by collective agreements. The round of negotiations regarding collective agreement in Sweden in 2016 will lead to renegotiation of the collective agreements covering the Group's employees. In Sweden, the collective agreement between the Association of Private Care Providers (Sw. *Vårdföretagarna*) and the Swedish Municipal Workers' Union (Sw. *Kommunal*) regarding personal assistance will expire on 30 June 2016 and regarding treatment activities will expire on 30 November 2016. In Norway, the Main Agreement (No. *Hovedavtalen*) between the Confederation of Norwegian Enterprise (No. *Næringslivets Hovedorganisasjon*) (representing the employers) and The Norwegian Confederation of Trade Unions (No. *Landsorganisasjonen*)

(representing the employees) expires on 31 December 2017. There is a risk that when the existing agreements expire, the Association of Private Care Providers and the Confederation of Norwegian Enterprise will be unable to enter into new collective agreements on satisfactory conditions without stoppages, strikes or similar industrial dispute measures. If such events occur, this might disrupt the Group's business, lead to a damaged reputation, higher salaries and benefits or otherwise have a material adverse effect on the Group's business, results and financial position.

The Group is also obliged to negotiate and consult with the employees' trade unions on a long list of issues, which may impede or delay the implementation of certain corporate transactions. Although the Group has not experienced any serious stoppages and in general considers itself to enjoy good relations with the trade unions in Sweden and Norway, it is possible that the Group will be detrimentally affected by protracted negotiations or even strikes, stoppages or other industrial dispute measures in connection with negotiations and consultation. Protracted negotiations with the employees' trade unions as well as industrial disputes may prevent or delay the Group's possibilities to implement certain corporate transactions, which may have a material adverse effect on the Group's business, results and financial position.

Violations of data protection legislation may seriously damage the Group's reputation and have a material adverse effect on the Group's business, results and financial position.

The Group's operations are subject by data protection legislation, including for example the Swedish Personal Data Act (Sw. *Personuppgiftslagen (1998:204)*), the Swedish Patient Data Act (Sw. *Patientdatalagen (2008:355)*) and, in Norway, the Norwegian Act on Personal Health Data Filing Systems and the Processing of Personal Health Data (No. *Lov om helseregistre og behandling av helseopplysninger*). Relevant rules require, among other things, that requisite routines be in place for the processing, storage and deletion of personal data; that individuals be correctly informed regarding the Group's processing of personal data; and that risk assessments and revisions be carried out in accordance with applicable rules. Notwithstanding that the Group is continuously engaged in improving its processes and routines, unauthorised disclosure or incorrect processing of personal data may occur. This may give rise to adverse publicity and damage the Group's reputation and lead to loss of purchasers, clients and revenue. It may also result in fines, claims in damages from individuals and injunctions from supervisory authorities to effect rectification. Violations of data protection legislation may thereby have a material adverse effect on the Group's business, results and financial position.

If the Group is unable to fulfil relevant contractual obligations, this may lead to termination of agreements.

Agreements with public sector purchasers such as local and regional authorities generally contain provisions regarding applicable requirements for the offering of care services. The

municipality or the regional authority or another contracting party may be entitled to terminate a framework agreement or an outsourcing contract with the Group in the event the Group is in material breach of its contractual obligations. Notwithstanding that a framework agreement with the municipality or other authorities does not entail per se a guarantee regarding purchases of services or placement, the termination of a number of the Group's major framework agreements might have a material adverse effect on the Group's business, results and financial position.

The Group may be the subject of legal proceedings, investigations and proceedings.

The Group may be adversely affected by court decisions, settlements, unexpected costs or other effects of legal and administrative proceedings and of investigations by supervisory authorities or other bodies that are pending or might be initiated in the future. The Group is currently not a party in any significant legal or administrative proceedings, but may, however, in the future become the subject of claims as well as legal or administrative proceedings which, in certain cases, are considered normal within the scope of the business, including legal measures based on actual or alleged incorrect treatment, personal injury in connection with the Group's provision of care services, violations of work environment and work safety regulations, and breach by the employees of rules or internal policies and guidelines. The Group may also suffer from adverse publicity and incur increased operating expenses as a result of changes in the business operations implemented in order to comply with applicable provisions. In the case of certain proceedings, claimants may claim both damages as well as other compensation which, if awarded, would entail expenses for the Group, and the Group might ultimately incur costs relating to such proceedings which exceed current or future financial provisions or the Group's insurance cover. According to law in Sweden and Norway, damages in connection with claims brought regarding incorrect treatment are generally limited, but any future changes or changed interpretation of such statutes may lead to a large number of claims against the Group. Liability incurred by the Group as a consequence of such claims, writs or complaints may have an adverse effect on the Group's business, results and financial position.

Even if it is ultimately established that the Group or its members of the board and senior executives or employees are not liable, it may be costly and time-consuming to conduct a defence against claims and writs and may demand resources from senior management, give rise to adverse publicity and thereby damage the Group's reputation and result in regulatory investigations. Such circumstances might have a material adverse effect on the Group's business, results or financial position.

Insufficient protection for intellectual property, inability to defend granted intellectual property rights or infringement of third party intellectual property rights may have a material adverse effect on the Group's business, results and financial position.

Humana owns a number of trade marks, domain names and other intellectual property rights. The Group also licenses trade marks and copyright-protected material regarding, among other things, treatment methods from third parties. There is, however, a risk that the Group is insufficiently protected in respect of the trade marks used in the operations and there may be difficulties in defending granted trade marks and other intellectual property rights. Furthermore, there is a risk that any of the trade mark applications submitted to registration authorities cannot or will not be granted. For example, the Group has not yet managed to register the Humana trade mark in Norway, due to a trade mark previously registered by a third party. Humana is currently a party to proceedings at the Norwegian Industrial Property Office (No. *Patentstyret*) concerning the right to use the word Humana in Norway. There is also a risk that Humana will be deemed to be committing, or have committed, infringement of intellectual property rights held by third parties. In the event Humana is unsuccessful in protecting and maintaining its intellectual property rights or is deemed to infringe, or have infringed, intellectual property rights, or if licence agreements are terminated, this may have a material adverse effect on the Group's business, results and financial position.

Inability to comply with covenants regarding the Company's existing borrowing or to refinance any existing borrowing as it matures may have a material adverse effect on the Group's business, results and financial position.

As of 31 December 2015, the Group's existing credit facilities totalled SEK 2,020 million. In connection with the Offering, the Company will carry out a refinancing of the existing financing arrangements. The new credit facility agreement will contain customary terms and covenants.

It is possible that, in the future, the Group may breach financial covenants in credit and loan agreements due, for example, to the general economic situation and market disruptions, which may have a material adverse effect on the Group's business, results and financial position.

Notwithstanding that, taking into account the new financing, the Group's financial position is currently deemed to be stable, the Group may need additional financial resources, for example to refinance loans or because other financing agreements mature and to facilitate corporate acquisitions or otherwise to achieve strategic goals. There is a risk that such financial resources may not be secured on terms that are favourable for the Group. Access to additional financing is affected by a number of factors, such as market conditions, general access to loans and the Group's credit rating and credit capacity. Disruptions and uncertainty on the capital and credit markets may also limit access to the capital required in order to conduct the business operations.

The Company may need to reassess the value of goodwill and other intangible assets.

Goodwill represents a significant part of the Company's balance sheet. Goodwill is not amortised but is instead tested annually for any impairment and as soon as there are any indications that the asset in question has diminished in value. Humana monitors relevant circumstances that affect the Company's operations and the Company's general financial situation and the possible impact such circumstances may have on valuation of the Company's goodwill and other intangible assets. It is possible that changes in such circumstances, or in many of the factors that the Company takes into account in conjunction with its assessments, assumptions and estimates in connection with the valuation of goodwill and other intangible assets, may require the Company to make goodwill impairments or other intangible assets in the future. Goodwill impairment or amortisation of other intangible assets and charges associated therewith, may have a material adverse effect on the Company's business, financial position and results.

The Group is exposed to tax-related risks.

The Group conducts its operations, including intra-group transactions, in accordance with its interpretation and understanding of applicable tax legislation and tax agreements, as well as requirements imposed by respective tax authorities in Sweden and Norway. The Group has previously been the subject of tax audits and increased tax assessments, primarily relating to the Group's handling of value added tax ("VAT"). Increased tax assessments have primarily been due to the fact that, in principle, the Group conducts operations that are entirely exempt from VAT, but to a certain extent has provided internal group services on which VAT is payable, a factor which has given rise to allocation issues from a VAT perspective, and also as regards the extent to which certain services should have been invoiced with VAT, and the extent to which input VAT on external acquisitions has been deductible. It is possible that the Group's interpretation and application of relevant acts, regulations, case law and the tax authorities' administrative practice in these and other respects has been, or in the future will be, incorrect, or that such acts, regulations, case law or administrative practice will be changed, possibly with retroactive effect. The Group's tax situation in respect of both previous years and the current tax year may, therefore, be changed as a consequence of decisions by relevant tax authorities or due to changed legislation, agreements and other provisions. Such decisions or changes, possibly with retroactive effect, may have a material adverse effect on the Group's business, results and financial position. In this context it may be noted in particular that an extensive review of the Swedish corporate taxation rules is currently underway. It is not yet possible to predict if and when any new rules will enter into force or how they will ultimately be structured as a consequence of the review, but the review constitutes a concrete example of such changes in legislation as may have a material adverse effect on the Group's business, results and financial position.

The Group is exposed to interest rate risks.

The Group is exposed to changes in interest rates due to its financing agreements with variable interest. Under the new financing, after the Offering the Group will have approximately SEK 1,700 million in outstanding borrowing under its variable interest loan facilities. The Group is thus susceptible to interest rate changes.

Interest rates are affected by a number of factors beyond the Group's control, including but not limited to the interest rate policies of governments and central banks on the geographic markets on which the Group conducts operations. A rate increase means that the Group's interest rate obligations increase, which may have a material adverse effect on the Group's business, results and financial position.

The Group uses interest rate derivatives in order to manage its interest rate exposure. It is, however, possible that current or future hedging measures will fail to provide the Group with sufficient protection against the adverse effects of interest rate movements. In addition, the success of the Group's hedging activities is largely dependent on the accuracy of its assumptions and forecasts. Any incorrect assessments which affect such assumptions and forecasts may have a material adverse effect on the Group's business, results and financial position.

The group is exposed to currency translation risks.

The Group is exposed to currency translation risks in relation to NOK. This risk arises in conjunction with the translation to the Group's reporting currency (SEK) of balance sheet items reported in NOK. A portion of the Group's assets, liabilities, revenues and expenditures are reported in NOK in the Group's Norwegian subsidiaries and a portion of the Group's borrowing is denominated in NOK. If the Group's measures to hedge or otherwise manage the effects of exchange rate movements prove to be insufficient, this may have an adverse effect on the Group's business, results and financial position.

The Group's insurance cover may prove to be insufficient and its premiums may increase.

The liability insurance and other insurance cover held by the Group with the aim of covering any incorrect treatment and other claims is considered to be sufficient and in accordance with applicable laws and industry practice. However, the Group may be exposed to a number of other claims. Furthermore, claims may arise which exceed or are not covered by the insurance. Notwithstanding the Group's insurance cover, claims against the Group may result in an increase in the premiums the Group pays under its insurance contracts. It is possible that, in the future, the Group will be unable to procure or maintain liability insurance on acceptable terms. Insufficient insurance cover or significant increases in insurance premiums may have a material adverse effect the Group's business, results and financial position.

RISKS RELATED TO THE SHARE AND THE OFFERING

The Company's principal owners have previously had, and will continue to have, a significant influence over the Company, and the principal owners' interests may conflict with the interests of other shareholders.

Assuming that the offer price corresponds to the midpoint in the Price Range, upon completion of the Offering Argan Capital will own approximately 58.1 per cent of the shares and votes in the Company (assuming that the Over-Allotment Option is not exercised). Argan Capital will be the largest shareholder in the Company and have significant influence over the Company. Argan Capital will thus be able to dictate the outcome of most issues voted upon at general meetings, such as the election of board members, the issuance of additional shares and share-related securities which may result in a dilution for existing shareholders as well as resolutions regarding any dividend.

Argan Capital's interests may differ significantly from, or compete with, the interests of the other shareholders and it is possible that Argan Capital may exercise its influence over the Group in a manner which is not in the interests of other shareholders. There may, for example, be a conflict of interest between the Principal Owner, on the one hand, and other shareholders, on the other, regarding resolutions concerning dividends.

Future sale of a large number of shares may have an adverse effect on the share price

Assuming that the offer price corresponds to the midpoint in the Price Range, upon completion of the Offering Argan Capital will own approximately 58.1 per cent of the shares and votes in the Company (assuming that the Over-Allotment Option is not exercised). Any sale of a large number of shares by major owners or members of the board or the senior executives following the period of restrictions on sales under the lock-up agreements may adversely affect the share price.

The share price may fluctuate and fall below the price in the Offering.

No official trading in the shares has taken place prior to the Offering. It is possible that liquid trading in the shares will not develop or, if such is developed, it will not continue after completion of the Offering. It is possible that the price per share in the Offering (the "Offer Price") will not be guiding for the share price once the shares are listed. In addition, the share's liquidity and price after the listing may fluctuate significantly due to a large number of factors, including those mentioned in this section as well as changes on the stock market and in general economic conditions which may adversely affect the share's liquidity and price, irrespective of the Group's actual results or conditions on its main markets. The Offer Price will be decided by Argan Capital and the Company in consultation with Joint Global Coordinators, based on factors which perhaps are not guiding for future market conditions.

Share prices of listed companies can be very volatile.

The share prices of listed companies can be very volatile. The price at which shares are listed and the actual price that the investors pay for their shares are affected by a large number of different factors, some of which are specific to the Group and its business while others affect the care industry as a whole or listed companies in general. Such factors include, but are not limited to: the Group's financial results, major purchases or revenue of shares, changed legislation and regulations within the care industry, economic and finance markets in general. In addition, the securities markets have experienced major price and volume fluctuations in recent years. Such variations may adversely affect the share price in the future and lead to losses for the shareholders, irrespective of the Group's results or financial position.

The Company's ability to pay dividends in the future depends on a large number of different factors.

Decisions regarding future distribution of dividends will be taken by the Company's shareholders at general meetings. The Company's ability to pay dividends in the future depends on a large number of different factors, including but not limited to: the Company's business, future profits, financial position, results, unrestricted reserves, cash flows, prospects, capital requirements, the ability of the subsidiaries to pay dividends to the Company, loan terms, general financial and statutory restrictions, as well as other factors which the Company's management considers to be important from time to time. It is possible that no dividend can or will be paid out in the future.

U.S. and other foreign shareholders can perhaps not obtain pre-emption rights.

In conjunction with increases in the Company's share capital, as a general rule existing shareholders enjoy a pre-emptive right to subscribe for new shares, unless the shareholders have adopted a resolution at the general meeting to deviate from the pre-emptive rights. U.S. shareholders are usually excluded from the possibility to exercise such pre-emptive rights, unless the subscription rights and the shares have been registered in accordance with the Securities Act or if there is an exemption from the registration requirement under that act. It is not likely that the Company will submit any such registration application and the Company cannot guarantee future investors that an exemption from the registration requirement, which makes it possible for U.S. and other foreign shareholders to exercise pre-emptive rights, will be applicable or available or, if available, that the Company will exercise such an exemption.

Changes in exchange rates may have an adverse effect on the value of foreign shareholders' holdings and dividends.

The shares are denominated, and any dividends will be paid out, in SEK. An investment in shares by investors whose main currency is not SEK, will result in an exchange rate risk for the investor. Any weakening of SEK compared with a foreign currency will reduce the value of the investment in the shares and any dividend in foreign currency, while any strengthening of SEK will increase the value in foreign currency of the investment in the shares and dividends.

As a listed company, the Group will be subject to legal regulation and public authority requirements, which may place strains on the Company's resources and increase its costs.

As a company listed on Nasdaq Stockholm, Humana will be required to comply with specific statutory instruments and requirements, including Nasdaq Stockholm's rule book for issuers, with which the Group was not required to comply prior to the listing. Consequently, the Group will incur legal, accounting and other expenses which the Group did not incur prior to the listing on Nasdaq Stockholm. Furthermore, compliance with such statutory instruments and requirements requires the expenditure of considerable time by the Company's board of directors and senior management, which might adversely affect their possibility to attend to other aspects of the business.

The Company's future offerings of securities may affect the share price.

In the future, Humana may seek to raise additional capital by issuing shares, preference shares and other share-related securities, promissory notes, commercial papers or bonds. In the event of liquidation, holders of promissory notes, lenders and holders of preference shares will confer preferential rights to the Company's funds over ordinary shares. The issuance of additional securities may entail dilution of the economic rights and voting rights of the Company's existing shareholders and/or reduce the share price. Preference shares can, if issued, enjoy priority as regards the payment of dividends, a factor which may limit the Company's ability to distribute dividends to shareholders. Since the issuance of securities by the Company in any future offerings will be dependent on market conditions and other factors beyond its control, the Company is unable to foresee or estimate the scope of, the time for, or the structure in, any such future offerings. Consequently, the Company's shareholders run the risk that any future offerings will reduce the market value of the share and dilute their shareholdings in the Company.

The Anchor Investors' commitments are not secured.

Zeres Capital, Bodenholm Capital, Handelsbanken Fonder, Incentive, ODIN Fonder and Swedbank Robur (the "**Anchor Investors**") have agreed to acquire shares in the Offering, on the same terms and conditions as other investors, at an amount of SEK 125 million, SEK 65 million, SEK 65 million, SEK 65 million, SEK 65 million and SEK 65 million respectively. However, the Anchor Investors' undertakings are not secured through bank guarantees, blocked funds or pledging of collateral or any similar arrangement. Hence, there is a risk that the Anchor Investors will not be able to fulfil their undertakings. Furthermore, the Anchor Investors' undertakings are subject to certain conditions. In the event that any of these conditions are not fulfilled, there is a risk that the Anchor Investors may not fulfil their undertakings, which could have an adverse effect on the completion of the Offering.

Invitation to acquire shares in Humana

With the aim of supporting the Group's development and growth, Argan Capital and the board of directors of Humana have decided to effect diversification in the ownership of the Company's shares through a combined issue of new shares and sale of existing shares. The board of directors of Humana has therefore applied for the Company's shares to be admitted to trading on Nasdaq Stockholm. The Offering comprises two parts: an offer to the general public in Sweden and an offer to institutional investors.

In accordance with the terms and conditions in this Offering Memorandum, Humana and the Selling Shareholders hereby offer investors to acquire not less than 12,622,721 and not more than 14,492,754 shares in the Company, of which the Company offers not less than 7,258,064 and not more than 8,333,333 newly issued shares and the Selling Shareholders offer not less than 5,364,657 and not more than 6,159,421 existing shares (the "**Offering**"). The Principal Owner will also undertake, upon request by Managers, to sell not more than total 1,932,366 additional shares, corresponding to approximately 13 per cent of the maximum total number of offered shares covered by the Offering, at a price corresponding to the Offer Price, in order to cover any over-allotment in connection with the Offering (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised in whole or in part during a period of 30 calendar days from the first day of trading in the shares on Nasdaq Stockholm. See also section "*Legal considerations and supplementary information – Material agreements, etc. – Placing Agreement*" for a more detailed description of the Over-Allotment Option.

The price per share in the Offering ("**The Offer Price**") will be determined through a book-building process and, consequently, will be based on demand and prevailing market conditions. The Company's board of directors, the Principal Owner and Joint Global Coordinators will jointly determine the final Offer Price within the range SEK 54–62 per share (the "**Price Range**"). The Offer Price to the general public will not exceed SEK 62 per share. The final Offer Price is expected to be published through a press release on or about 22 March 2016. The estimated first day of trading in the shares is 22 March 2016.

At the extraordinary general meeting held on 9 March 2016, it was resolved to issue new shares. The purpose of the share issue is to complete the Offering. Humana's board of directors was authorised to resolve which amount the Company's share capital is to increase with, the number of shares to be issued as well as the subscription price. The subscription price shall correspond to the Offer Price. The right to subscribe for new shares shall, with deviation from shareholders' preferential rights, be given to the general public in Sweden, institutional investors in Sweden and institutional investors in certain other jurisdictions. The board of directors of Humana is expected to determine the final conditions for the share issue on or about 21 March 2016 and the number of shares issued will depend on the Offer Price. Through the share issue, Humana will raise approximately SEK 410 million after deduction of costs in relation to the Offering.

Following completion of the Offering and the issue of new shares intended to be completed in connection therewith, and assuming that the share issue is completed at a subscription price per share corresponding to the midpoint in the Price Range, the number of shares will total 53,640,620. In the event the share issue is carried out at a subscription price corresponding to the lowest or highest price in the Price Range, respectively, the number of shares will total 54,215,333 and 53,140,064, respectively.

Following completion of the Offering, the Principal Owner's holding in Humana will amount to approximately 58.1 per cent of the total number of shares (assuming that the Offer Price corresponds to the midpoint in the Price Range and that the Over-Allotment Option is not exercised). In connection with the Offering, the Principal Owner and share-owning members of the board and the senior executives will undertake, subject to customary exceptions, not to sell their outstanding shares during a period of 180 and 360 days, respectively, following the first day of trading on Nasdaq Stockholm (see also "*Share capital and ownership structure – Lock-up agreements, etc.*"). For additional information regarding the Principal Owner and the number of shares the Principal Owner offers to sell in accordance with the Offering, etc., see the section "*Share capital and ownership structure – Ownership structure*". Following completion of the Offering, the Company's senior management and board of directors will hold approximately 12.4 per cent of the total number of shares (assuming that the Offer Price corresponds to the midpoint in the Price Range and that the Over-Allotment Option is not exercised).

Investors are hereby invited, in accordance with the terms and conditions of this Offering Memorandum, to acquire not more than 14,492,754 shares in the Company, corresponding to approximately 26.7 per cent of the total number of shares and votes in the Company following completion of the Offering (16,425,120 shares corresponding to 30.3 per cent assuming that the Over-Allotment Option is exercised in full). The total value of the Offering will amount to approximately SEK 783 million (approximately SEK 887 million assuming that the Over-Allotment Option is exercised in full). The costs incurred by the Company in respect of the Offering are estimated to approximately SEK 40 million.

In other respects, reference should be made to the full particulars of this Offering Memorandum, which has been prepared by the board of directors in Humana in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering made in connection with the listing.

Stockholm, 9 March 2016

Humana AB (publ)

Stockholm, 9 March 2016

Selling Shareholders

Background and reasons

Humana is a leading care company in the Nordic region, with approximately 14,000 full-year and part time employees providing services within individual and family care, personal assistance, as well as elderly care and housing with special service for individuals with functional impairments. In Sweden, Humana has established market leading positions within individual and family care and personal assistance. In Norway, Humana is the second largest provider of services within individual and family care. Since the 2009 financial year, Humana's operating revenue has increased from SEK 1,693 million to SEK 5,593 million for the financial year 2015.

Humana was founded in 2001 with a business concept of providing high quality personal assistance services. Per Granath was appointed CEO of Humana in 2006, and in 2008 Argan Capital became the majority shareholder in the Company. In connection therewith, Humana increased its growth rate within the personal assistance area and expanded subsequently its operations to cover the individual and family care segment, as well as elderly care and housing with support and service for individuals with functional impairments. Expansion has taken place both organically and through acquisitions, including the strategically important acquisitions of Avesina Äldreomsorg in 2010 and the individual and family care companies Baggium Vård och Behandling in 2011, as well as INOM – Innovativ Omsorg i Norden AB in 2014. Through the acquisition of INOM, Humana also established operations in Norway and recruited Humana's current CEO and President Rasmus Nerman. Humana has now established itself as the leading private provider of services within individual and family care and personal assistance on the Nordic market, with an organisation focused on quality and a strong corporate culture.

Humana's strategy has been, and is expected to also in the future be, to focus its operations towards segments characterised by full responsibility homes and customer freedom, which results in a high share of individual contracts (today representing 93 per cent of the Group's revenue). The Company makes the assessment that it is within these segments that opportunities exist for long-term growth by focusing on quality and customer benefit. Humana has been very successful in rapidly developing leading positions within these focus areas.

In addition, Humana intends to continue to develop the Company in the direction and on the scale that has taken place historically, entailing that Humana aims to gain market shares through a continued strong focus on quality, customer benefit and corporate culture. The Company believes that there are good growth opportunities through continued development in the current structure, larger and smaller acquisitions, as well as continued geographic expansion. Humana will continue to prioritise and anchor the Company's clear ethic principles in new operations that are added to the Company.

Argan Capital and Humana's board of directors believe that this is now a suitable time to broaden Humana's ownership and apply for listing of the Company's shares on Nasdaq Stockholm. The Offering and listing of the Company's shares on Nasdaq Stockholm is expected to benefit the Company's future growth possibilities and strategy by providing additional financial strength for further development of Humana's services. As a result of the listing on Nasdaq Stockholm, Humana will gain access to the Swedish and international capital markets. In addition, the Company is expected to benefit from a more diversified ownership base comprising institutional investors and private individuals. A listing of the Company's shares is also expected to increase awareness of the Company and of the private health and care sector, which in turn is expected to enhance Humana's status as a quality operator in the Nordic care sector. Humana also makes the assessment that the increased transparency resulting from the listing of the shares will benefit its clients and employees.

In the event of full subscription, the share issue in the Offering is expected to raise approximately SEK 450 million for Humana, before deduction of approximately SEK 40 million in costs to be paid by the Company in relation to the Offering. Consequently, through the Offering, Humana expects to obtain net proceeds of approximately SEK 410 million. The Company intends to use the net proceeds to reduce current indebtedness and pay costs associated therewith in order to achieve a net debt/equity level which fulfils the financial objective established by the board of directors with respect to the capital structure (see the section entitled "*Capital structure, indebtedness and other financial information – Capital structure in connection with the listing*"). With the capital structure that Humana will have following the listing, the Company is of the view that it will be in a sound financial position for investments in newly started operations and supplemental acquisitions. Humana will receive no proceeds from sales of shares in the Offering by the Selling Shareholders.

The board of directors is responsible for the content of this Offering Memorandum. The board of directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this Offering Memorandum is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stockholm, 9 March 2016

Humana AB (publ)

The board of directors

Terms and conditions

To facilitate the description of the Offering, this section does not distinguish between the newly issued shares and the existing shares offered for sale.

THE OFFERING

The Offering comprises a minimum of 12,622,721 and a maximum of 14,492,754 shares, of which a minimum of 7,258,064 and a maximum of 8,333,333 newly issued shares and a minimum of 5,364,657 and a maximum of 6,159,421 existing shares. The Offering is divided into two parts:

- The offer to the general public in Sweden¹⁾
- The offer to institutional investors in Sweden and internationally²⁾

The outcome of the Offering is expected to be published through a press release on or about 22 March 2016.

OVER-ALLOTMENT OPTION

The Principal Owner intends to issue an option to Managers, that can be exercised in full or partially, entailing that Managers, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm have an option to acquire an additional number of maximum 1,932,366 existing shares, corresponding to maximum approximately 13 per cent of the highest number of shares in the Offering, corresponding to the Offer Price in the Offering, in order to cover any over-allotment in connection with the Offering (the "**Over-Allotment Option**"). See the section entitled "*Legal considerations and supplementary information – Material agreements, etc. – Placing Agreement*".

ALLOTMENT OF SHARES

The allotment of shares for each part of the Offering will be based on demand. The allotment will be determined by the Company's board of directors and the Principal Owner in consultation with the Joint Global Coordinators.

Book-building process

To achieve a market-based pricing of the shares in the Offering, institutional investors will be provided the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process will take place during the period 11 March – 21 March 2016. The Offer Price for all shares in the Offering will be determined through this process. The book-building process for institutional investors may be terminated prior to the date indicated herein or extended. Announcement of such termination or extension

will be made through a press release. See also below, "*– Application – The offer to institutional investors*".

The Offer Price

The Offer Price is expected to be set within the range of SEK 54–62 per share. The Price Range has been set by Humana's board of directors and the Selling Shareholder in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors. The Offer Price to the general public will not exceed SEK 62 per share. Brokerage commission will not be charged. The finally determined Offer Price is expected to be announced on or about 22 March 2016.

APPLICATION

The offer to the general public

Applications from the general public for acquisition of shares should be made during the period 11 March 2016 – 18 March 2016. Applications should relate to a minimum of 200 shares and a maximum of 15,000 shares³⁾, in even lots of 50 shares each.

The Company and the Principal Owner, in consultation with Joint Global Coordinators, reserve the right to extend the application period. Such extension will be announced through a press release before the end of the application period.

Application via Carnegie

Applicants applying to acquire shares with Carnegie must have a securities account or an Investment Savings Account with Carnegie.

As regards customers with an Investment Savings Account with Carnegie, if the application results in allotment, Carnegie acquires a corresponding number of shares in the Offering and sells the shares to the customer at the price applicable in accordance with the Offering. Application can be made through contact with the customer's adviser at Carnegie. Any customer who lacks an adviser should contact the Private Service via privattjansten@carnegie.se. Applications must be received by Carnegie not later than 17.00 CET on 18 March 2016.

1) The offer to the general public entails an offer of shares to private individuals and legal persons that apply for a maximum of 15,000 shares.

2) The offer to institutional investors entails an offer of shares private individuals and legal persons that apply for more than 15,000 shares.

3) Applicants who wish to subscribe for more than 15,000 shares should contact Carnegie, SEB, ABG or DNB in accordance with what is stated under the heading "*– The offer to institutional investors*".

Application via SEB

Applicants applying to acquire shares must have a securities account, a service account, a securities depository account with a securities institution of their choice or an Investment Savings Account with SEB. Investment Savings Accounts with another bank than SEB cannot be utilised. Applicants who do not have a securities account, a service account, a securities depository account with a securities institution of their choice or an Investment Savings Account with SEB, must open such an account prior to submission of the application form. Please note that it may take some time to open a securities account, a service account, a securities depository account or an Investment Savings Account. Applicants with SEB must also have a bank account with SEB. If the shares are to be registered in a securities account, a service account or a securities depository account in an institution that is not SEB, a bank account with SEB must be specified. The account with SEB must be a *Privatkonto*, *Enkla sparkontot*, *Företagskonto* or *Enkla sparkontot Företag*. If the shares are to be registered on a securities deposit or an Investment Savings Account with SEB, no bank account has to be specified. Only one account may be specified for payment and the account holder must be the same person applying for acquisition of shares. In connection with the acquisition of shares that are to be registered in an Investment Savings Account, payment must always be made using the funds available in that certain Investment Savings Account.

Applications must be made by using a certain application form which can be obtained at any SEB office. Application forms are also available on the Company's website (www.humana.se) and SEB's website for prospectuses (www.sebgroup.com/prospectus). Applications must have been received by SEB no later than 18 March 2016, by 17:00 CET. Note that certain bank offices close before 17:00 CET. Applications received late, as well as incomplete or incorrectly filled-in application forms, may be discarded. No amendments or additions may be made to pre-printed text.

Customers of SEB's internet bank that have a so-called *Digipass*, *BankID* or *Mobilt BankID* can also apply via SEB's internet bank. Instructions for participating in the Offering via SEB's internet bank are available on www.seb.se. Applications through SEB's internet bank must have been received no later than 18 March 2016, by 23.59 CET.

Only one application per person may be made and only the application that SEB receives first will be considered. Note that applications are binding.

The balance on the bank account with SEB or the securities depository account or the Investment Savings Account with SEB stated on the application form must, for the period from 00:00 CET on 21 March 2016 until 24:00 CET on 24 March 2016, correspond to at least the amount referred to in the application. Accordingly, the funds must be available in or deposited in the specified bank account, securities depository account or Investment Savings Account no later than on 20 March 2016 to ensure that the necessary amount is available in the stated bank account, securities depository account or

Investment Savings Account. This means that the account holder undertakes to keep the amount available in the specified account, securities depository account or Investment Savings Account for the aforementioned period and that the holder is aware that no allotment of shares will take place if the amount is insufficient during this period. Note that the amount may not be withdrawn during the stated period of time. As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive allotment. Funds which are not available will also give the right to interest during the specified period in accordance with the terms and conditions of the account, securities depository account or Investment Savings Account specified in the application. For SEB customers with an Investment Savings Account, SEB will, if the application results in allotment, acquire the corresponding number of shares in the Offering for further sale to the customer at the price in the Offering.

Application via Avanza

Custody account holders and internet customers at Avanza can submit applications via Avanza's Internet service. Instructions are available on www.avanza.se. Applications via Avanza's Internet service may be made commencing 11 March 2016 up to and including 18 March 2016.

The offer to institutional investors

The application period for institutional investors in Sweden and internationally takes place during 11 March – 21 March 2016. The Company and the Principal Owner reserve the right to shorten or extend the application period in the institutional offer. Any such shortening or extension will be announced by the Company through a press release. Applications from institutional investors in Sweden and abroad must be submitted in accordance with special instructions to Carnegie, SEB, ABG or DNB.

Employees within the Company

Employees within the Company who wish to acquire shares in the Offering must follow special instructions from the Company.

ALLOTMENT

Decision on allotment of shares is made by the Company's board of directors and the Principal Owner after consultation with Joint Global Coordinators, whereby the goal will be to achieve a good institutional ownership base and a broad distribution of the shares among the general public in Sweden, in order to facilitate a regular and liquid trading in the Company's shares on Nasdaq Stockholm. The allotment does not depend on when the application is submitted during the application period. Only one application per person will be considered.

The offer to the general public

In the event of oversubscription, allotment may take place with a lower number of shares than the application concerns, at which allotment wholly or partly may take place by random selection. Allotment to those persons receiving shares will

occur, in the first place, so that a certain number of shares are allotted per application. In addition thereto, allotment takes place with a certain, the same for all, percentage share of the excess number of shares that the application concerns and will only take place in even lots of 50 shares. Note that to qualify for allotment, the balance of the bank account, securities depository account or Investment Savings Account with SEB or Avanza stated on the application form must correspond to at least the amount that the application states, calculated on the basis of the maximum price in the Price range. In addition, employees within the Company and certain related parties to the Company as well as customers of Managers may be considered separately during allotment. Allotment may also be made to employees of the Managers, however, without them being prioritised. In such cases, the allotment takes place in accordance with the rules of the Swedish Securities Dealers Association (Sw. *Svenska Fondhandlarföreningen*) and the SFSA's regulations.

The offer to institutional investors

Decision on the allotment of shares within the framework of the offer to institutional investors in Sweden and internationally will, as mentioned above, be made with the aim of achieving a good institutional ownership base in the Company. Allotment among institutions that have submitted expressions of interest will be made on a wholly discretionary basis. However, the Anchor Investors are guaranteed allotment in accordance with their respective undertakings.

Employees within the Company

Allotment to employees in the Company will be of shares corresponding to a value of maximum SEK 30,000 per employee. In addition, certain senior executives and members of the board of directors may be allotted shares amounting to a higher value.

INFORMATION REGARDING ALLOTMENT AND SETTLEMENT

The offer to the general public

Allotment is expected to take place on 22 March 2016. Shortly thereafter, a contract note will be sent to those that have received allotment in the Offering. Those persons who have not been allotted shares will not be notified.

Information about allotment for applications submitted to Carnegie

Those persons who have applied via Carnegie can receive notice of allotment from their adviser or customer relations officer commencing 09:00 CET on 22 March 2016.

Information about allotment for applications submitted to SEB

Those persons who have applied via SEB can receive notice of allotment commencing 09:00 CET on 22 March 2016 on telephone number +46 (0)8 639 27 50. To receive information regarding allotment the following information must be provided: name, social security number/corporate registration

number and securities account, service account, securities depository account, Investment Savings Account or securities depository account number with the bank or securities institution.

Information about allotment for applications submitted to Avanza

Those persons who have applied via Avanza receive notice of allotment through issuance of contract note at the assigned account, which is expected to take place on or around 22 March 2016. Acquired and allotted shares shall be paid in cash in accordance with instructions on the contract note.

Payment for shares allotted via Carnegie

Custody account customers and customers with an Investment Savings Account at Carnegie can be expected to have their allotted but not yet paid for shares available on a designated securities account or Investment Savings account on 22 March 2016. Funds for payment must be available on the designated custody account or Investment Savings Account on 24 March 2016.

Payment for shares allotted via SEB

Payment is expected to be deducted from the bank account specified in the application on 23 March 2016 and from securities depository account or Investment Savings Account specified in the application on 24 March 2016.

Payment for shares allotted via Avanza

Custody account customers at Avanza can be expected to have their allotted but not yet paid for shares available on their securities account on 22 March 2016. Funds for payment for allotted shares must be available on the securities account during the period commencing 17:00 CET on 18 March 2016 up to and including 23:59 CET on the settlement date, 24 March 2016.

Insufficient or incorrect payment

If sufficient funds are not available on the bank account, securities depository account or Investment Savings Account on the settlement day or if full payment is not made in due time, allotted shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the price in the Offering.

The offer to institutional investors

Institutional investors are expected to receive information regarding allotment in a particular order on or about 22 March 2016, after which contract notes will be distributed. Full payment for allotted shares must be made in cash no later than on 24 March 2016. Note that if full payment is not made in due time, allotted shares may be transferred to another party. The party who initially received allotment of shares in the Offering may be liable for the difference in the event the selling price upon such sale is less than the price in the Offering.

REGISTRATION AND RECOGNITION OF ALLOTTED AND PAID-UP SHARES

Registration with Euroclear Sweden of allotted and paid-up shares is expected to take place on or about 24 March 2016 for both institutional investors as well as the general public, after which Euroclear Sweden will distribute a notice stating the number of shares in the Company that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the respective nominee.

LISTING ON NASDAQ STOCKHOLM

The board of directors has applied for a listing of the Company's shares on Nasdaq Stockholm. On 3 March 2016, Nasdaq Stockholm's listing committee decided, subject to the fulfilment of certain conditions, among other things the dispersion requirements in respect of the Company's shares, to admit the Company to trading on Nasdaq Stockholm. Trading is expected to commence on 22 March 2016. Paid-up shares will be transferred to the securities account, service account, securities depository account or Investment Savings Account, specified by the acquirer, following processing of the application by Carnegie, SEB, ABG and DNB. The time that is required to transfer the payment and shares to such accounts as specified by the acquirer implies that the acquirer will not have such shares available in the specified securities account, service account, Investment Savings Account or securities depository account until around 24 March 2016. In the event that shares are not available on the acquirer's securities account, securities depository account, service account or Investment Savings Account prior to, on or about, 24 March 2016 it could mean that the acquirer cannot sell these shares on Nasdaq Stockholm on the day the trading in the share begins, i.e. around 22 March 2016, but at the earliest when the shares are available on the securities account, securities depository account, service account or Investment Savings Account, see "*Important information regarding the possibility to sell allotted shares*" below. Moreover, trading will commence before the terms and conditions for the completion of the Offering have been fulfilled. Trading will be conditional on completion of the Offering and should the Offering not be completed, any shares supplied shall be returned and any payments cancelled. Trading which takes place on 22 March 2016 is expected to occur with delivery and settlement on 24 March 2016.

STABILISATION

In connection with the Offering, Joint Global Coordinators may carry out transactions on Nasdaq Stockholm in order to stabilise the market price of the share or maintain the price at a level that deviates from what would otherwise prevail in the market. Please refer to section "*Legal considerations and supplementary information – Stabilisation*".

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The final outcome of the Offering will be announced through a press release which will be available on the Company's website, (www.humana.se), on or about 22 March 2016.

RIGHT TO DIVIDEND

For acquirers, the shares carry a right to dividend for the first time on the record date for dividend that occurs immediately after completion of the Offering. Shareholders will be entitled to any future dividends, including any dividend the financial year 2016. There is no assurance that dividend will be proposed or resolved for any year. Payment will be administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Right to dividend accrues to persons registered as owners in the share register maintained by Euroclear Sweden on the record date determined by the general meeting of shareholders. Regarding deduction for Swedish preliminary tax, refer to the section "*Tax considerations – Certain tax considerations in Sweden*".

TERMS AND CONDITIONS FOR COMPLETION OF THE OFFERING

The Selling Shareholders, the Company and Managers intend to enter into an agreement on the placing of shares in the Company on 21 March 2016 (the "**Placing Agreement**"). For information regarding terms and conditions for completion of the Offering and the Placing Agreement, please refer to section "*Legal considerations and supplementary information – Material agreements, etc. – Placing Agreement*".

IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO SELL ALLOTTED SHARES

After payment has been received for allotted shares by Managers, the shares duly paid for will be transferred to the securities depository account or securities account designated by the investor. Due to the time required for distribution of paid shares, transfer of funds and transfer of shares acquired to investors, the shares acquired will not be available for the investors on the securities depository account or securities account until on or about 24 March 2016.

Trading in the shares on Nasdaq Stockholm is expected to commence on 22 March 2016. The fact that the shares will not be available on the investor's securities depository account or securities account before, at the earliest, 24 March 2016, securities depository account or securities account, may result in the investor being unable to sell the allotted shares on Nasdaq Stockholm on the first day of trading. Instead they may only be able to sell the shares once they are available on the securities depository account or securities account. Investors can from 22 March 2016 receive information regarding the allocation. See also "*– Allotment – The offer to the general public*".

OTHER INFORMATION

The fact that Carnegie, SEB, ABG and DNB are acting as Managers does not imply that Carnegie, SEB, ABG or DNB regard the person that has applied for shares in the Offering (the "**Acquirer**") as a client of the bank for the investment. For the investment the Acquirer is only regarded as a client of the bank if the bank has advised the Acquirer about the investment or has otherwise contacted the Acquirer individually about the investment or if the Acquirer has applied via the bank's office or internet bank. The outcome of the bank not regarding the Acquirer as a client for the investment is that the rules for protecting investors under the securities market laws will not be applied to the investment. Among other things, this means that neither so-called client classification nor so-called suitability assessment will be applied to the placement. As a result, Acquirers are themselves responsible for having adequate experience and knowledge to understand the risks associated with an investment.

INFORMATION ABOUT PROCESSING OF PERSONAL DATA

Anyone acquiring shares in the Offering will submit certain information to Carnegie, SEB and Avanza. Personal data submitted to Carnegie, SEB and Avanza will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from sources other than the customer may also be processed. The personal data may also be processed in the data systems of companies or organisations with which Carnegie, SEB and Avanza cooperate. Information pertaining to the treatment of personal data can be obtained from Carnegie's and SEB's offices, which also accept requests for the correction of personal data. Address details may be obtained by Carnegie and SEB through an automatic procedure executed by Euroclear Sweden.



Industry overview

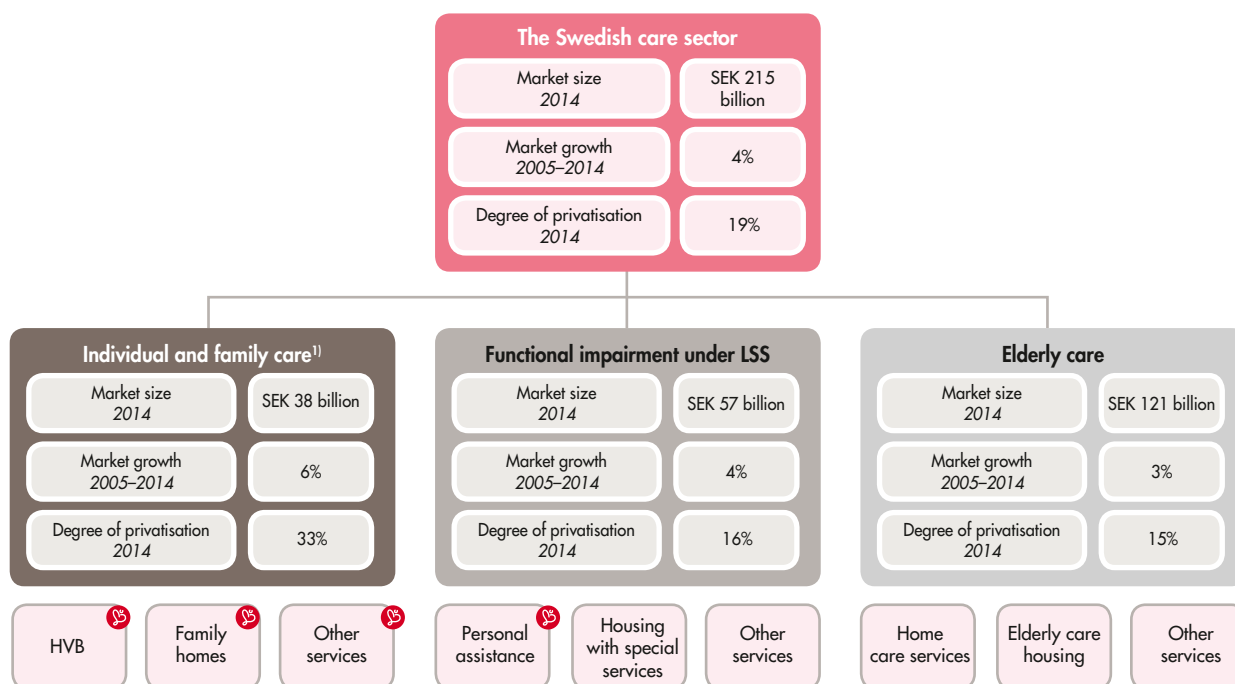
This Offering Memorandum contains certain market and industry information derived from third parties, including statistics and information from industry publications as well as other publicly available information. Notwithstanding that the information has been correctly reproduced and that Humana considers the sources to be reliable, Humana has not independently verified the information and thus the veracity and completeness of the information cannot be warranted. However, as far as Humana is aware and is able to ascertain through comparisons with other information published by the aforementioned sources, no information has been omitted in a manner which might render the reproduced information incorrect or misleading. Certain places in the Offering Memorandum contain a description of the Company's position on the market. This information is based on the Company's revenues compared to the Company's estimates as regards the size of the relevant markets and revenues of competitors.

The market and industry information contains estimates regarding future market trends and other so-called forward-looking information. Forward-looking information does not constitute any warranty regarding future results or trends and the actual outcome may differ significantly from what is stated in forward-looking information. See "Important information – Forward-looking information and risk factors" on the inside of the Offering Memorandum.

THE CARE SECTOR IN SWEDEN

The Swedish care sector is often divided into three main segments: individual and family care, elderly care, and care for individuals with functional impairments in accordance with LSS. The elderly care market is the largest market segment, followed by the market for individuals with functional impairments pursuant to the Act concerning Support and Service for Persons with Certain Functional Impairments (Sw. *lagen om*

stöd och service till vissa funktionshindrade – "LSS"), which among other things includes personal assistance and special service housing. The third market segment – individual and family care – includes care for children, adolescents and adults, as well as families with special needs for medical care and treatment within the areas of psychiatry and psychosocial change work.



¹⁾ Areas on which Humana considers itself to have a market leading position in the Nordic countries

¹⁾ Individual and family care includes the expense items in the municipalities' financing of children and adolescents care, care for adults with addiction, short-time housing/care, special housing (outside LSS) as well as refugee reception.

Source: Statistics Sweden

Humana operates within all three of these market segments, where the Company has a market leading position within individual and family care and personal assistance. The individual and family care and personal assistance market segments are characterised by a large proportion of individual-based client contracts and a relatively high degree of privatisation. Within the elderly care market and the market for special service housing for individuals with functional impairment, Humana is positioned as a quality-focused niche player focusing on full responsibility housing or housing contracted by outsourcing.

Development of the care sector

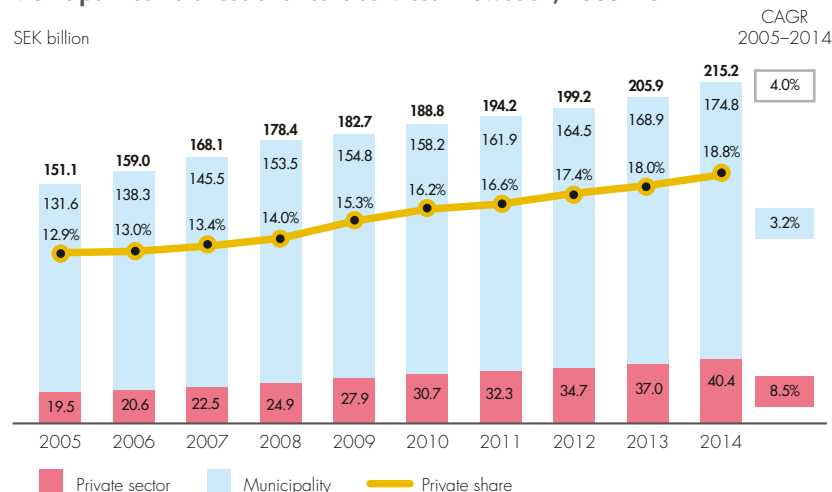
Long into the 1900s, individuals in Sweden in need of care were supposed to rely on support from relatives, charities or institutional housing, which often negatively impacted the individual's psychological well-being and restricted the lives of the individual and those close to the individual. Towards the end of the 1950s, the focus in Swedish social policy changed and a new care ideology developed. Over the course of several decades, a significant strengthening and improvement occurred within Swedish care services, which today play a key role in the Swedish welfare system. Care services are focused on ensuring that the individual's well-being in various phases of life and in precarious life situations is tended to. This includes, among other things, adolescents suffering from psychosocial problems, individuals of various ages with various degrees of functional impairment, as well as elderly people in need of assistance and support.

A key element in the development of care services has been the concept of increased autonomy and influence for the individual. A number of acts aimed at regulating the individual's right to care services have come into force in recent decades and been developed further. LSS, which entered into force on 1 January 1994, is one of the acts that have been of greatest importance for Humana's development. LSS contains provisions regarding special support and special service measures for certain individuals with functional impairments, including provisions as to which individuals are entitled to personal assistance and which persons may perform assistance services.

In addition to LSS, in recent years a number of regulations have been issued which have driven the trend towards increased diversity of providers in the care sector. The Social Services Act (Sw. *socialtjänstlagen* (2001:453) – “**SoL**”) is an example, according to which the community's social services must promote the individual's economic and social security, equality of living conditions, and active participation in social life. The Public Procurement Act (Sw. *lagen* (2007:109) *om offentlig upphandling*) entered into force in 2007 and replaced the earlier Public Procurement Act from 1994. The aim of the act is to regulate public sector procurement from the private sector and the introduction of the act has increased the possibilities for private operators to provide care services under outsourcing contracts. Another example is the Act on Free Healthcare Choice System (Sw. *lagen* (2008:962) *om valfrihetssystem* – “**LOV**”), which is aimed at stimulating increased competition between care providers with a focus on achieving increased quality and efficiency within care services. When LOV entered into force on 1 January 1999, municipalities and county councils obtained the possibility to allow individuals to choose their own provider of, among other things, care services. For further information regarding key legislation applicable to Humana's operations, see “*Regulatory overview*”.

The drivers behind developments in the care sector have been the ambition to improve the quality of welfare services in Sweden, to tailor measures to the needs of the individual, and to meet increased demand for care services. Between 2005 and 2014, the total care costs of the Swedish municipalities increased from approximately SEK 151 billion to approximately SEK 215 billion, representing an average annual increase of 4.0 per cent. During the same period, privatisation of the care sector has continued to grow and municipalities have retained private sector operators for the provision of care services to an ever increasing extent. The costs for care services performed by private operators increased from approximately SEK 19 billion in 2005 to approximately SEK 40 billion in 2014, representing an average annual increase of 8.5 per cent. Private operators have increased their share of the market in all years since 2005 and, in 2014, accounted for 18.8 per cent of the total market, compared with 12.9 per cent in 2005.

Municipalities' total costs for care services in Sweden, 2005–2014





Supervision and regulation

The Health and Social Care Inspectorate (Sw. *Inspektionen för vård och omsorg* – “IVO”) is responsible for, among other things, permit assessments of individual operators within accommodation units for the elderly, medical care and institutional care units (Sw. *hem för vård och boende* – “HVB units”), as well as assessing all private operators within special service housing in accordance with LSS and personal assistance (with the exception of cases where the customer has personally employed the personal assistant). IVO is also the agency responsible for supervision within the health and social care area. Before IVO was established on 1 June 2013, the National Board of Health and Welfare (Sw. *Socialstyrelsen*) was responsible for assessments and supervision.

Purchasers of care services

Municipalities

Swedish municipalities are responsible for the care services in Sweden, most of which they perform themselves. In those cases where the municipalities do not themselves provide care services, the municipalities purchase the services from third parties, for example from private operators. In certain cases – particularly within the individual and family segment – municipalities also purchase such services from outside the municipality’s boundaries when they do not themselves have the possibility or resources to provide suitable care. The municipalities are by far the largest purchaser of care services in the Swedish care sector.

The Swedish Social Insurance Agency

The Swedish Social Insurance Agency conducts assessments and decides on most of the personal assistance carried out in Sweden. If the Swedish Social Insurance Agency makes the assessment that the individual requires personal assistance for basic needs which exceeds 20 hours per week, the Swedish Social Insurance Agency finances all personal assistance in excess of 20 hours per week, whereas the municipalities finance the assistance up to 20 hours per week. In the event that the Swedish Social Insurance Agency makes the assessment that the basic need is less than 20 hours per week, the municipality where the individual resides assesses, grants and finances the personal assistance.

County councils

County councils are responsible for, and finance, those parts of the care service considered to constitute purely medical treatment, for example, diagnostic and psychiatric care and rehabilitation. County councils purchase external care services in a manner similar to the municipalities.

Other

Other purchasers of care services in Sweden include, *e.g.*, the Swedish Prison and Probation Service (Sw. *Kriminalvården*) and the Migration Agency (Sw. *Migrationsverket*).

Main types of operation in the care sector

Operations in full responsibility homes

Operations conducted in full responsibility homes (for example, HVB units, special service housing in accordance with LSS, special service housing in accordance with the Social Services Act (Sw. *socialtjänstlagen* (2001:453) – “SoL”),



accommodation units for the elderly, home care services, outpatient care and family homes) entail that the operator has full responsibility for conduct of the operations, bears ultimate legal liability in the case of housing operations, and is responsible for the operation and management of the premises in which operations are conducted.

Housing operations in full responsibility homes usually require a permit from IVO. When a permit for housing operations has been granted by IVO, a comprehensive framework agreement regarding the relevant care services can be entered into between the operator and the public sector purchaser. The public sector purchaser chooses the operator(s) who best fulfil the procurement requirements regarding, for example, activity content, quality and price. In full responsibility homes, with the free customer choice system, clients have the possibility to personally choose the provider. A framework agreement usually extends for a term of approximately four years, after which the contract is either extended or a new procurement is carried out. The municipality can also choose to establish its own operations under municipal management in order to meet care needs.

Full responsibility homes can also accept placements outside framework agreements. For example, this is common within individual and family care where the care need may be so complex that it is difficult to meet the needs via the framework agreements that can be called upon. In addition, operations in full responsibility homes can accept placements from different purchasers throughout the country.

Outsourced operations

Outsourcing contracts involve a public sector purchaser, through a procurement procedure, handing over the operation of a particular activity to a private operator under an outsourc-

ing contract for a limited period of time. The public sector purchaser continues to bear ultimate legal liability for the premises, while the private operator is responsible for operational conduct of the operations.

The public sector purchaser chooses the operator who best fulfils the requirements in the procurement procedure, for example regarding price and/or quality. The outsourcing agreement covers only one single private operator. The operator who wins the contract conducts the operations during the agreed period and the public sector purchaser dictates the conditions for the operations by means of the requirements imposed within the scope of the procurement.

Upon expiry of the contract, a new procurement is carried out, whereupon the existing operator either retains the contract or another party is awarded the contract and takes over the entire operations in the purchaser's premises. Outsourcing contracts are usually for a term of between four and six years, with a possibility for extension. In addition, outsourcing is an ordinary form of operation within accommodation units for the elderly.

Customer choice operations

According to LSS, each individual who is entitled to assistance under LSS (for example, personal assistance) shall have the greatest possible influence and codetermination over the support to which he or she is entitled. This means, among other things, that the individual shall be given the right to personally choose the party providing the care service, on condition that such provider holds a permit to perform the care service (in those cases where so required).

General trends and drivers on Humana's markets

Increased need for care services

Humana makes the assessment that the need and demand for care services will increase going forward. A number of the primary drivers are stated below.

- Increasing psychological ill-health, particularly among children and adolescents, which is expected to lead to an increased need for support within individual and family care, for example in the form of support through HVB units and family homes.
- More widespread psychological ill-health also means that care services will become increasingly complex, a factor which increases the need for further specialisation and the development of more specialised care activities.
- An increasing proportion of elderly people in the population and an anticipated increasing lifespan are expected to lead to increased demand for elderly care services.
- Care services are a prioritised public expenditure area.

Additional factors are that the demographic trend is accelerating and the sharply increasing migration into Sweden in 2015 is expected to remain high also in the future, and Humana believes that this will have long-term consequences as regards the need for care services. First and foremost, a large percentage of unaccompanied refugee children are traumatised and are in need of psychosocial care.

Increased percentage of private operators

The percentage of care services performed by private operators increased each year between 2005 and 2014, from 12.9 per cent of the market to 18.8 per cent. Humana makes the assessment that this trend will continue and that there will be major opportunities for private companies with investment capacity and efficient/quality operations to further expand their business, driven primarily by the following four factors:

- Public service operators lack resources or competence to meet the increased need for care services.
- An increased element of complex diagnoses imposes greater demands for specialised care.
- Increased consumer demands on, and increased public support for, free choice within health, care and social services.
- Private sector operators demonstrate competitive quality and efficiency, in many cases higher than public sector operators.

Public service operators lack resources or competence to meet the increased need for care services

Humana makes the assessment that public sector operators will have difficulties in independently addressing the increased need for care services. In addition, there is a need to renovate and update existing municipal stocks of elderly housing. For example, in a report from 2015, the National Board of Health and

Welfare makes the assessment, within elderly care, that the possibilities for elderly people to live in accommodation units for elderly have been limited over the past five years, with some 80 municipalities stating that they have a shortage of accommodation units for the elderly.¹⁾ According to the report, more than 90 additional municipalities make the assessment that the need for accommodation units for elderly will not be met within five years. At the end of 2014, there were approximately 90,000 apartments in accommodation units for the elderly. The rapidly growing demand for care services is expected to create greater opportunities for private operators to continue to expand their operations.

An increased element of complex diagnoses imposes greater demands for specialised care

The increasing complexity in diagnoses and treatment is leading to greater need for specialisation within care services. As a consequence, several municipalities (particularly small ones) that themselves lack the care service expertise required are increasingly cooperating with private operators. Major operators, such as Humana, often have a national geographic coverage, scalability and competence within a large number of specific target groups and needs profiles, which makes them important cooperation partners for the municipalities.

Increased consumer demands on, and increased public support for, free choice within medical care and social care

The introduction of LSS in 1994 and LOV in 2009 has resulted in increased support for freedom of choice within care services in Sweden. In October 2015, 176 out of Sweden's 290 municipalities had introduced or decided to introduce LOV within one or more care areas.²⁾ The number of municipalities that have introduced LOV and who are familiar with its purport is continuing to increase, which opens up new opportunities for private operators. There is strong interest in freedom of choice among individuals in Sweden. For example, 90 per cent and 81 per cent of the Swedish population, respectively, consider the ability to personally choose elderly housing and home care services to be important.

The trend towards increased freedom of choice applies not only to clients but also to employees within the care sector. Demands for a stimulating work environment are increasing, and seven out of ten students studying care subjects currently believe that it is important to be able to choose between private sector and public sector operators as employers.³⁾ Humana believes that this factor creates increased opportunities for larger private operators, with a professional organisation and dedicated focus on personnel issues, to attract skilled personnel.

Private sector operators demonstrate competitive quality and efficiency, in many cases higher than public sector operators
Requirements regarding control and quality among providers of care services have become increasingly demanding as the care and welfare market has developed. For example, *lex Sarah* was

1) Conditions and trends within healthcare and social care and social services, Situation report 2015, the National Board of Health and Welfare (Sw. *Tillståndet och utvecklingen inom hälso- och sjukvård och socialtjänst, Lägesrapport 2015, Socialstyrelsen*).

2) Swedish Association of Local Authorities and Regions (Sw. *Sveriges Kommuner och Landsting*).

3) Privat vårdfakta, 2015.

introduced in 1999 in order to strengthen reporting requirements concerning irregularities within care operations; in 2012, the National Board of Health and Welfare's new regulations regarding systematic quality work management systems (SOSFS 2011:9) entered into force, and in 2013 an independent authority, IVO, was established in order to strengthen supervision within healthcare and social care. Humana makes the assessment that larger operators, with professional quality processes and dedicated quality focused personnel, will enjoy ever greater competitive advantages, since both public sector operators and smaller private sector operators will find it more difficult to meet the increasingly demanding quality requirements from authorities and clients. For example, in a report published in November 2014, the National Board of Health and Welfare demonstrated that the quality of elderly housing provided by the private sector was better than the elderly housing operated by municipalities.¹⁾ The private sector elderly housing scored better than the municipal sector on all quality parameters in the survey.

Accelerating consolidation trend

Particularly within the market for individual and family care for individuals with functional impairments, the private care sector is fragmented and comprises a small number of large operators and a large number of smaller companies. Humana makes the assessment that the conditions for conducting operations within the care sector will become increasingly challenging, particularly for certain smaller operators, a factor which is expected to enhance the competitive edge of large, quality-focused operators and lead to an accelerating consolidation trend.

Changed employer's social security contributions in respect of employees below the age of 26

In 2007 and 2009, the Swedish Government decided to reduce employer's social security contributions for employees aged below the age of 26, with the aim of increasing the incentive for companies to employ young people. In the autumn of 2014, the new Government decided to gradually increase employer's contributions for this group. The increase was partially implemented in 2015 and is to be fully implemented by 1 June 2016.

This change will affect all industries – including the care industry – with a large percentage of young employees. Major organisations, such as the Confederation of Swedish Enterprise (Sw. *Svenskt näringsliv*) and the Swedish Association of Public Authorities and Regions (Sw. *Sveriges Kommuner och Länsting*), have been active in the debate and argued in favour of retaining low employer's contributions in respect of young people in Sweden. This has caused the Government to plan other measures aimed at creating jobs for young people, which are expected to constitute factors mitigating the increased costs that will result from the increased employer's contributions. However, as of the date of this Offering Memorandum, it is unclear how such measures will be structured.

Furthermore, Humana believes that larger operators in the care sector are usually better organised and have greater financial

resources and are thereby better equipped to address this change compared with smaller operators, which is expected to contribute to the increased consolidation trend.

THE MARKET FOR INDIVIDUAL AND FAMILY CARE

Introduction

Individual and family care is aimed at helping individuals in need of special support and includes support for children, adolescents, families and adults. Individual and family care is aimed at strengthening the individual and providing improved possibilities and conditions for social participation and integration by disadvantaged individuals. Individuals treated within individual and family care usually have special needs and backgrounds, including among other things, psychological functional impairment or psychosocial problems, quite often in combination with drug and alcohol abuse. The clients may also be victims or perpetrators of sexual abuse, victims of violence in the name of honour, individuals with deliberate self-harm behaviour, as well as unaccompanied refugee children in need of special support.

In light of the fact that the individual's situation is often very complex, individual and family care has a larger treatment element in comparison to other segments of the welfare market and is thus characterised as a specialist support measure. The costs for different types of support vary significantly depending on the degree of complexity and the treatment provided.

Purchasers

Municipalities are responsible for social care of its citizens and are the largest purchasers of care services within individual and family care. County councils, and in certain cases also the Swedish Prison and Probation Service and the Migration Agency, also purchase services from care companies operating within the individual and family care area.

Principal types of placement

HVB units and support housing

A large proportion of individual and family care takes place within the scope of housing operations in the form of HVB units for children and adolescents or adults. HVB units involve social care and/or medical care linked to housing and includes housing with personnel on hand 24 hours a day, support in daily life, as well as support with schooling. The housing is usually in full responsibility homes and also, to a certain extent, through outsourcing contracts. Compared with HVB units, support housing represents an additional step on the road to readjustment to society and involves individuals receiving their own accommodation, but with the support needed to have the possibility of living an independent life.

Family homes and outpatient care

"Family homes" means accommodation with a family which, on behalf of social services, accepts a child or an adult for care. The care need can, for example, arise when, for various reasons, parents are unable to offer their child the care the child needs. Private operators recruit and investigate whether families are

1) The municipalities and units survey 2014, the National Board of Health and Welfare (Sw. *Kommun- och enhetsundersökningen 2014, Socialstyrelsen*).

suitable to act as a family home. Prior to each placement, the municipal welfare board approves whether a contemplated family is suitable as a family home for the suggested placement. Thereafter, the private sector operators provide the family home with training, guidance and support during the placement period.

Outpatient care is aimed primarily at providing treatment and therapy services for children, adolescents and their families. In some cases, outpatient care can be combined with a family home placement.

Family homes and outpatient care are operated under individual contracts for each client within the scope of an agreement entered into between the municipality and operator. The individual contracts are entered into with both the family home and the municipality.

Market size and growth

Municipalities' costs for individual and family care have increased from approximately SEK 22 billion in 2005 to approximately SEK 38 billion in 2014, representing annual growth of approximately 6.2 per cent. In Humana's opinion, the increased demand for individual and family care services is primarily due to an increase in the number of people in need of care as well as increased complexity in care services, which in turn has resulted in increased demand for niche activities with specialist expertise and an expansion of individual and family care. The private market within individual and family care has grown at an annual rate of approximately 7.4 per cent since 2005, and with accelerating growth in recent years, corresponding to 10.1 per cent in 2013 and 13.8 per cent in 2014, respectively.

The complex care services within individual and family care require operators to possess innovative capacity and specialist competence, which among other things have been provided by private operators, who have conducted individual and family care operations since the 1950s. For individuals with special needs and who require complex care and treatment, municipalities often go beyond their own boundaries to find a suitable operator of the services, not seldom due to the fact that the specialist competence required is not available in their own municipality. Private operators provide more than 30 per cent of these services (within certain market segments, considerably higher) and the percentage continues to grow.

Trends and drivers

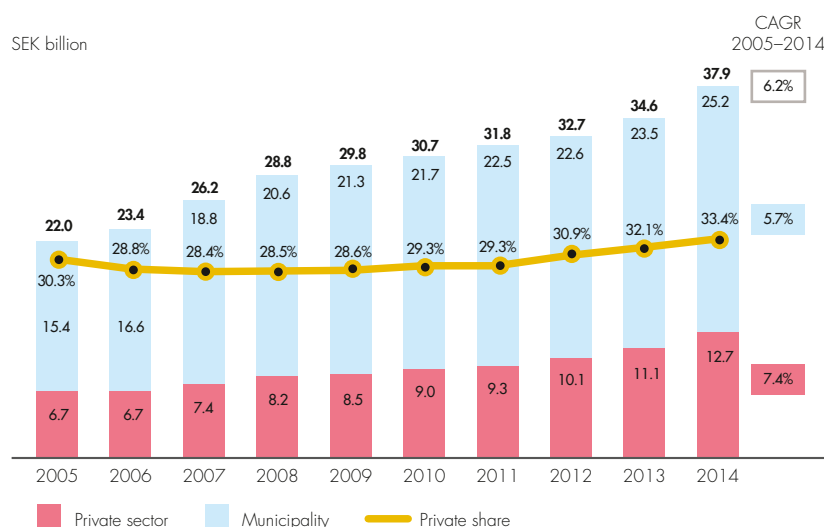
Increased psychological ill-health

An increasing number of diagnoses among both younger and older people have resulted in greater need for measures within psychiatry and psychosocial change. In particular, the need for care of children and adolescents has increased. Since 2008, the number of individuals aged between 16 and 24 suffering from severe, moderate or mild anxiety has almost doubled, from approximately 54,000 in 2008 to approximately 102,000 in 2014. The increasing psychological ill-health among children and adolescents has also resulted in the need for more support measures within outpatient care and full day support (primarily family homes and HVB units) increasing from just fewer than 23,000 in 2008 to more than 32,000 in 2013.¹⁾

Increased demands for specialist competence

As individual and family care has grown, it has also become more complex, thus increasing the need for further specialization. At the same time, in a newly issued situation report the National Board of Health and Welfare noted that care skills as regards HVB units are deficient and weak within children and adolescent psychiatric services.²⁾ Humana makes the assessment that more specialised HBV units and support housing will be

Municipalities' costs for individual and family care in Sweden, 2005–2014



Source: Statistics Sweden. Individual and family care includes the expense items in the municipalities' financing of children and adolescents care, care for adults with addiction, short-time housing/care, special housing (outside LSS) as well as refugee reception.

1) The situation and development within health and medical care and social services – Situation Report 2015 (the National Board of Health and Welfare (Sw. *Socialstyrelsen*)).

2) The situation and development within health and medical care and social services – Situation Report 2015 (the National Board of Health and Welfare (Sw. *Socialstyrelsen*)).



required in order to handle the increasingly widespread psychological ill-health and that operations such as family homes and outpatient care will be in greater need of skills and support in the form of psychotherapists and psychologists. In addition, Humana perceives that family home care may become subject to a permit requirement in the future, something that the Company welcomes.

Unaccompanied refugee children in need of care services

According to the Migration Agency, approximately 35,000 unaccompanied children and adolescents sought asylum in Sweden in 2015 and, according to a forecast issued by the National Board of Health and Welfare in October 2015, the number is expected to be 29,000 – 40,000 in 2016. A significant proportion of these individuals have experienced severe trauma or have other psychological problems and thus are in need of care and treatment. In the long term, it is believed that this will place great strains on municipalities and lead to an increase in individual and family care.

Increased proportion of private sector providers

Humana makes the assessment that the increased complexity, combined with a high degree of decentralised decision-making, will contribute to an increased proportion of private providers. In Humana's opinion, private sector providers of individual and family services have been important cooperation partners for municipalities, county councils and other purchasers since the 1950s, since they contribute to meeting greater demand in society and contribute with increased skills and specialisation among the providers. In Humana's view, the increased complexity of sought treatments will also lead to a larger element of healthcare and treatment within individual and family care, resulting in greater costs remuneration for care services within this segment. Humana believes that private

providers also often contribute major value by ensuring functioning schooling through individualised solutions and well-functioning health and medical care.

Accelerating consolidation trend

Demands on operators within individual and family care have increased, for example through more stringent demands regarding management systems, more demanding requirements in conjunction with procurements, increased competence requirements and increased requirements for specialist functions. Accordingly, major resources are required in order to start up and conduct operations within the area, a factor which has resulted in several smaller companies approaching larger companies for either mergers or acquisitions, contributing to an accelerating consolidation trend in the market.

Competitive landscape

In terms of revenue, Humana is the leading private operator in Sweden within individual and family care. The Company considers the market for individual and family care to be fragmented, with a small number of large operators and hundreds of smaller operators on the market within both HVB units and family home care. Competitors among the larger operators include, for example, Attendo, Aleris, Nytida, Team Olivia and Frösunda, as well as municipal cooperation ventures such as Gryning and Världus. The Company estimates that the six largest private actors represent approximately 30 per cent of the private market in Sweden. Within Humana's focus areas, which include complex support and psychological treatments in specialist psychiatry, Humana believes that competition comes primarily from smaller specialist operators and alternatives such as the Swedish National Board of Institutional Care (Sw. *Statens institutionsstyrelse* – "SiS").

Humana considers individual and family care to be a segment with high barriers to entry since considerable investments and skills are required in order to establish presence on the market. Construction of and investments in housing, permits from IVO and framework agreements with municipalities, the employment of licensed personnel, processes for documentation and monitoring, are examples of requirements imposed on operators within the area of individual and family care. These requirements – particularly follow-up and quality – have been further sharpened in recent years and resulted in consolidation of the market, with a large number of small operators amalgamating with larger groups. Humana believes that this trend will continue.

THE PERSONAL ASSISTANCE INDUSTRY

Introduction

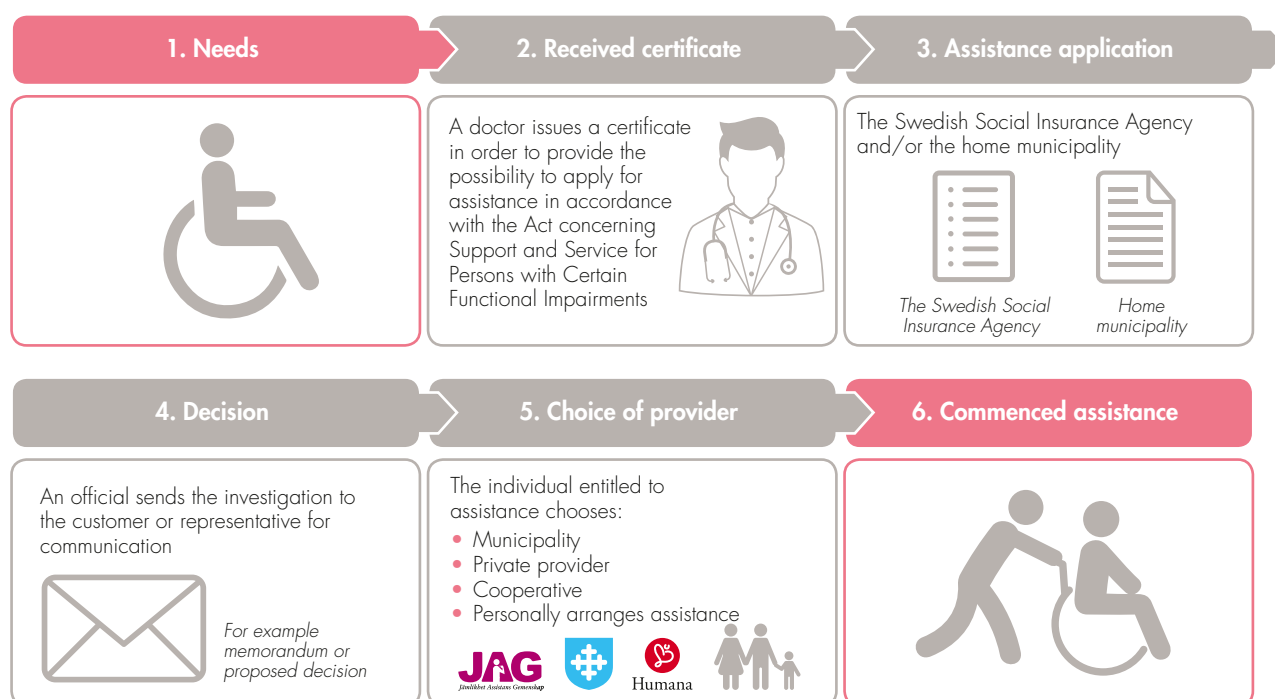
Personal assistance constitutes a part of the LSS reform that entered into force on 1 January 1994. The most important change introduced by the LSS reform was the possibility for individuals with extensive and permanent functional impairments to cope with their basic needs and other day-to-day needs with the help of personal assistants. The aim of the LSS reform is often described as being that individuals with severe functional impairments shall be afforded the opportunity to live a life on the same conditions as individuals without functional impairments.

In order for personal assistance to be granted, there must be an extensive, permanent need for assistance in performing basic needs such as hygiene, eating, dressing and undressing, communication with others, and the individual must require other assistance which is based on detailed knowledge of and acquaintance with the individual. In order to have the possibility to apply for assistance, the individual must have a certificate issued by a doctor.

Personal assistance cannot be granted to individuals who have reached the age of 65. However, individuals who are entitled to personal assistance before reaching the age of 65 may normally retain the assistance previously decided upon, but cannot be granted more assistance hours. There is no minimum age for an entitlement to personal assistance. Furthermore, personal assistance is contingent on the individual not residing in special service housing or being cared for in an institution.

Individuals often apply for personal assistance both with the municipality and the Swedish Social Insurance Agency, which decides whether he or she is entitled to assistance and, if so, how many assistance hours are to be granted. After the Swedish Social Insurance Agency or the municipality has decided on assistance, including the number of hours to be granted, the individual entitled to assistance may personally choose the assistance provider.

The application procedure is illustrated in the diagram below.



The LSS reform and the introduction of personal assistance has resulted in major socio-economic advantages, not least through the customer's relatives (who previously to a large extent assisted the individual with day-to-day help), and in many cases the customer as well, obtaining greater opportunities to work outside the home. In addition, the need for personal assistants has created a large number of new jobs. At the end of 2015, more than 20,000 individuals had been granted personal assistance and up to 100,000 people worked as personal assis-

ants in Sweden. A large part of the state's and municipalities' costs for personal assistance are recovered directly through employers' social security contributions and income taxes related to the assistants' pay.

Types of operation

The customer is entitled to choose his or her care providers and also enjoys great discretion in the structuring of the personal assistance. Personal assistance may be provided through the

municipality, a cooperative, a private operator or through the individual personally choosing to be what is referred to as a private arranger. Private operators and cooperatives, and often also municipalities, enter into separate contracts with each separate individual.

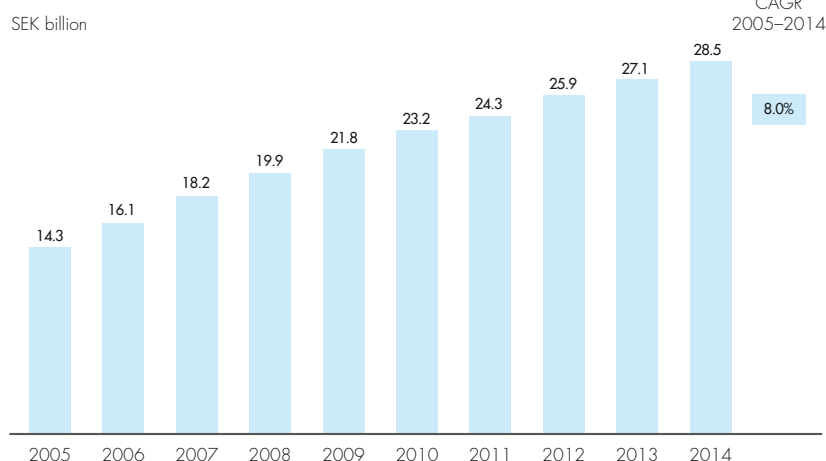
The Swedish Social Insurance Agency pays out assistance allowances in accordance with a fixed allowance amount per assistance hour (referred to as the standard amount) which is the same amount irrespective of where and when the assistance is performed or whether it is performed on a weekday or weekend or holiday. The amount shall cover the entire cost for the granted assistance hours, including the assistants' pay, holidays, overtime compensation, standby compensation, social security contributions and any other costs such as training and out-of-pocket expenses for travel with the person entitled to assistance. The allowance must also cover the provider's administration,

work management as well as environmental and quality work. Regarding assistance decisions taken by municipalities, the majority of municipalities remunerate providers with the same hourly rate as the Swedish Social Insurance Agency.

Market size and growth

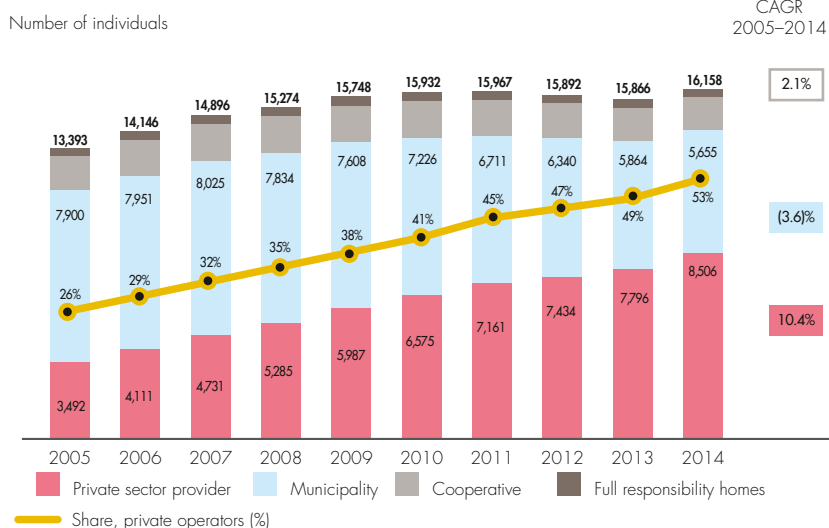
From the time free customer choice was introduced, it has been of key importance within personal assistance, to allow the customers to exercise great influence over who shall work as their personal assistant. This freedom of choice has also resulted in increased diversity of providers and an increased proportion of private assistance companies on the market. From when the legislation regarding the right to personal assistance was introduced in 1994, the proportion of private providers has increased steadily and, in 2014, more than one-half of the individuals with personal assistance granted by the Swedish Social Insurance Agency had chosen a private provider.

Costs for personal assistance granted by the Swedish Social Insurance Agency, 2005–2014



Source: the National Board of Health and Welfare.

Number of individuals with decisions from the Swedish Social Insurance Agency per type of provider, 2005–2014



Source: the National Board of Health and Welfare.

Trends and drivers

Trend in the number of people entitled to assistance

Demand for personal assistance increased significantly between the introduction of LSS in 1994 and 2009. Stricter legislation combined with more restrictive assessments when granting personal assistance and the revocation of earlier decisions, has, however, had the effect of dampening growth. The market is continuing to grow, no longer calculated in terms of the number of individuals with assistance decisions, but rather through an increase in the average number of hours per individual. At the end of 2014, there were approximately 20,000 individuals with personal assistance, of whom approximately 16,000 had decisions from the Swedish Social Insurance Agency. This represents a sharp increase from 2005, when approximately 13,400 individuals had personal assistance granted by the Swedish Social Insurance Agency. At the end of 2014, an average of 124 assistant hours per individual per week was granted by the Swedish Social Insurance Agency, compared with 101 hours per week in 2005.¹⁾

Despite stabilisation in the number of individuals entitled to assistance in recent years, the demographic trend and the increased migration into Sweden are expected to result in increased demand for personal assistance going forward.

Regular increases in hourly rate

The standard rate that the Swedish Social Insurance Agency pays for each hour of provided personal assistance is determined by the government and has a major impact on the cost development for personal assistance. Historically, the increase has been closely linked to the labour cost index and, between 2005 and 2016, the rate increased from SEK 212 to SEK 288, corresponding to an annual increase of 2.8 per cent. For 2016, this means an increase of SEK 4, corresponding to 1.4 per cent compared with 2015. The increase in the rate for 2017 and 2018 has already been set by the Government at 1.4 per cent per year, corresponding to approximately SEK 4. Approximately 90 per cent of the total assistance rates are used to cover salary expenses and administrative staff.

Changed payment routines by the Swedish Social Insurance Agency

The change in the Swedish Social Insurance Agency's payment routines represents an important trend on the personal assistance market. Historically, payments by the Swedish Social Insurance Agency have taken place in advance based on the decided number of assistance hours, with subsequent settlement of account in relation to the compensable number of assistance hours provided. This has meant low barriers to entry on the market and that businesses were able to grow with only limited investments. In 2015, the Swedish Social Insurance Agency announced that it intended to change this procedure and, instead, only pay out assistance allowances in arrears based on performed assistance hours in accordance with received work time reports. As of the date of this Offering Memorandum, it has not been decided when this change will be imple-

mented. However, the Swedish Social Insurance Agency has taken a policy decision to introduce payment in arrears of assistance allowances as from 1 October 2016. The change from payment in advance to payment in arrears will have a significant impact on the need for working capital for assistance companies. This will affect the entire market, particularly certain smaller operators who lack the financial resources to meet the capital requirement to which the change will give rise.

Enhanced conditions for consolidation

Humana believes that market conditions within personal assistance will become more challenging, particularly for certain smaller operators. This is primarily due to three reasons: (i) the increase in employers' social security contributions regarding young people; (ii) the fact that the rate of increase in the assistance allowance is expected to be lower than in the past; and (iii) the fact that payment of personal allowances by the Swedish Social Insurance Agency will be changed from payment in advance to payment in arrears. The introduction of more stringent public authority requirements regarding quality and monitoring is also expected to impact on the profitability of several operators. All in all, Humana anticipates market conditions that will strengthen the competitiveness of quality-focused operators, which is expected to result in a consolidation trend on the market or that the customers will independently turn to larger operators with a strong financial position and the structural capital required.

Competitive landscape

Personal assistance is a business area with well-functioning freedom of choice throughout the country and with a significant element of private operators. Historically, the market has been characterised by low barriers to entry, among other things, due to the fact that, thanks to payment in advance from the Swedish Social Insurance Agency, relatively low initial working capital was required. This has resulted in a fragmented market with a large number of small operators. The three largest companies within personal assistance have a combined market share of 23 per cent. According to IVO, almost 900 companies hold permits to provide personal assistance.

Humana, which in terms of revenue and number of customers is the largest private operator on the personal assistance market, experiences competition primarily from certain smaller, local operators. However, the Company anticipates that more stringent authority requirements concerning operational quality and structure will be introduced. Humana thus believes that it will be more difficult for, in particular, certain smaller operators to compete, a factor which is expected to result in consolidation possibilities on the market. Other private providers of personal assistance include medium-size companies such as Särnmark and Assistans för Dig, as well as larger private operators such as Frösunda and Team Olivia. Non-profit associations and assistance cooperatives, such as STIL and JAG, also operate on the personal assistance market.

1) Source: The Swedish Social Insurance Agency.



THE ELDERLY CARE INDUSTRY

Introduction

Elderly care is the largest segment on the care market and includes measures aimed at providing elderly people with the assistance they require in order to cope with daily life. The need for help may be due to illness, functional impairment or infirmity due to age. Social services within each municipality are responsible for ensuring access to elderly care. Measures within elderly care primarily comprises the running of accommodation units for elderly for those people who can no longer cope with living at home, and the provision of at-home support and care through home care services.

Purchasers of services

The municipalities are wholly responsible for elderly care in Sweden, irrespective of the form in which elderly care is provided.

Types of operation

Accommodation units for elderly

Most accommodation units for elderly are operated by the municipalities themselves. The private operators who run accommodation units for elderly do so either under outsourcing contracts or in full responsibility homes, with operation under an outsourcing contract being far and away the most common. The Company estimates that private actors represent approximately 14,000 places in accommodation units for elderly during the operational year 2015. Historically, outsourcing procurements have often placed great focus on price, resulting in price pressure on the market.

However, there are a number of municipalities which, in their procurements, safeguard and value high quality in tenders and delivery.

Accommodation units for elderly in full responsibility homes are to be found in municipalities that have implemented LOV and in municipalities which procure places through framework agreements as a supplement to outsourcing and municipal management as well as in municipalities who cannot meet the demand for accommodation units. As of the date of this Offering Memorandum, 16 municipalities have implemented LOV in respect of accommodation units for the elderly. Many private operators of full responsibility homes also sell, under framework agreements, places to municipalities that have not implemented the LOV in respect of accommodation units for the elderly. Framework agreements are also common as regards to special focus housing, which many municipalities are unable to provide themselves. For further information regarding LOV, see “*Regulatory overview*”.

Home care services

Home care services can be conducted under municipal or private management. In those municipalities that have implemented LOV for home care services, the provider has agreements with municipalities that entitle the provider to conduct home care services. This means that, after obtaining an assistance decision, the individual may personally choose the provider in those municipalities in which LOV has been implemented within home care services.

Market size and growth

Elderly care is the largest market segment within the care sector, with costs amounting to approximately SEK 121 billion in 2014. The market has grown from SEK 89.7 billion during 2005, which corresponds to an average annual growth rate of 3.4 per cent.

The market for home care services has grown from SEK 20.4 billion during 2005 to SEK 40.4 billion during 2014 and the market for accommodation units has grown from SEK 57.7 billion to SEK 68.5 billion during the same period. The remaining part of the market consists of e.g. short term accommodation for elderly and voluntary activities for elderly and has been relatively constant at SEK 11–12 billion annually.

The private market share has grown more rapidly (8.5 per cent annually), which is largely due to the fact that an increasing number of municipalities are choosing to introduce freedom of choice, i.e. the individual is personally entitled to choose the provider of home care services or accommodation unit for the elderly. In a report published in November 2014, the National Board of Health and Welfare also demonstrated that the quality of elderly accommodation provided by the private sector was better than that provided by the municipalities.¹⁾ The private sector elderly housing outscored municipal housing on all quality parameters in the survey. In 2014, 15.3 per cent of the municipalities' costs for elderly care related to private operators. However, the share of private providers in Sweden is substantially lower than in many other European countries.

Trends and drivers

Fundamental drivers within elderly care are (i) an ageing population, which Humana believes will result in demand for elderly care coming to exceed the municipalities' access to places; and

(ii) the fact that an increasing number of municipalities are introducing customer choice system, a factor which is expected to increase the private operators' share of the market.

Ageing population

The demographic trend in Sweden, with an increased average lifespan and an increasing number of elderly people in the population, has among other factors been driven by improved healthcare and social care. The number of people in Sweden aged over 85 is expected to increase by 56 per cent up to 2030, as illustrated by the diagram below.

Continued implementation of LOV

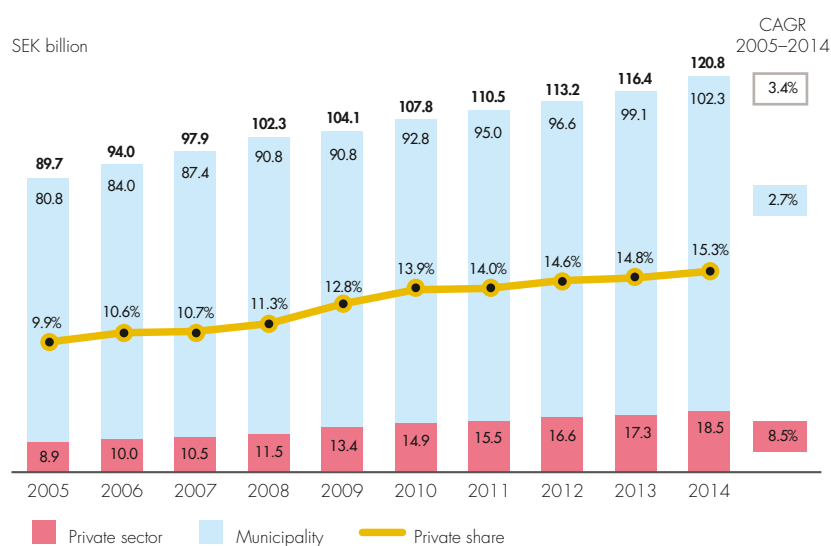
In October 2015, 176 out of Sweden's 290 municipalities had implemented or taken a decision to implement LOV.²⁾ In Sweden, there is strong interest in freedom of choice. For example, 90 per cent and 81 per cent, respectively, of Swedish citizens consider it important to be able to personally choose elderly accommodation or home care services.³⁾ The increase in the number of municipalities that have implemented LOV within home care services has led to an increase in the private operators' share of the market, largely driven by the opening of new full responsibility homes. Humana anticipates that the share of the market held by private operators, and the proportion of accommodation in full responsibility homes will continue to increase as more municipalities implement LOV.

Competitive landscape

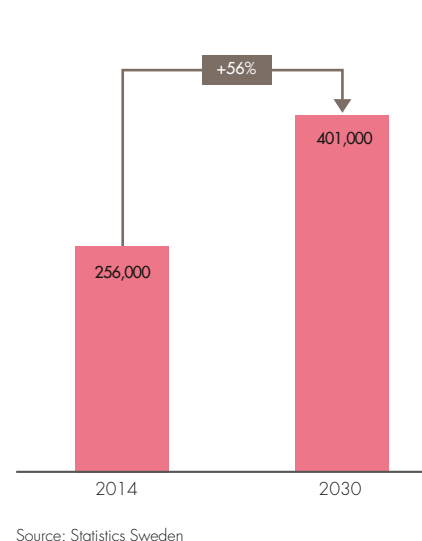
Accommodation units for elderly

Humana's competitors within accommodation units for elderly primarily comprise large care companies such as Attendo, Vardaga, Aleris and Norlandia.

Municipalities' costs for elderly care in Sweden, 2005–2014



Number of individuals in Sweden aged over 85, 2014–2030



1) Municipalities and units survey 2014, The National Board of Health and Welfare (Sw. *Kommun- och enhetsundersökningen 2014, Socialstyrelsen*).

2) Swedish Association of Local Authorities and Regions.

3) Privat Vårdfakta 2015.



Home care services

Home care services constitute a fragmented market with a small number of large operators and a large number of smaller operators. Humana believes that, going forward, home care services will develop in a manner similar to personal assistance, i.e. with more stringent authority requirements regarding quality and documentation, which is expected to increase costs and make it more difficult for smaller operators to compete on the market. In terms of revenue, Humana is the second largest private operator on the Swedish home care services market, after Attendo.

THE INDUSTRY FOR SPECIAL SERVICE HOUSING UNDER LSS

Introduction

Special service housing for children, adolescents and adults under LSS comprises group or service housing adapted for individuals with physical or psychological functional impairments. Both types of housing have common areas in which service, support and nursing care can be provided by personnel around the clock. Daily activities commonly constitute an important care aspect for residents in special service housing.

Purchasers of services

Municipalities can grant placement in special service housing following the individual's request for assistance under LSS. The municipalities are responsible for most of the activities, while the county council is responsible for the medical treatment.

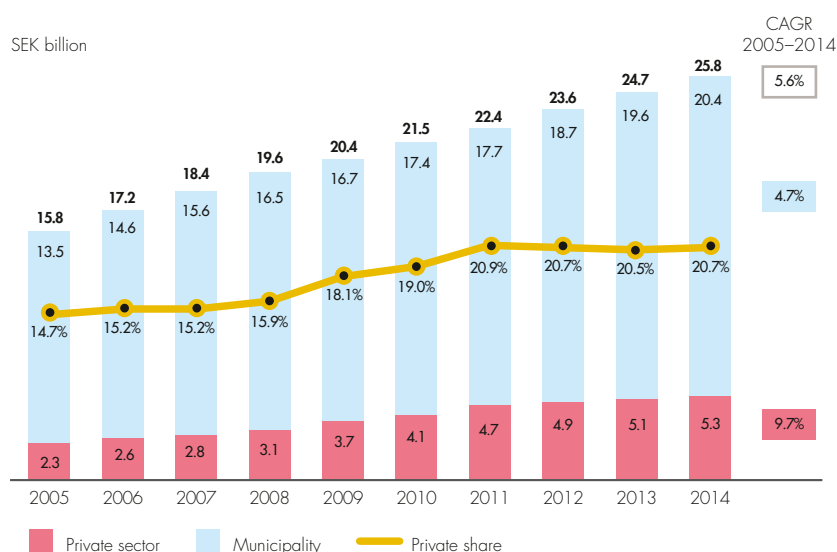
Types of operation

Special service housing under LSS is run by municipalities and by private operators, either under outsourcing contracts or in full responsibility homes. Outsourcing contracts are the most common type of operation for private operators. However, here too, the purchase of places in conjunction with procurement framework agreements is becoming increasingly common. This is due to the fact that the municipalities have few places of their own to offer and the fact that there may be a need for a special focus. As of the date of this Offering Memorandum, four municipalities had introduced freedom of choice as regards special service housing under LSS, entailing that private operators and the housing are entitled to compete with the municipalities to be the individual's housing choice. Within daily activities, care based on LOV is common.

Market share and growth

Municipalities' costs for special service housing have increased from approximately SEK 16 billion in 2005 to approximately SEK 26 billion in 2014, representing annual growth of 5.6 per cent. Since 2005, the share of municipalities' costs relating to care provided by private operators has increased from 14.7 per cent to 20.7 per cent. The private market for special service housing has increased due to the fact that the municipalities' existing housing lacks the capacity to offer places to all individuals in need of housing.

Municipalities' costs for special service housing under LSS in Sweden, 2005–2014



Source: Statistics Sweden

Trends and drivers

Increased need for care services under LSS

The municipalities' total costs for special service housing under LSS have increased by 5.6 per cent annually since 2005, and Humana anticipates that the strong growth will continue. The need for care services under LSS – and special service housing in particular – is being driven by, among other things, an increase in diagnoses within the autism spectrum. Individuals normally live in special service housing for long periods, sometimes for most of their life. This is significantly longer than, for example, compared with HVB units and accommodation units for the elderly. An increasing number of individuals with intellectual functional impairment are reaching an age corresponding to the retirement age and beyond. This will create new demands for the support given, and thus the need for special service housing under LSS is expected to increase.

Increased proportion of private operators to meet increased need

Humana believes that, in terms of both quantity and quality, special service housing under LSS is neglected in a large number of municipalities where new housing has not been constructed in pace with the increased demand for places as well as new requirements regarding design and accessibility. Many municipal housing units are also in need of renovation in order to meet current requirements. The inability of municipalities to manage the increased load by themselves has resulted in a trend towards an increased burden by themselves has resulted in a trend towards an increase in housing in full responsibility homes.

It is Humana's experience that, in order to increase the possibility to offer places to all of those in need, municipalities are generally positive to special service housing under LSS which is started and run by private operators. In addition, individuals

requiring additional support are often placed in housing with special focuses or specialisations run by private operators.

Many municipalities receive fines or the threat of fines from IVO if they fail to offer housing within a prescribed time. These long waiting times for the implementation of LSS decisions are also expected to further drive the private market in the form of the establishment of more special service housing under LSS in full responsibility homes.

Continued consolidation

The market for special service housing under LSS is very fragmented with a small number of large operators and a large number of smaller operators with a few housing units. Historically, acquisitions have proved to be a successful strategy for larger operators to accelerate their growth with retained profitability. Humana believes that this trend will continue going forward since market growth is expected to remain strong and entrepreneurs are constantly starting up new businesses.

Competitive landscape

The competition landscape regarding the operation of special service housing under LSS in full responsibility homes is fragmented, with a large number of small operators, and several larger operators, including the municipalities' own housing. In conjunction with procurement procedures regarding the outsourcing of special service housing, the focus placed by the contracting municipality varies, with some procurements being extremely price-focused, while others include a fixed price and, based on that price, focus being placed instead on the quality of the operations.

Humana considers its primary competitors to be Nytida/Solhagagruppen, Attendo and Frösunda.

THE CARE SECTOR IN NORWAY

Introduction

The Norwegian care sector includes the following segments: care for children and adolescents, adult psychiatry, care for individuals with functional impairments, unaccompanied refugee children, personal assistance and elderly care. Humana focuses primarily on care for children and adolescents, which is similar to the operations conducted by Humana in Sweden within individual and family care and personal assistance.

In Humana's view, the Norwegian care sector has not developed as much as the Swedish care sector, regarding to the contribution of private operators to market development. Decision-making on the Norwegian market is also more centralised compared to the Swedish market. The Norwegian state and municipalities are jointly responsible for administration of the Norwegian Child Protection Act (No. *Lov om barneverntjenester*) and together they provide care services for children and adolescents. The governmental agency, the Norwegian Directorate for Children, Youth and Family Affairs (No. *Barne-, ungdoms- og familiedirektoratet* – “**Bufdir**”), is a central body for, among other things, child and family care and is responsible for the administrative management and running of state care services for children. The Office for Children, Youth and Family Affairs (No. *Barne-, ungdoms- og familietaten* – “**Bufetat**”) comprises five regional offices which ensure that housing and family homes are available in accordance with each municipality's needs. After that, the municipalities decide upon care placement for children and adolescents, including whether an individual is placed in housing or a family home. Legislation within the personal assistance area, in Norway referred to as user-controlled personal assistance (No. *brukerstyrt personlig assistans* – “**BPA**”) has been in place since 2000 but was changed at the beginning of 2015 to give individuals greater possibilities and increased rights to assistance. The change means that BPA has to be approved if an individual so requires, and if the hourly requirements of the individual exceed 32 hours per week.

Purchasers of services

Just as in Sweden, in the case of care services for children and adolescents, the Norwegian municipalities make assessments and decisions regarding the individual's needs and who shall be granted care. Bufetat is responsible for most of the financing of housing operations and family homes, and the municipalities bear a smaller share. Outpatient care is financed and decided upon by the municipalities.

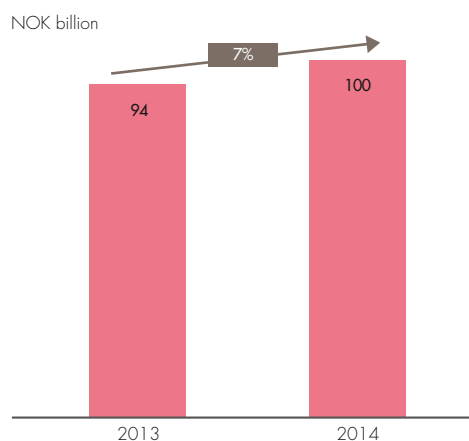
Within personal assistance, the municipalities decide on the care services. The municipality is also the main financier together with the state, which finances a part of the cost.

Types of operation

Regarding housing operations, private operators have framework agreements with Bufdir, whereby the private operator is entitled to receive placements in all municipalities. The next procurement for framework agreements regarding housing will take place in the spring of 2016 and the procurement period is expected to be four years, with an option for an additional two years. With family homes, there are no framework agreements between private operators and the state (only non-profit organisations). Instead, individual family home placements are regulated by a four-party agreement between the private operator, the family, the municipality and the state. With outpatient care, the municipalities have a full right of decision-making and they themselves finance the care services.

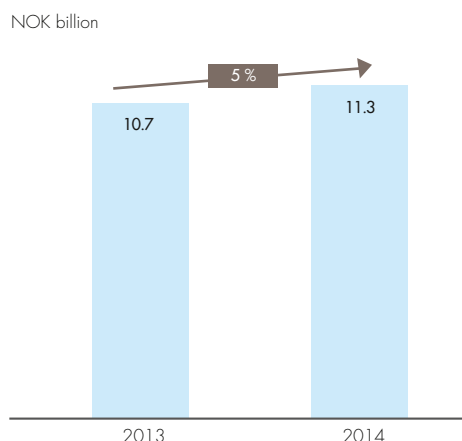
In Norway, the individual's entitlement to choose a provider within personal assistance is not statutorily-based as in Sweden. However, Humana makes the assessment that an ever increasing number of Norwegian municipalities are becoming receptive to the possibility of choosing providers by carrying out procurements through framework agreements with private operators. Only operators that have obtained a framework agreement (No. *konsesjon*) are then entitled to provide assistance within the municipality. In addition to agreements with the municipalities, private operators also enter into separate agreements with each individual.

The care sector in Norway



Source: Statistics Norway

The care sector in Norway for children and adolescents



Source: Statistics Norway

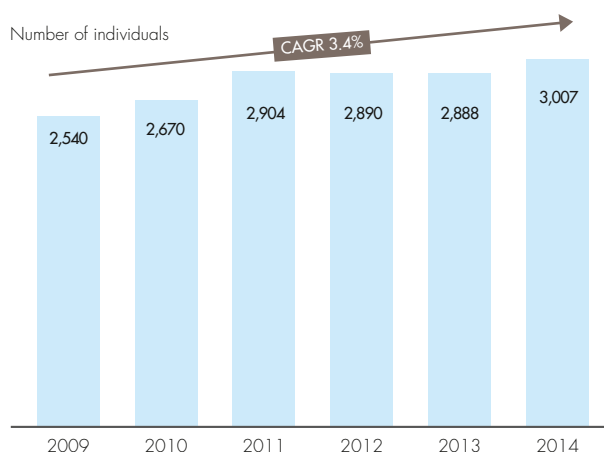
Market size and growth

In 2014, the total Norwegian care sector totalled NOK 100 billion, corresponding to NOK 19,700 per capita, in line with the Swedish care sector which, during the same year, corresponded to SEK 22,400 per capita. The market grew by 7 per cent in 2014.¹⁾ The total care sector for children and adolescents in Norway grew by approximately NOK 600 million in 2014, representing growth of 5 per cent. Thus, the market in 2014 totalled approximately NOK 11.3 billion.²⁾ The state-financed market for children and adolescents constitutes a smaller share of the total market. In 2012, this share totalled approximately NOK 6 billion³⁾.

The Norwegian authorities believe it is better for children and adolescents to receive care in a family home rather than in housing, and at the end of 2014, seven out of ten placements of children and adolescents were within family homes. Historic market data from Statistics Norway shows that the costs for state-financed housing for children and adolescents are higher than for family homes. Just as in Sweden, the degree of privatisation within housing operations is also higher than in the case of family homes. In 2014, the degree of privatisation of housing placements for children and adolescents in Norway was approximately 45 per cent, despite the fact that, in Humana's opinion, the individual and family care market in Norway is generally more regulated than the Swedish market. At present, and historically, public sector housing operations have enjoyed statutory priority regarding placements, followed by non-profit housing operations and, finally, private operators.

The number of individuals granted assistance has grown by more than 18 per cent between 2009 and 2014. Humana is of the view that care decision makers in Norway historically have preferred other types of care than personal assistance, but estimates that the market, since the assistance entitlement legislation of 1 January 2015, has grown and that an increasing number of municipalities are encouraging free customer choice.

Number of individuals granted personal assistance (2009–2014)



Source: Statistics Norway

1) Statistics Norway (*Omsorgstjenestene 2014*).

2) Statistics Norway (*Totala brutto driftsutgifter i barnevernet 2014*).

3) Statistics Norway (*Resursinnsats statleg barnevern 2012*).

Competitive landscape

Due to strict rules concerning priority regarding placement within care for children and adolescents, historically, Humana's strongest competitors have been non-profit organisations. Just as in Sweden, the competition landscape among private sector operators within individual and family care is fragmented. In terms of revenue, Humana is the second largest private provider of care services for children and adolescents after Aleris. Other competitors among private operators include, for example, Aberia, Solhagagruppen and Team Olivia. In recent years, consolidation has been taking place, to which Humana has been a strong contributor. The consolidation has been driven primarily by increased demands for documented quality and expertise, something that smaller operators have had difficulty living up to.

Within the area of personal assistance, the Uloba cooperative is the single largest operator and accounts for approximately 20 per cent of the market. Other private sector operators within the personal assistance market include, for example, team Olivia and Aleris.

Trends and drivers

Increased complexity on the individual and family care market

Just as in Sweden, the total market for individual and family care regarding children and adolescents is driven by an increasing number of diagnoses requiring psychiatric treatment. An important trend on the market for children and adolescents is that family homes have, to an increased extent, taken over less complex situations from housing operations; this is driven by the view held by the Norwegian state that housing operations should be limited to cover only complex situations and difficult cases. This has resulted in increased growth for family homes in Norway.

Strong market growth within personal assistance

Since the personal assistance entitlement legislation was introduced on 1 January 2015, Humana has noted growth in the market, through more individuals being granted assistance and an increasing number of municipalities opening up possibilities for private operators and free customer choice. Humana believes that this trend will continue in the coming years.



Business description

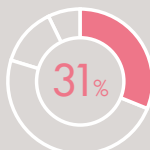
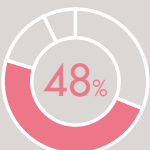
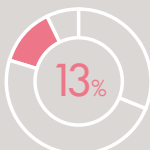
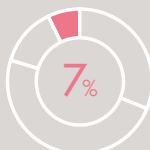
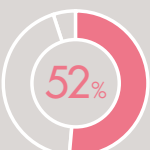
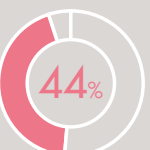


HUMANA IN BRIEF

Humana is a leading Nordic care company with more than 14,000 full-year and part time employees providing services within individual and family care, personal assistance, elderly care, and special service housing in accordance with LSS. In Sweden, Humana is the market leader within individual and family care as well as personal assistance. In Norway, Humana is the second largest provider of services within individual and family care.

Since 2006, Humana has developed from being a niche company within personal assistance to currently being a care company offering a broad range of high-quality care services. To a large extent, the expansion has been driven through organic growth and client recruitment, as well as through a number of acquisitions. Since 2009, the Group has increased its net revenue from SEK 1,693 million to SEK 5,593 million in the financial year 2015, corresponding to an average annual

increase of 22.0 per cent. Humana's strategy has been, and is expected to continue being, to focus on business within segments characterised by free customer choice and operations in full responsibility homes.

During this period of growth, Humana has constantly focused on quality as well as on client benefit and ethical principles. Humana believes that, as a market leader within important societal functions, the Company has a social responsibility and the Company is constantly endeavouring to establish higher standards within all areas in which it operates. Humana places great focus on developing an entrepreneurial and decentralised culture in which employees are encouraged to assume responsibility and are given the opportunity to affect the development of the operations. Humana endeavours to be a reliable and responsible employer as well as a long-term cooperation partner with major social commitment, driving development and improvements in the industry.

	Individual & Family	Personal Assistance	Elderly care	Norway
Net revenue breakdown¹⁾ 2015				
Operating profit breakdown 2015^{1), 2)}				
Service offering	<ul style="list-style-type: none"> • Medical care and treatment within psycho-social change work • Special service housing under LSS 	<ul style="list-style-type: none"> • Care services to individuals with functional impairment 	<ul style="list-style-type: none"> • Individualised elderly care (accommodation units for elderly and home care services) • Special service housing under LSS 	<ul style="list-style-type: none"> • Psychosocial and psychiatric care and treatment • Personal assistance
Number of clients/customers and employees³⁾	<ul style="list-style-type: none"> • 1,659 clients/customers • 1,795 employees 	<ul style="list-style-type: none"> • 1,952 clients/customers • 5,313 employees 	<ul style="list-style-type: none"> • 3,449 clients/customers • 1,640 employees 	<ul style="list-style-type: none"> • 202 clients/customers • 393 employees

1) Net revenue for each operating segment is information derived from the Company's audited annual reports.

2) Calculations are based on adjusted operating profit as presented on page 86 with the exclusion of negative contribution from *Elderly Care* (negative SEK 17 million) and central costs (a total of negative SEK 61 million). The share of the operating profit has been calculated as adjusted operating profit for the business areas *Individual & Family* (SEK 217 million), *Personal Assistance* (SEK 182 million) and *Norway* (SEK 19 million) in relation to total adjusted operating profits (SEK 418 million) for these three business areas.

3) Number of clients/customers and full-year employees refers to average number during 2015.

HISTORY

Humana was founded in 2001 as Assistansia, with the business concept of providing high-quality personal assistance services. The Company grew rapidly and became one of the first major private assistance companies. Per Granath was appointed of CEO of Humana in 2006, and in 2008 Argan Capital became the majority shareholder in the Company. Thereafter, Humana continued to grow within personal assistance and, since then, has also expanded its business to include individual and family care, elderly housing, and special service housing for individuals with functional impairments. Expansion has taken place both organically and through acquisitions, including the strategically important acquisitions of Avesina Äldreomsorg in 2010, and the individual and family care companies Baggium Vård och Behandling in 2011 and INOM – Innovativ Omsorg i Norden AB in 2014. Through the acquisition of INOM, Humana also established operations in Norway and recruited Humana's current CEO and President Rasmus Nerman. In the summer of 2014, Rasmus Nerman was appointed as the Company's deputy CEO and, in December 2015, he took up the position CEO and President.

In addition to the major strategic acquisitions, Humana has over the years acquired a large number of smaller companies. This has increased the Company's ability to rapidly assume leading positions on new markets and to offer a wide range of highly skilled care services. Although Humana as a group has, over the past five years, established itself within several new areas, many of the acquired businesses had been delivering high-quality care services for more than 40 years and thus had already built up a good reputation and network before becoming part of Humana. In 2011, the Group launched the joint name Humana, leading to wider exposure for the logo and the brand.

In addition to stable and durable profitability, Humana's organic growth is characterised by low investment requirements regarding non-current assets. During the period 2013–2015,

Humana's annual investments in non-current assets averaged 0.8 per cent of the Company's revenue¹⁾ and consisted primarily of investments associated with the opening of new units.

KEY STRENGTHS AND COMPETITIVE ADVANTAGES

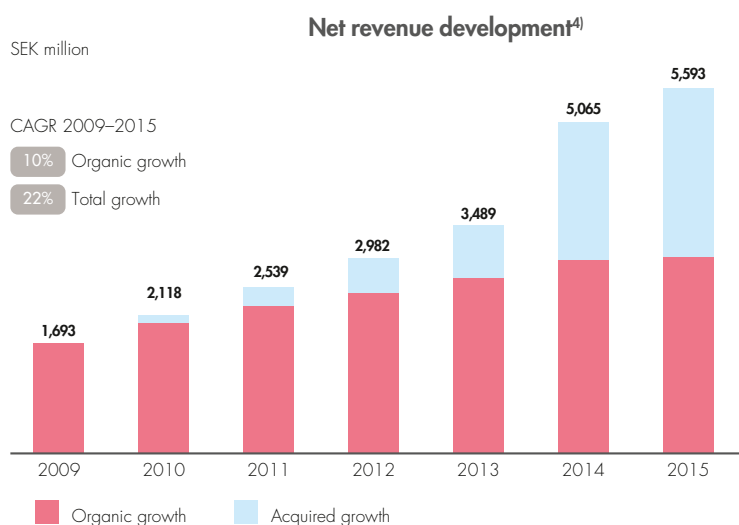
Humana is a leading operator in the Nordic care sector. The Company is operating on an attractive market and demonstrates a large number of key strengths and competitive advantages which, together, provide the Company with positive conditions for creating durable growth and maintaining and further developing leading quality levels. In addition, over time Humana has demonstrated sound ability to address changed market conditions and rapidly seize leading positions on new markets, among other things through a very good ability to identify, acquire and integrate new businesses. A summary of the Company's market position, as well as key strengths and competitive advantages, is presented below.

Large and stable market with fundamental underlying drivers for continued growth and strong consolidation potential

Strong and stable market with fundamental underlying drivers

In 2014, the care sectors in Sweden and Norway were valued at SEK 215 billion²⁾ and NOK 100 billion³⁾, respectively. According to Statistics Sweden, since 2005 the Swedish care sector has demonstrated unbroken growth averaging 4.0 per cent per year. Growth in the care sector is affected by a number of fundamental drivers, including:

- Increased prevalence of psychological ill-health among young people.
- Increased degree of complexity and increased need for specialised health, care and social services.
- A growing and ageing population.
- Care is a prioritised public expenditure area.



1) Calculated as acquisition of non-current assets and intangible assets from the statement of cash flows in relation to net revenue.

2) Source: Statistics Sweden.

3) Source: Statistics Norway.

4) Total net revenue is derived from the Company's audited annual reports. The financial information for the 2009–2012 financial years has been prepared in accordance with the Swedish Accounting Standards Board's general advice (BFN), and the financial years 2013–2015 in accordance with IFRS. Net revenue is accounting standards applied and does not implicate any differences in the comparison between the different financial years.



Private operators are becoming increasingly important

Year after year, private operators have become increasingly important in order to meet the increasing demand for care services. According to Statistics Sweden, measured in terms of revenue, the share of care services performed by private operators in Sweden has increased from 12.9 per cent in 2005 to 18.8 per cent in 2014. The private sector share differs substantially between different types of care services, but the private sector has increased within all segments. In those segments in which Humana has a market leading position, the pace of privatisation has been more palpable than within most other care segments.

The increased privatisation has been influenced by a number of drivers, including the following:

- Public sector operators lack resources and competence to meet the increased demand for care services.
- An increased element of complex diagnoses imposes greater demands for specialist care, which individual municipalities may be unable to meet.
- Increased consumer demand, and public sector support, for freedom of choice within healthcare and social care services.
- Private operators demonstrate competitive quality and efficiency, in many cases higher than public sector operators.

Market leading player with unique position to lead the consolidation of the fragmented market

Since Humana was founded in 2001, the Company has today grown to become one of the leading operators on the Nordic care sector. Humana has established market leading positions within individual and family care and personal assistance in Sweden, and is the second largest operator within individual and family care in Norway. In addition, since 2015, the Company has experienced strong growth in operations within personal assistance in Norway.

In addition to Humana and a small number of other large operators which conduct operations in several care segments, there are in Sweden approximately 4,000 small companies with total revenues of approximately SEK 44 billion¹⁾, that conduct operations within only one or a small number of segments. For a long time, a clear consolidation trend has been underway in the market, with Humana being one of the most active players. This trend is expected to intensify further as demands increase from purchasers, clients and public authorities.

Humana believes that its leading market positions, strong financial position, sound reputation, strong corporate culture and long experience of acquisitions will contribute to the Company being able to take advantage of the on-going consolidation trend also in the future. Despite competition from other buyers, Humana has consistently succeeded in acquiring high quality companies at attractive acquisition multiples. Humana believes that many of these companies have chosen to become a

1) Source: Orbis.



part of the Group thanks to Humana's high level of competence, strong value platform and the entrepreneurial corporate culture that exists within Humana.

Leading position within attractive market segments with operations focused on full responsibility homes or free customer choice

Focus on operations within full responsibility homes or free customer choice

As a consequence of the Company's focus on operations conducted in full responsibility homes and/or through free customer choice, Humana has a very diversified revenue base without any significant exposure to major outsourcing contracts with predetermined expiry dates. The Company's revenues within individual and family care are, in principle, derived exclusively from operations conducted within full responsibility homes, whilst in personal assistance, all operations are conducted within the scope of free customer choice. All in all, this means that 93 per cent of the Company's revenue derives from operations conducted under separate contracts with, or for, each separate individual. In addition to individual-based contracts, these segments are also characterised by strict demands from public authorities and other purchasers and, with respect to the individual and family care segment, also high barriers to entry and a high level of service complexity.

Finally, operations within full responsibility homes or free customer choice are facilitated by long-term investments in quality and competence development, which constitutes an important success factor for Humana.

Leading positions within attractive market segments

Humana believes that the segments in which the Company operates are the most attractive within the Nordic care sector.

Individual and family care

The individual and family care market is expected to grow substantially in the coming years, to a large extent due to increasing psychological ill-health, particularly among young people. The care services that the Company provides within this segment, including health, care and social services for individuals – particularly children and adolescents – with very serious psychological diagnoses, often combined with addiction problems, are characterised by very high degree of complexity and individualisation, high staffing levels and stringent formal competence requirements. The great complexity and the demanding requirements constitute barriers to entry, which in Humana's opinion are significantly higher than in any other care segment.

Placement decisions by authorities are decentralised and, in most cases, taken by individual social workers within social services. Consequently, Humana's breadth of operations and reputation, as well as the Company's nationwide network of relations on a municipal level, constitute significant competitive advantages.

Personal assistance

The Swedish market for privately performed personal assistance services has grown strongly over a long period of time and currently comprises approximately 900 operators, in addition to Humana and a few other major operators.

Increased regulation of the market combined with a more challenging market climate has made it more difficult for, in particular, certain smaller companies to conduct quality and efficient operations. This is expected to result in an intensified consolidation trend in which certain smaller companies wish to become a part of a larger, well-established operator with a strong financial position and the required structural capital. Humana has a long history within personal assistance and is today the leading company within this segment in Sweden. The Company has a well-established capital structure and efficient operations; this is expected to strengthen Humana's position on the market and create conditions for being a driving force in the anticipated market consolidation.

The market for BPA in Norway underwent a major change in January 2015, involving increased possibilities for personal assistance for many individuals. In 2015, Humana established its personal assistance operations in Norway and, since then, has experienced strong growth, facilitated by close cooperation between the assistance organisations in Norway and Sweden. Humana believes that, in the long-term, its long and solid experience from the Swedish market will create positive conditions for the Company to achieve a leading position also on the Norwegian market.

Elderly care and housing with special services for individuals with functional impairments under LSS

With the aim of seizing the opportunity to provide greater assistance to a rapidly growing population in need of elderly care, Humana has recently begun to focus on opening new accommodation units for elderly in full responsibility homes. In March 2016, the Company opened its first housing unit and, going forward, it intends to open two to three housing units per year in attractive geographic locations with strong demand. Humana also intends to continue its expansion within the market for special service housing for functionally impaired individuals within full responsibility homes.

Humana possesses long and solid experience of starting and operating housing in full responsibility homes in other market segments and considers itself to have good possibilities to establish itself over time as one of the leading operators within full responsibility homes providing accommodation units for elderly and individuals with functional impairments.

Attractive partner contributing with complex and socially important care services for purchasers and clients

In recent years, Humana has developed solid experience and expertise, as well as extensive infrastructure within individual and family care, and provides a unique range of services for individuals, primarily children and adolescents, as well as purchasers of services within individual and family care. The offering is based on Humana's integrated care chain, which is rendered possible by the Company's breadth in terms of geography and types of treatment, as well as a high level of specialist skills and the ability to adapt care and treatment to the individual's varying needs.

Those individuals who receive medical care and treatment from Humana often have very serious and complex diagnoses, often combined with, for example, addiction and/or deliberate self-harm behaviour. A large proportion of the clients require permanent support over a very long period of time, often life-long support, and consequently, the treatment periods are long, with the type of treatment developing over time as the individual's needs change. Humana's offering includes everything ranging from urgent placement in HVB units, longer-term housing placements, neuropsychiatric and psychiatric examinations, as well as family home placements to outpatient care, entailing that Humana is able to offer a cohesively linked series of care activities through its care chain.

Humana's broad offering and in-depth skills make the Company a very attractive cooperation partner for municipalities and public authorities, where Humana is able to adopt a long-term perspective regarding treatment and assume full responsibility for each individual during the entire treatment period. Humana also has proven skills to manage particularly difficult cases involving exacting requirements in terms of individualisation, staffing levels, and complex treatment methods. Consequently, many purchasers contact Humana proactively in order to obtain assistance in such cases; for example, this is the case within abuse problems, where Humana is one of the few operators in Sweden possessing adequate expertise.

Similarly, from the individual's perspective it creates great value since transparency and a long-term approach are offered in a unique manner through the possibility to be involved in, and affect, future changes in the treatment. As far as Humana is concerned, the integrated care chain means that those individuals who are entitled to receive medical care and social care from Humana often continue to be clients of the Company over an extended period of time, thereby increasing Humana's possibility to plan and invest in its operations over the long term.

Humana believes that the Company is the operator on the Nordic market for individual and family care with the most complete offering, combined with the highest skills level within many treatment methods, which combined with the fact that Humana also has the broadest geographic presence creates unique conditions for the Company to be able to continue to maintain and enhance its position as market leader.

Quality-focused organisation with strong corporate culture which contributes to development of the market

Conducting care operations requires great knowledge and the ability to satisfy rigorous demands for quality and monitoring. Humana's operations are characterised to a high degree by customer choice and individual contracts without any predetermined term of expiry. This means that clients and purchasers can, at any time, choose to discontinue the Company's services, thereby making the quality and monitoring requirements even more important. Humana's value platform constitute the basis for all of the Company's operations and the quality work is deeply rooted in Humana's corporate culture. To ensure quality has high priority at all levels within Humana – everything ranging from each employee assuming responsibility in his or her

daily work, to the Company having a central quality organisation comprising 25 specialists engaged exclusively in strategic work on management systems, systematic improvement work, self-control and development. In addition to this organisation, there are also quality representatives at each unit as well as a large number of employees working on methods, guidance and training.

With the aim of constantly improving the Company's operations, Humana has in place well-established routines for receiving and addressing proposals for improvements and complaints from clients, relatives, purchasers and employees. The Company is also regularly regulated by purchasing municipalities and IVO, which also grants permits for Humana's operations. In addition to supervision by external authorities, Humana also has an internal organisation which regularly carries out inspections in Humana's operations.

At present, there are no nationally agreed quality indicators within large parts of the care sector. Therefore, Humana regularly carries out rigorous quality measurements using indicators developed in-house, with the aim of ensuring that each operation maintains a high quality level, that the trend is in the right direction, and that improvement work is focused on the appropriate areas. Quality monitoring include, among other things, close dialogue with purchasers of care services, customer and purchaser surveys, employee surveys, self-controls and notified and unannounced internal inspections. In those measurements in which Humana can be compared with other operators in the market – both private and public – Humana consistently demonstrates very good results.

Humana's large number of units and workplaces creates conditions for benchmarking and the development of a "best practice" culture in which the business units can learn from each other and in which the best methods and most suitable work methods can be identified with the aim of subsequently developing routines for all units. The Company is regularly engaged in development and improvement work and business unit managers provide support to units performing less well, with the aim that they will quickly assimilate the methods and routines that have proved to be successful within other units.

Growth-focused company with a history of strong organic growth and successful acquisitions

Historical growth driven organically and through acquisitions

Since 2009, Humana has increased its revenue from approximately SEK 1,693 million to SEK 5,593 million in 2015, corresponding to an annual growth rate of 22.0 per cent. To a large extent, growth has comprised organic growth in the form of, among other things, new establishments, increased capacity and capacity utilisation at existing units, as well as more customers and purchasers having chosen Humana within, for example, the personal assistance area.

In addition to organic growth, Humana has completed more than 30 acquisitions since 2009, which in total have contributed SEK 2,589 million in revenue growth¹⁾ during the period.

Humana possesses solid experience and established routines for identifying acquisition candidates, implementing acquisitions and effectively integrating acquired units and companies into the Group. These acquisitions, which have usually been carried out at attractive valuation multiples, with the average acquisition multiple during the period being less than 5 times EBITDA (without taking into consideration possible synergies). During the period, Humana has also completed larger acquisitions, such as the acquisition of INOM in 2014, which gave the Company a leading position within the individual and family care in Sweden at the same time as it provided the Company with a platform for continued growth in Norway.

A common feature in all of these acquisitions is that the management and employees of the acquired companies share Humana's value platform. Many of the companies have been purchased directly from their founders and Humana has often invited the founder to become an owner in Humana and to continue to be involved in the development of the Company and the acquired business. This has proven to be an extremely successful concept and acquired businesses usually demonstrate faster organic growth within the Group. The continued development of acquired companies within most of Humana's newly started units has been led by the former owners of businesses that Humana has acquired. In order for the entrepreneurs to continue to enjoy being with Humana, the Company carries out proactive work to maintain an entrepreneurial culture at all levels, with short decision paths, local mandates, as well as a work method in which local ideas are encouraged and utilised.

Humana believes that there are significant growth opportunities – both organically and through acquisitions – on those markets on which the Company operates, and intends to prioritise growth and expansion also going forward.

Stable and durable profitability

Thanks to Humana's focus on operations within full responsibility homes and free customer choice, the Company has been able to efficiently plan and invest in its operations. In addition, the Company has maintained an even and high occupancy rate within existing units and has been successful in achieving good occupancy rates within a short time of new units being opened. Humana has also demonstrated good capability to rapidly take leading positions in new markets and to adapt the business to changed market conditions. All in all, these factors have resulted in the Company demonstrating stable profitability over time.

Humana believes that sound quality work constitutes a basic requirement for the business to grow and develop, while maintaining durable profitability. Accordingly, Humana makes major investments each year in maintaining a consistently high quality standard within all operations and believes that the Company performs very well in terms of its own ambitious objectives and the demands of clients and purchasers.

Humana's business model is characterised by a desire and capability to rapidly and efficiently integrate new units with the existing business and, without delay, implement Humana's

1) Acquired growth means an acquired business's contribution to revenue during the year of the acquisition and the subsequent full year.

work method and routines locally as well as regionally. The senior management has successfully developed a decentralised operating control model which allows for the retention of a small central organisation which operates and works close to the operations. Thanks to this work method, the Group is able to grow organically and through acquisitions with very limited increases in central costs. Accordingly, Humana believes that the Company has the possibility to maintain stable and durable profitability, at the same time as the Company continues to invest in long-term quality development.

Strong cash flows

In addition to stable and durable profitability, Humana's operations are characterised by extremely limited capital expenditures requirements in property, plant and equipment as well as low tie-up of working capital, resulting in strong cash flows. During the period 2013–2015, Humana's annual investments in property, plant and equipment averaged 0.8 per cent of the Company's revenue and primarily comprised investments in connection with the establishment of new units. Thanks to Humana's strong cash flows, the Company has historically financed organic growth and additional acquisitions without external contributions of capital.

STRATEGIC OBJECTIVES

Humana is a growth company focused on high quality operations. In the coming years, the Company intends to further strengthen its position as the leading operator on its main markets, with continued focus on operations within full responsibility homes and free customer choice. Humana intends to achieve this by focusing on the following three overarching strategies:

- Driving development of the care industry close to customers and operations and contribute to establishing a new, higher quality standard within all business areas.
- Being the most attractive employer in the industry and contribute to increasing interest in, and raising the status of, the entire care industry.
- Long-term durable growth – both organically and through acquisitions.

Driving development within the care industry with the aim of achieving a new, higher quality standard

As a leading Nordic care company and an active member of society, Humana aims to establish a new, higher quality standard in and for the care industry. Humana will continue to work on strengthening quality management systems in order to support its employees in delivering the best care, and on developing new quality indicators that regularly measure and monitor different areas. The Company's quality organisation comprising 25 dedicated employees is continually engaged in improving management systems, systematic monitoring, self-control and development. An important aspect of this strategy has been to recruit a Head of Quality who is a member of senior management with the aim of ensuring Humana's future quality of its care services and developing and coordinat-



ing continual work on quality. Within all of the areas in which the Company operates, Humana also intends to drive achievement of a joint quality standard which will render possible measurement and monitoring on a national level. When Humana establishes new operations in full responsibility homes, the Company always endeavours to establish a new standard regarding, for example, content, environmental impact and applied technology.

Contributing to increased interest in, and the status of, the care industry as an employer and be the most attractive employers in the industry

Humana believes that employees who are content, have a strong commitment and are highly skilled are crucial for Humana's clients obtaining the best care quality and for the Company continuing to develop. Not infrequently, care work is challenging and requires many different skills. Accordingly, Humana places great importance on ensuring continuous knowledge development and stimulation at the workplace. For example, the Company has developed the Humana Academy (Sw. *Humana Akademin*) through which Humana offers its employees 100 different training courses. In addition, Humana is constantly working with the Company's value platform, which constitute the platform for all operations at Humana, both in strategic planning and in day-to-day contacts with clients and purchasers. The Company believes that its employees' commitment, happiness and willingness to assume responsibility constitute Humana's primary competitive strength and the Company therefore intends to continue to develop its work on its value platform and its skills structure, with the aim of being the most attractive employer in the industry. In its role as a member of society the Company intends to lead the work to increase interest in, and the status of, the care industry as a whole.



Long-term durable growth – organically and through acquisitions

Organic growth focused on establishment of full responsibility homes and based on free customer choice

Since 2009, Humana has achieved an average organic growth at an annual rate of ten per cent, and it intends to continue this trend going forward. Irrespective of segment, a common feature of all of Humana's operations has been that the Company has a strong operational focus on organic growth through the establishment of operations in full responsibility homes and based on freedom of customer choice. The Company has developed a particularly strong expertise within the establishment of new housing operations and a structured process for successfully starting up new housing units. Humana has central support functions possessing property and permit expertise in order to support continued growth through housing operations in full responsibility homes.

Individual and family care

As individual and family care services have developed and grown, they have also become increasingly complex as the need for specialist skill has increased. The Company has addressed this demand by successfully opening new full responsibility home units, often with specialist treatments focused on individuals with complex diagnoses. Through its extensive experience from new establishments, the Company has developed a structured process which often results in new units achieving full occupancy within six to twelve months of the date of opening. At present, the Company has a project portfolio compris-

ing of a large number of possible new establishments and therefore considers that, in the coming years, there are good possibilities to continue to maintain a high growth rate in full responsibility home operations within individual and family care. In addition, the Company intends to continue to invest in the opening of new offices within family homes and outpatient care.

Personal assistance

Humana perceives major opportunities for continued organic growth within the personal assistance area, in which the Company is the market leader in the Nordic region. The personal assistance market is expected to become more challenging for operators, and in Humana's opinion this will affect the quality and service level of, primarily, many smaller operators, resulting in customers turning instead to larger, quality-focused and financially stable operators such as Humana. With the aim of being the natural alternative for customers who switch operator, Humana works continuously to maintain and further develop the high quality which the Company believes has resulted in Humana attaining its current market leading position.

Elderly care

As a consequence of the demographic trend involving an increased proportion of elderly people and an anticipated increase in lifespan, the need for accommodation units for elderly and home care services is expected to increase in the future. Humana has operated on the elderly care market for

several years and, in 2015, decided to accelerate its growth towards elderly housing in full responsibility homes due to the Company's knowledge of, and processes for, new establishments of housing. In March 2016, Humana opened its first elderly housing in a full responsibility home in Gävle with capacity for 81 individuals. In its investment in accommodation units for elderly, Humana is also endeavouring to set a new standard, and the housing in Gävle has aroused very positive interest due to its design, content, and the use of technology. Investments in the central organisation, for example specialists for the establishment, planning, projecting and construction of new properties, are expected to support continued growth. Following close discussions with municipalities with a strong need for new housing, Humana intends to open two to three new units each year, all in central, attractive locations.

Special service housing under LSS

Demand for special service housing under LSS is expected to increase in the future, driven by increasing psychological ill-health in Sweden and the fact that, in Humana's opinion, municipalities and public purchasers will have difficulties in coping with the increased demand. At the end of 2015, Humana operated 39 special service housing units and, through several investments in central resources, has recently initiated an accelerated investment for the establishment of several special service housing units in full responsibility homes. Operations within special service housing and the Company's HVB units are closely related operationally, and the Company believes that there is major synergy potential in conducting both of these types of operation. For example, it is not uncommon that individuals who are currently placed at HVB units also have an LSS decision as the basis for their placement. More special service housing under LSS also means that Humana's care chain will become even more complete and attractive for the Company's cooperation partners. The Company is currently working on a project portfolio which is expected to result in several new establishments in the coming years.

Leading the consolidation of the fragmented market

Humana's well-developed infrastructure has resulted in clear economies of scale in the business model and additional central costs are required to only a limited extent when new units are acquired. As, among other things, the quality and documentation demands on companies within the care markets increase, Humana perceives good opportunities to acquire and integrate other operators on the market.

Humana intends to continue to drive the consolidation on the fragmented market for individual and family care. Many smaller operators within the market segment are turning to Humana due to the Company's strong value platform and leading position within individual and family care in Sweden, and since the Company has historically successfully integrated acquired businesses. This has created favourable conditions for improvements as regards to quality and client offering in acquired units, which has resulted in a stimulating work situation and continued growth possibilities for the entrepreneurs.

Humana believes that market conditions within the personal assistance area will become more challenging, especially for certain smaller operators. This is expected to lead to opportunities to make acquisitions on attractive terms, in addition to organic growth in number of customers. Given its many years of experience and prominent position, Humana considers that the Company can play an active role in future consolidation of the private assistance industry and the Company has already conducted discussions with several operators who wish to join a large, quality-focused operator such as Humana.

Strengthen the position in the care sector in Norway

Since the acquisition of INOM in January 2014, through organic growth and additional acquisitions, Humana has developed to become the second-largest operator within care for children and adolescents in Norway. During 2015, the Company also developed a rapidly expanding personal assistance business and established a central organisation in Norway to support continued growth within all areas. The Company intends to maintain major exchanges of experience between the businesses in Sweden and Norway and that, in their future development, the Norwegian business will continue to be supported by its sister organisation in Sweden.

Humana intends to continue to invest in growth in its individual and family care business through organic growth and acquisitions. Through successful expansion within housing for children and adolescents, the Company has developed a structured process for the establishment of new units. The Company believes that, in coming years, there will be major opportunities for continued growth within full responsibility home operations within individual and family care in Norway.

Humana also perceives major opportunities for organic growth within the personal assistance area, also referred to as BPA. The Company has demonstrated good organic growth thanks to a growing market driven by the assistance entitlement legislation introduced in 2015, as well as support in the form of experience and expertise from Humana's Swedish operations. The number of personal assistance customers in Norway has increased from 39 at the end of May 2015 to 67 customers in the middle of January 2016. Humana believes that both the personal assistance market and the Company's operations will develop positively in coming years and intends to continue to focus on organic growth within personal assistance in Norway.

Expansion to new geographic markets

Humana is regularly assessing the possibilities for establishment of its business on new geographic markets. Humana has identified a number of attractive acquisition possibilities which would provide the Company with a strong presence on those Nordic markets where the Company is not established.

FINANCIAL TARGETS

Revenue growth

- An annual medium-term¹⁾ growth of 8–10 per cent. Growth shall be achieved through organic growth and through supplementary acquisitions.

Profitability

- A medium-term operating margin of approximately 6 per cent.

Capital structure

- Interest-bearing net debt in relation to EBITDA shall not exceed 3.0 times.
- However, the debt/equity ratio may temporarily exceed the target level, for example in connection with acquisitions.

Dividend policy

- A dividend amounting to 30 per cent of net profit.
- The proposed dividend shall take into account Humana's long-term development opportunities and its financial position.



VISION AND OBJECTIVE

Vision

Everyone is entitled to a good life.

Objective

To be the given choice for care services for clients and purchasers with high quality demands.

VALUES AND ETHICS

Humana's value words

Commitment, Happiness and Responsibility.

Humana's value platform

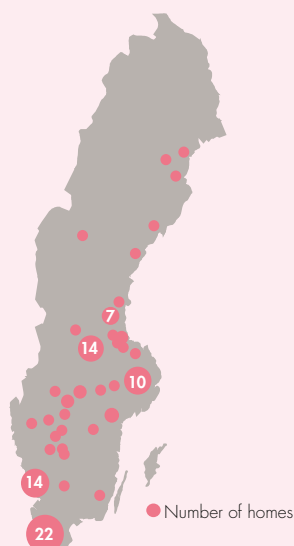
Humana's value platform is built upon the basic equality of all people and these values characterise the Group's entire business. As Humana has become a leading operator in the Nordic care sector, the work involving the Company's value platform has become increasingly important. Humana believes it to be of utmost importance that a care company of Humana's size has clear ethics and values that are perceived as genuine by all employees, clients, relatives, purchasers and others who encounter Humana in day-to-day life. The value words, Commitment, Happiness and Responsibility, are a reflection of the work climate prevailing in the Group. Since the description of the value platform shall correspond to how Humana's employees experience the climate and culture in the Group, the value platform is very concrete, real and well anchored. Humana believes that its value platform is one of the Group's most important assets.

1) 'Medium-term' means a time horizon of three to five years.

BUSINESS AREAS

Humana Individual & Family

Overview – Humana Individual & Family



Market position

#1

Number of clients (in average 2015)

1,659

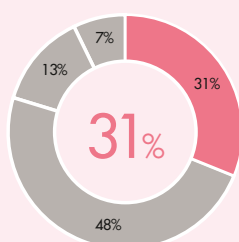
Number of employees (in average 2015)

1,795

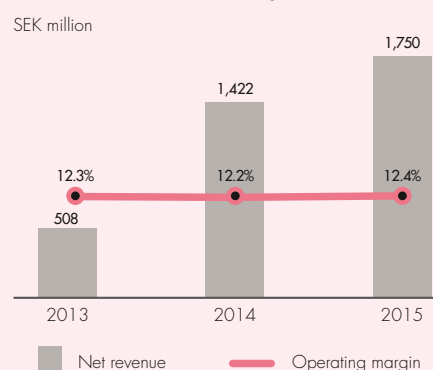
Operations (as of 31 December 2015)

- 69 children and adolescent HVB units
- 24 special housing for adults
- Approximately 900 individuals in family homes and outpatient care

Share of the Group's net revenue (2015)¹⁾



Financial development¹⁾



1) Net revenue and operating profit are derived from the Company's audited annual reports. Operating margin is defined as operating profit in relation to net revenue.

Through its *Individual & Family* business area, Humana is the leading care company within individual and family care in the Nordic region. Humana offers housing, care and treatment within psychiatry and psychosocial change to families and individuals within all age groups. Thanks to its focus on competence and quality, *Humana Individual & Family* has developed into Humana's most important engine for growth and Humana makes the assessment that the business area continues to possess great growth potential, both short and long term.

Humana Individual & Family has framework agreements with more than 240 municipalities and is the only operator in Sweden able to offer a nationwide integrated care chain (see also “– *Humana Individual & Family's integrated care chain*” below) with a particularly high level of expertise within psychosocial problems and psychological ill-health among children and adolescents. Humana also operates five special service housing units under LSS in full responsibility homes within the *Individual & Family* business area. The business area's net

revenue in 2015 was SEK 1,750 million with an operating profit of SEK 217 million during the same period.

Children and adolescents – HVB units and support housing

Humana's HVB operations offer housing for children and adolescents who, for various reasons, are unable to remain with their family or live in a family home. Operations are specially focused on complex situations such as children and adolescents suffering from abuse problems or deliberate self-harm behaviour. All of Humana's HVB operations have one or more psychologists connected to the housing and, in connection with certain HVB units, there are special resources schools which provide the residents with the possibility for functioning schooling. A HVB unit for adolescents generally has place for 5–8 clients while a HVB unit for adults normally is larger and has place for 10–20 clients. All operations actively employ empirical methods and measures tailored to the client's wishes and needs. Great importance is also placed on client participation, with the client participating and influencing the treat-



ment. Humana's HVB operations include treatment involving a large element of medical care and requiring highly skilled personnel. Humana is an important cooperation partner for municipalities and other public institutions, particularly in conjunction with the treatment of complex diagnoses.

As of 31 December 2015, Humana operated 69 HVB operations and support housing for children and adolescents.

Family homes and outpatient care

A family home is a home which, on behalf of the social services in each municipality, accepts children or adults for care. An emergency home, which is a similar type of operation, is used for urgent situations requiring a prompt temporary solution. Humana offers consultant-supported family and emergency homes and, consequently, Humana's consultants guide, support and train family homes in their task, with on-call help available 24 hours a day the year around, through which the family home consultants can provide advice and guidance as required.

Humana also offers various types of outpatient care treatment aimed at offering the clients tailored solutions in the family home or with their biological family. Humana believes that by

involving family, school, family home, recreational interests and other important networks, the possibilities are increased of achieving sustainable changes. This also contributes to achieving the goal of each child and adolescent becoming an independent individual with a normal life; this is, therefore, a key feature of Humana's outpatient care treatments. As of 31 December 2015, Humana provided family homes and outpatient care to approximately 900 children and adolescents.

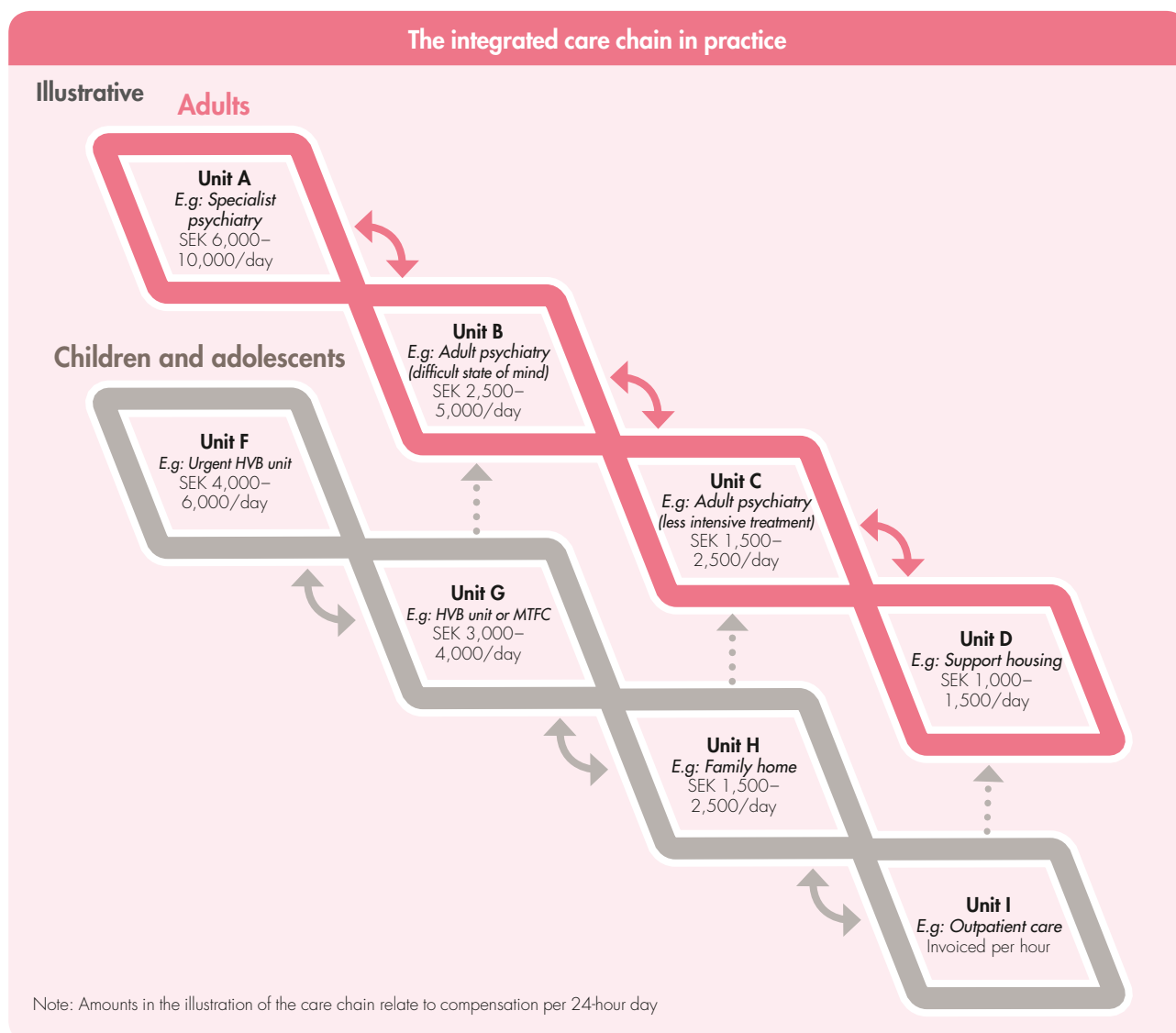
Adults

Humana's individual and family care for adults includes a broad range of individual measures within psychiatry, neuropsychiatry, addiction treatment, open forensic psychiatric care, open psychiatric involuntary treatment and geriatric psychiatry. The operations focus on helping individuals with particularly complex diagnoses and functional impairments.

Humana has a nationwide network of HVB units and special housing which accept adults with complex psychiatric problems, often in combination with addiction. As of 31 December 2015, Humana operated 24 units within individual and family care for adults.

Specialist skills and development of the market

As the leading operator within individual and family care, *Humana Individual & Family* is continuously engaged in contributing to the development of the industry. The Company has developed major specialist skills within the area and the workforce currently includes, among others, 22 licensed doctors linked to the organisation (specialists in psychiatry, child and adolescent psychiatry, forensic psychiatry and general medicine), 100 licensed nurses (most of whom possess specialist skills in psychiatry), 40 licensed psychologists and psychotherapists, and approximately 300 social workers, a large number of whom possess basic psychotherapy training. Humana is supervising and participating in a number of research projects, developing new methods, and further developing the Company's methodology and work method. The conceptualised treatment method referred to as Intensive Home-based Family Treatment (Sw. *Intensiv Hemmabaserad Familjebehandling* – "IHF") is an example of this. In brief, IHF involves an entire team working intensively with adolescents, their family, as well as friends, school and organised sports activities. Humana licenses and trains municipalities and other private operators in the treatment process. Humana is also the exclusive licensee in the Nordic region for the methods referred to as Treatment Foster Care Oregon ("TFCO") and Connect. TFCO is similar to IHF, but refers to treatment of individuals placed in a family home. Connect is a connection-based training programme which can contribute to greater understanding by family home parents concerning the behaviour patterns of the placed individual.



Humana Individual & Family's integrated care chain

A traditional care chain within the care sector describes how various healthcare and social care models and skills are linked together to help an individual move forward in the right direction. Humana offers a broad range of various measures and services within its care operations and therefore chooses to describe its activities as an “integrated care chain”, more advanced than the traditional care chain based on events and measures carried out step-by-step. The care chain combines and adjusts the various measures dynamically, in terms of content and geographically over time as the needs of the particular individual change. The ability to combine expertise and individualised measures over long periods of time makes Humana unique. Through its specialist skills in every stage of the work, *Humana Individual & Family* is able to identify needs, difficulties and resources necessary for each individual and, when the time is right, to help the individual go forward to new measures in order to develop in a positive direction and contribute to a long-term perspective regarding care and treatment. Humana often witnesses successful care chains being

created through cooperation between the Company's specialist operations, HVB units, family homes and outpatient care. The care chain is made possible thanks to Humana's breadth in terms of competence and operations. Humana is able to act as a cooperation partner for all of the municipalities and county councils in Sweden and, thanks to the breadth of its operations, is able to take over a matter in its entirety from day one. The care chain and Humana's complete range of services are strong contributory factors to Humana being an appreciated cooperation partner for clients, municipalities and county councils.

Operational structure

During 2015, 99 per cent of the revenue within *Humana Individual & Family* was generated from operations in full responsibility homes, entailing that Humana has full responsibility for all personnel, permits, operations and the property where operations are conducted. Humana's focus on full responsibility homes allows for long-term investments in quality and employee skills development. A separate contract is always drawn up for each specific individual. Thus, Humana

has a large number of individual contracts entered into between Humana and municipalities, which are often based on framework agreements previously entered into between Humana and the municipality in question. Also as regards to family homes, a separate agreement is made with the family home linked to Humana's framework agreement with the municipality.

Process in conjunction with the establishment of new full responsibility homes

Humana has developed a systematic process for opening new full responsibility homes. The illustration below shows a diagrammatic presentation of the process.

Humana regularly carries out its own market analyses within individual and family care and is in constant direct dialogue with municipalities and associated purchasers with the aim of identifying the need for new housing. When a project has begun, a project team is formed comprising a number of specialists and support resources within, for example, property, IT, market and HR. Humana has its own property team which cooperates with landlords, construction companies and other companies within the property industry in order to find suitable sites or properties for new housing and to ensure smooth and time-efficient property development processes. During the construction process, Humana's property team maintains close contact with the property owner and construction company to ensure that the work proceeds according to plan and that the result conforms to what has been agreed. Humana has developed a method for ensuring a rapid and

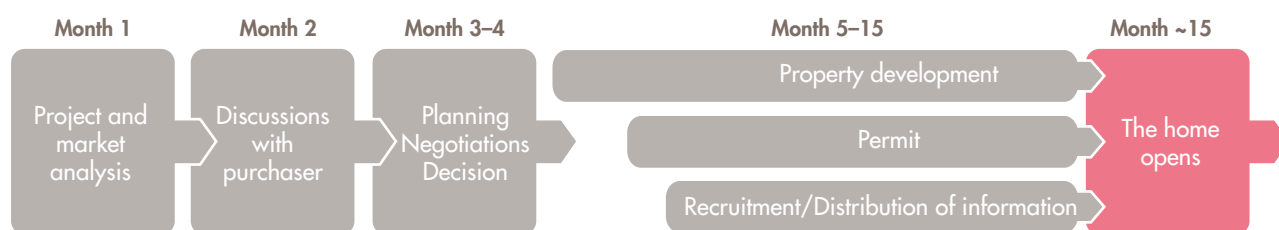
efficient occupancy process. Each housing unit requires a permit from IVO, a process of which Humana's organisation has long experience and is highly skilled in. Prior to the opening of a housing unit, recruitment of personnel takes place as well as dissemination of information to municipalities, other purchases and the general public. During the past two years, Humana has maintained an average occupancy rate of approximately 85 per cent.

Growth strategy

Humana is experiencing growing demand for care services within individual and family care. The Company intends to meet this growing demand by establishing new full responsibility homes. Since 2009, Humana has opened more than 20 new units within individual and family care and has developed great skill in establishing operations providing specialist treatments for individuals with complex diagnoses, and has created a structured process for the successful start-up of these units. The Company believes that there will be great opportunities for continued growth within full responsibility home operations in the individual and family care sector in coming years.

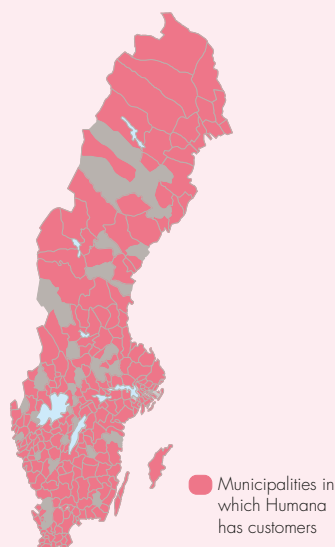
Historically, a large number of small operators within the market segment have approached Humana for merger and acquisition discussions, since the Company has demonstrated skilfulness in taking appropriate care of, and successfully integrating, acquired businesses. In addition to organic growth, Humana intends to continue driving consolidation of the fragmented individual and family care market.

Process in conjunction with the establishment of new full responsibility home



Humana Personal Assistance

Overview – Humana Personal Assistance



Market position

#1

Number of clients
(in average 2015)

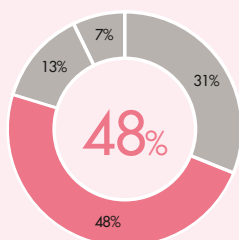
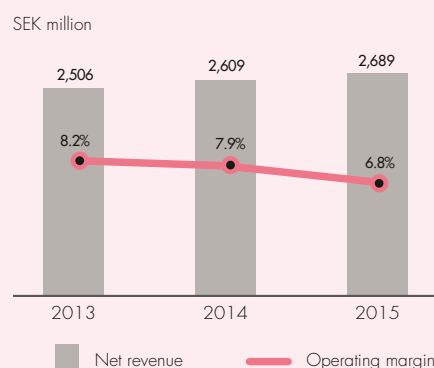
1,952

Number of employees
(in average 2015)

5,313

Geographic presence

248 municipalities

Share of the Group's net revenue (2015)¹⁾Financial development¹⁾

1) Net revenue and operating profit are derived from the Company's audited annual reports. Operating margin is defined as operating profit in relation to net revenue.

Humana Personal Assistance offers personal assistance to individuals with functional impairments. Although Humana has clients in all age groups, a large proportion of the customers (approximately one-third) are children. *Humana Personal Assistance* engages more than 8,500 personal assistants on a full-time or part-time basis (corresponding to approximately 5,300 full-time employees), through a nationwide network of regional and local offices. Through almost solely organic growth, the business area has developed from being a small assistance company to being Sweden's largest and leading private provider of personal assistance, with more than 1,900 clients in 248 municipalities. Since the end of 2009, Humana has had a net inflow of 350 clients, and the number of contracted assistance hours have increased from 5.8 million hours in 2009 to 9.8 million hours in 2015, which represents an annual average growth rate of 9.3 per cent. As the leading operator within the personal assistance market, Humana is involved in driving the development of industry issues and in doing so has raised the standard in the industry. Humana has been a pioneer and the first operator with a number of initiatives, for example being the first with in-house legal counsels

and online training courses, as well as being the first company to publish a manual for assistance costs. Humana was also the first company to apply for assistance permits when the requirement was introduced in 2011.

In 2015, the business area reported net revenue of SEK 2,689 million and an operating profit of SEK 182 million. Humana's share of the personal assistance market in Sweden is approximately 10 per cent.

Humana as assistance provider

Humana Personal Assistance works to enable the customer to exercise major influence over his or her assistance and daily life, which among other things, includes influence over which individual(s) will be the customer's personal assistant(s). A personal assistant may also be a family member or another relative, who in such case is employed by Humana. All assistants are offered basic assistance training.

Humana ensures that every customer is surrounded by his or her own team comprising a client and assistance manager who



leads the team, one or more assistants who provide the day-to-day assistance (one of whom is often an on-site supervisor), a lawyer who provides advice and, if required, represents the customer in contacts with the Swedish Social Insurance Agency or the municipality, and a salary administrator who attends to payments of salary and other administration functions. In addition, customers and assistants can turn to a support department regarding issues such as salary, scheduling and time reporting.

Structure capital

Personal assistance normally involves a number of assistants working on a shift basis for the same customer. With more than 1,900 clients in 248 municipalities and more than 8,500 personal assistants working full-time or part-time, effective internal communication and the rapid distribution of information to all employees are of the utmost importance for Humana. Through its long experience in the assistance

industry and in managing a large workforce, Humana has built up a professional organisation which effectively supports the business. For example, Humana has developed the *Humanakoll* web tool, whereby the customer, assistants, the supervisor and the customer and assistance manager can plan and have an overview of everything ranging from schedules and time reporting to important documents. Close cooperation with *Humana Individual & Family* further strengthens the competitive strength of *Humana Personal Assistance*, e.g. through guidance and training of personnel.

Operational contracts

Humana conducts assistance operations in 248 municipalities in Sweden. In all cases, Humana enters into individual contracts with each specific individual, and consequently *Humana Personal Assistance* has a very diversified contract base.

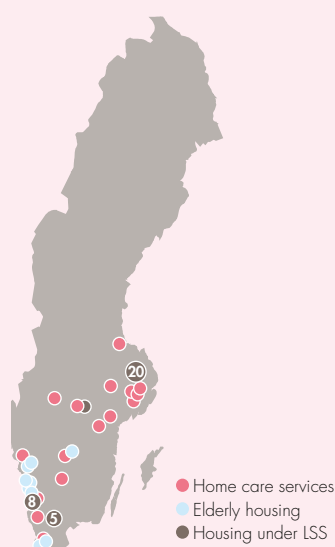
Growth strategy

Humana perceives great opportunities for continued organic growth within the personal assistance area. The Company is the market leader within personal assistance in the Nordic region and attaches great importance to individualisation and quality. The personal assistance market is expected to become more challenging for the operators due to the reintroduction of full employers' social security contributions regarding employees below the age of 26 and the National Social Insurance Agency's expected change in the payments of assistance allowances, from payment in advance to payment in arrears. This is expected to create increased opportunities for Humana to grow organically, primarily due to the fact that customers of smaller operators might experience deterioration in quality and service level and therefore turn to larger, more stable operators, such as Humana. With the aim of being the natural alternative for customers switching operator, Humana will continue to increase efficiency in the business and maintain and further develop the high quality that has resulted in the Company attaining its current market leading position.

The challenging market conditions are also expected to lead to great opportunities to acquire first and foremost smaller companies that no longer succeed in operating on the market under the new conditions. Humana is already conducting discussions with several operators who wish to join a large, quality-focused operator such as Humana.

Humana Elderly Care

Overview – Humana Elderly Care



Market position

#2 (home care services)

Number of clients
(in average 2015)

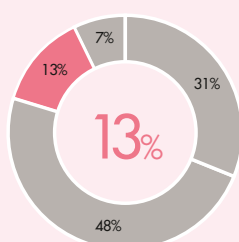
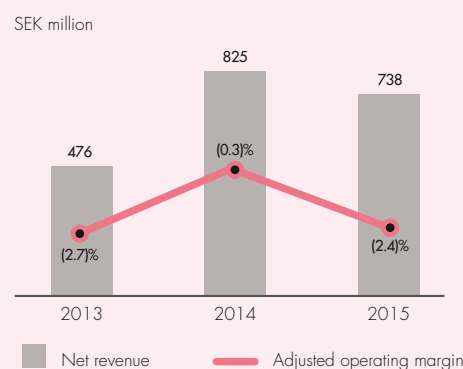
3,449

Number of employees
(in average 2015)

1,640

Operations (as of
31 December
2015)

- 10 elderly housing units
- Home care services in 15 municipalities
- 34 special service housing units under LSS

Share of the Group's net revenue (2015)¹⁾Financial development^{1), 2)}

1) Net revenue is derived from the Company's audited annual reports. Adjusted operating margin is defined as adjusted operating profit in relation to net revenue.

2) Operating profit for 2015 excludes negative SEK 36 million attributable to goodwill impairment related to acquisitions.

Humana provides individualised elderly care based on the clients' own circumstances, needs and wishes. The Company provides elderly care within two business areas: accommodation units for elderly and home care services. Humana's goal is to be a leading elderly housing operator in terms of quality, with a focus on accommodation in full responsibility homes. At the end of 2015, Humana operated ten accommodation units for elderly under outsourcing contracts in seven localities in Sweden. In 2014, work began on establishing Humana's first full responsibility home for elderly accommodation. The home was completed in the first quarter of 2016 with 81 apartments. See more under "– Case Study – Elderly care in full responsibility home in Gävle" below. Home care services represent a rapidly growing care area and, as of 31 December 2015, Humana provided home care services in 15 municipalities in accordance with LOV. However, in February 2016, the Company announced that it had divested parts of its home care service business (see "Operational and financial review – Significant changes since 31 December 2015"), after which Humana

provides home care services in 13 municipalities. 34 special service housing units under LSS were also operated within the business area (as of 31 December 2015).

In 2015, the business area reported net revenue of SEK 738 million and an adjusted operating loss of negative SEK 17 million under the same period.

Operational structure

Humana operates ten accommodation units for elderly under outsourcing contracts and has one elderly accommodation unit in a full responsibility home which opened in March 2016. As of 31 December 2015, Humana provided home care services in 15 municipalities in accordance with LOV. Within the business area, 29 special service housing units are also operated under outsourcing contracts, as well as five special service housing units and one daily activity in full responsibility homes (on 31 December 2015). During the operational year 2015, 53 per cent of the revenues were generated from full responsibility housing.

Growth strategy

The demographic trend in Sweden, with an increased proportion of elderly people and an increasing anticipated lifespan means that the need for accommodation units for elderly and home care services is expected to increase going forward. Humana has operated on the elderly care market for several years and, in 2015, decided to accelerate its growth in elderly accommodation within full responsibility homes. Investments in the central organisation, for example the property organisation, are expected to support continued growth and Humana intends to open two to three new units annually, all of them in central locations in municipalities that have implemented

LOV. In February 2016, Humana announced that it intends to open its second special elderly housing unit in a full responsibility home in 2017. The unit will be built in central Vaxjö and have capacity to accommodate 72 individuals. (See “Operational and financial review – Significant changes since 31 December 2015”).

Humana intends to work selectively with regard to new procurements of outsourcing contracts for elderly accommodation and endeavours only to compete for contracts where Humana has the possibility of achieving the same high quality level as permeates the Company’s entire operations.

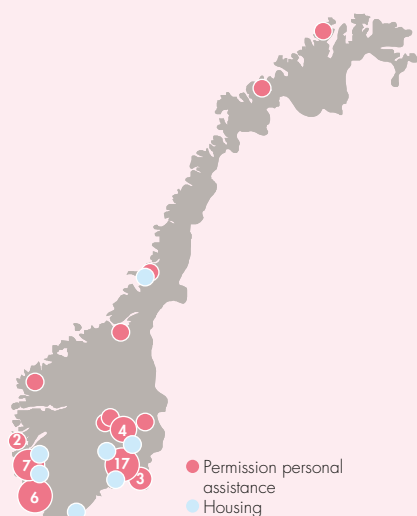
Case study – Elderly care in full responsibility home in Gävle

- In central Gävle, Humana has built its first full responsibility home providing accommodation for elderly, adjacent to an assisted-living housing unit.
- The home comprises six floors with 81 apartments. Humana has chosen to apply the Group’s entire know-how regarding full responsibility homes in order to design an innovative home in terms of the building’s design, choice of materials, e-health and IT support, as well as the operations to be conducted.
- The building is designed to have a home environment, devoid of any institutional associations. The lighting is designed to change over the course of the day to support the daily rhythm, both in common areas and in the individual apartments. The building has a shared area with a roof terrace affording a view over the entire city, as well as a spa, sauna and gym.
- In 2013, Humana conducted a detailed needs analysis in Gävle municipality and commenced the construction process through contacts with property developers. A zoning and planning permission process were produced parallel with discussions with Gävle municipality.
- In the summer of 2014, construction began on the home, with the timetable providing for a construction period of 1.5 years.
- During the first and second quarters of 2015, Gävle municipality conducted a framework agreement procurement process in which Humana participated and was awarded the contract.
- In June 2015, Humana applied for a permit from IVO, which was granted in January 2016. Occupancy began in March 2016. Throughout the process, Humana maintained close contact with both the municipality as well as with SPF, which is constructing the adjacent assisted-living housing.

*Humana’s elderly housing in Gävle represents elderly housing of the future
A stimulating environment in which residents and their relatives can feel secure and happy*

Humana Norway

Overview – Humana Norway



Market position

#2

Number of clients
(in average 2015)

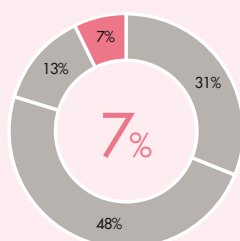
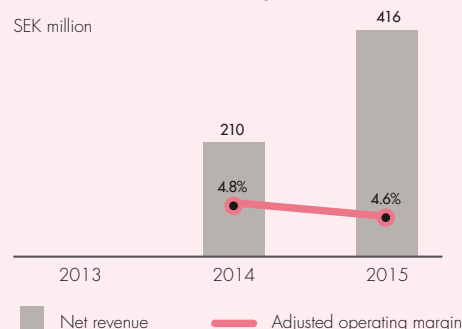
202

Number of employees
(in average 2015)

393

Operations (as of
31 December
2015)

- 38 children and adolescent HVB units
- 60 family homes
- 6 homes in accordance with the Act relating to Municipal Health and Care services etc.
- 18 outpatient care clients
- 45 personal assistance clients

Share of the Group's net revenue (2015)¹⁾Financial development^{1), 2)}

1) Net revenue is derived from the Company's audited annual reports. Adjusted operating margin is defined as adjusted operating profit in relation to net revenue.

2) Operating profit for 2015 excludes negative SEK 32 million attributable to losses upon disposals of subsidiaries.

In 2014, Humana expanded its operations to Norway through the acquisition of INOM, a care company operating primarily within individual and family care. Since the acquisition of INOM, Humana has demonstrated strong growth within individual and family care through additional acquisitions and successful organic growth. In 2014, Humana also commenced operations within the personal assistance area, an investment which was accelerated in 2015 through the acquisition of Dedicare Assistans, with the aim of strengthening Humana's presence on the Norwegian market and taking an important step in the endeavour to become a provider of a wide range of care services in Norway. Humana also conducts certain operations within care for functionally impaired individuals in housing with full-time staff and through load-relief services. At the end of 2015, Humana performed care services in 45 municipalities in Norway and had entered into framework agreements (No. *konsesjon*) related to personal assistance with 48 municipalities in Norway.

Humana's broad expertise and operations within individual and family care in Norway make it possible for the Company to apply the "care chain" concept, just as in Sweden, which means that the Company can combine and adjust various measures as the needs of the individual change. As a consequence, Humana is an appreciated cooperation partner for clients, the state and municipalities. See further under "*– Humana Individual & Family – Humana Individual & Family's integrated care chain*" above.

In 2015, the business area reported net revenue of SEK 416 million and an adjusted operating profit of SEK 19 million.

Children and adolescents – Housing operations

Humana Norway conducts housing operations for children and adolescents from non-functioning home backgrounds and/or with negative behaviour patterns. The target group is primarily comprised of children and adolescents with complex problems, such as neuropsychiatric functional impairments, aggression and violence problems, criminality, psychological problems, as



well as drug and other addictions. *Humana Norway* also accepts unaccompanied refugee children below the age of 15.

In order to provide extra support in complex situations, each resident has access to a psychologist, psychiatrist or doctor. At each housing unit, Humana has also appointed a schooling manager who focuses on cooperation with schools and ensures that the residents are given the opportunity to finish school. At the end of 2015, *Humana Norway* had 38 housing units for children and adolescents.

Children and adolescents – Family homes and outpatient care

Humana Norway's family homes are focused mainly on children and adolescents coming from complicated situations, and thus the family home includes a large element of treatment and need for support. In order to achieve this, the majority of *Humana Norway's* family homes have at least one parent on full salary from Humana. *Humana Norway's* outpatient care is aimed primarily at adolescents aged 16–17 who are unable to cope with daily life by themselves, who cannot live at home, and who have obtained their own apartment through Humana or the municipality.

Each individual who is placed in a family home or receives support from outpatient care has an individual team leader from Humana who is responsible for the treatment. Humana's team leaders must have at least three-year higher education, for example paediatric care instructors or a degree in social work, and have access to a broad network of additional skills, such as psychologists. Just as with *Humana Individual & Family*,

Humana Norway employs empirical methods in family homes and outpatient care, for example Connect or the similar COS-P method, which is in start-up phase but is already used to a certain extent.

At the end of December 2015, *Humana Norway* provided care in 60 family homes, and an additional 18 children and adolescents received outpatient care from Humana.

Personal assistance

Humana Norway commenced its personal assistance operations in 2014, primarily with the aim of exploiting the growth opportunities expected within this market segment in the coming years. During the second quarter of 2015, this investment was further intensified through the acquisition of Dedicare Assistans, one of the largest operators on the Norwegian personal assistance market. At the time of the acquisition, Dedicare Assistans had 39 clients. Supported by the experience and expertise of Humana's Swedish operations, *Humana Norway* has demonstrated strong organic growth during the second half of 2015. At the beginning of January 2016, *Humana Norway* took over an important framework agreement in a municipality from a competitor, which resulted in a strong inflow of clients and, in the middle of January, Humana arranged in total personal assistance for 67 customers in Norway.

Housing within health and care services

Humana Norway conducts housing operations pursuant to the Norwegian Act relating to Municipal Health and Care Services etc. (No. *Lov om kommunale helse- og omsorgstjenester m.m.*). Such housing is focused on individuals with complicated functional impairments, such as brain damage, combined with physical functional impairments. The Company mainly uses behaviour therapy when working with individuals with cognitive functional impairments, with focus being placed on further development of the skills and the strengths of the individual.

At the end of 2015, *Humana Norway* had six housing operations providing care for individuals with functional impairments.

Operational contracts

All operations in Norway are conducted in full responsibility homes. *Humana Norway* operates most of its homes through framework agreements with Bufdir and separate contracts for each specific individual. *Humana Norway's* family homes have an agreement directly with the state and the municipality (four-party agreement), i.e., without a framework agreement. With respect to outpatient care, the Company has separate contracts with the municipality as regards to each specific individual. With respect to personal assistance operations, *Humana Norway* has a framework agreement (No. *konsesjon*) directly with the individual municipalities and separate contracts for each specific individual.

Growth strategy

Since the acquisition of INOM in January 2014, *Humana* has completed additional acquisitions and is now the second-largest provider of care for children and adolescents in Norway. During 2015, *Humana* also developed operations within BPA.

The Company has established a central organisation in Norway in order to support continued growth. With this organisation, *Humana* believes that the Norwegian business is now able to effectively utilise and take advantage of the wealth of knowledge and experience available in the Swedish organisation, primarily within individual and family care and personal assistance. There is also close cross-border cooperation between central staff functions, such as HR, finance, marketing and quality. The Company intends to maintain a major exchange of experiences between the countries and that, in its future development, the Norwegian business will enjoy support from the support organisation in Sweden.

Humana believes that the market conditions in Norway (where the markets for care for children and adolescents and personal assistance are considered to be less developed than in Sweden) are favourable and intends to strengthen its position on the Norwegian care sector, within both individual and family care and personal assistance, both organically and through additional acquisitions.

Other operations

In addition to individual and family care, personal assistance and elderly care, *Humana* also conducts operations within the scope of LSS. These operations consist of a number of special service housing units, daily activities, as well as an especially-adapted preschool and primary school, Habiliteket, in Täby, for children with multi-functional impairments.

Special service housing under LSS in full responsibility homes is controlled and reports financial results both in the *Humana Individual & Family* business area and in the *Humana Elderly Care* business area, whereas special service housing under LSS outsourcing contracts and Habiliteket are controlled and report financial results exclusively in the *Humana Elderly Care* business area.

Special service housing under LSS for individuals with functional impairments

Humana provides group housing and service housing for individuals with physical or psychological functional impairments. The housing is adapted to facilitate an obstacle-free life and the residents have direct access to a shared area with activities and committed *Humana* employees, which contributes to enhancing the client's life quality. Expertise and staffing levels at these housing units are high, and nurses are available 24 hours a day at all housing units. At the end of 2015, *Humana* operated 29 special service housing units under LSS in accordance with outsourcing contracts, as well as ten special service housing units and one daily activity in full responsibility homes.

Humana has initiated an accelerated investment to open additional special service housing in full responsibility homes. In order to do so, investments have been made in central resources and the Company is currently working with a project portfolio which is expected to result in the opening of several new housing units in the coming years. The focus on special service housing is driven by an increase in demand that *Humana* believes municipalities and other public purchasers will have limited possibilities to address, and also by the great synergy potential that exists between LSS special service housing and the Company's HVB units. Operations within special service housing and HVB are closely related operationally and it is not uncommon that the placement of individuals currently at HVB units is based on a LSS decision. With an increased number of special service housing units, *Humana's* care chain will become even more complete and attractive for the Company's cooperation partners.

QUALITY WORK WITHIN THE HUMANA GROUP

Four cornerstones of the quality work

Conducting care operations – irrespective of the type of care – imposes major demands on quality and control. In addition, a business such as *Humana's* is largely characterised by customer choice and separate contracts for each client without any predetermined term of expiry. This means that clients and purchasers can choose to discontinue the Company's services at any time, thereby making quality requirements even more imperative.



Humana's objective is to be the given choice for clients and purchasers with high quality demands. Humana engages in continuous and systematic quality and development work in order to meet the demands of both clients and external stakeholders, as well as the Company's own highly set expectations.

Humana defines quality based on four fundamental cornerstones:

- **Individual solutions:** Humana's clients are always the first priority – the Company listens to and works with its clients in order to best meet their needs and wishes.
- **High competence:** Humana's employees constitute the foundation for the Company's operations and are, therefore, provided with conditions to do a good job by means of a satisfactory work environment and continuous competence development.
- **Company value platform:** Humana's value platform permeate everything the Company does and constant work takes place to adhere to the Company's value words – *Commitment, Happiness and Responsibility*.
- **Empirical methods:** Humana endeavours always to work empirically, *i.e.*, to work with the best available knowledge.

Individual solutions

Humana always endeavours to meet its clients' needs and wishes. All activities must be based on respect for the individual's integrity and self-determination. No two individuals are alike and, therefore, the solutions must be individual. Humana ensures that all clients have an implementation plan, which is produced together with the client and sometimes with the client's relatives, which the client recognises as his or her own. The plan describes how the health, care and social services are to be carried out and structured and is used in the monitoring of the work. Each month, verification is carried out that each client has an implementation plan.

Humana regularly monitors client satisfaction with the activities through user surveys and a Satisfied Customer Index. Humana also carries out customer surveys directed at purchasers, in order to obtain their view as to how well Humana meets the purpose of the placement.

High competence

Humana has a large number of highly educated employees, not least with psychotherapeutic expertise. The Company currently has approximately 25 licensed psychologists and psychotherapists as well as approximately 300 social workers, a large number of whom possess basic psychotherapy training. In addition, there is close cooperation with 15 consultants (licensed psychologists and psychotherapists) for guidance and training.

The Company possesses extensive medical expertise with, among others, 22 licensed doctors linked to the organisation (specialists in psychiatry, child and adolescent psychiatry, forensic psychiatry and general medicine). Together with treatment personnel, approximately 100 licensed nurses work in the Company's operations, many of whom have specialist expertise in psychiatry.

The Company regularly makes extensive investments in employee training and conducts competence enhancement activities.

Humana Academy

As early as 2006, Humana held its first training courses for personal assistants. The *Humana Akademin* (the "**Humana Academy**") brand was created in connection with the first online training course carried out seven years ago. *Humana Academy* was an important first step in strengthening professionalism and skills in the assistance profession.

In 2015, *Humana Academy* was further expanded to cover the entire Group, with a range of training courses within all business areas. In total, *Humana Academy* offers more than 100 different training courses for the Company's employees covering all main areas such as introduction and basic training, work environment, legislation, leadership, value platform, how customers are received, quality, functional impairments, methods and treatment, IT and finance.

All online training courses have been gathered together in *Humana Academy's* learning portal. In 2015, more than 6,800 web-based training sessions were undertaken in *Humana Academy's* learning portal, representing a 42 per cent increase compared with 2014.

Through *Humana Academy*, Humana is, among other things, helping to drive development within empirical methods. Humana's objective is to set a new, higher standard within the area.

Value platform

Humana's value platform constitute the ethical and moral platform which permeates all operations. The continuously on-going work on the value platform constitutes a key basis for all work at Humana, including strategic planning as well as day-to-day contacts with clients and purchasers. A strong corporate culture with shared values provides Humana and its employees with the necessary direction and mandate for individualised treatment and solution-focus in the day-to-day work. The employees' commitment, happiness and willingness to assume responsibility are the Company's primary competitive strength.

Work on the Company's value platform was initiated five years ago and is currently conducted within all of Humana's business areas. It comprises an on-going dialogue which is well-anchored in both the national ethic principles for elderly care produced by the National Board of Health and Welfare and in Humana's operations where the employees' own experiences are systematically appropriated to create a shared learning experience. Humana has defined the value words *Commitment*, *Happiness* and *Responsibility* and endeavours to apply them in all parts of the Company's business.

Each business area within Humana has a group which is responsible for, and drives, issues concerning the value platform and Humana's value platform ambassadors are available to provide assistance in the organisation. The Group's work on developing tools to practically work on the value platform and on monitoring the on-going work is coordinated by an appointed value platform manager. For many years, Humana has also been a member of Etikkollegiet (a forum for ethics in the workplace and society) and is currently involved in a number of other networks that discuss ethics in working life.

Empirical methods

Humana's team of almost 450 specialists is highly skilled and actively engages in medical and psychosocial care and treatment in Humana's operations. Their expertise is also often sought in municipalities' organisations, both as consultants and lecturers. Within individual and family care, the specialists' work includes, for example, teaching and implementing Humana's own outpatient care method, IHF, and the tried and tested TFCO method, to external parties. In addition, since September 2014, Humana holds an exclusive right to implement, train and guide the Connect parent support programme, a program that is used by many municipalities in Sweden.

An on-going cooperation project with the Swedish National Board of Institutional Care is aimed at producing a new national standard within HVB. Through a research cooperation project with Ersta Sköndal College, over the past three years Humana has also participated in a project concerning ethics within, among other things, elderly care.

The unit for research, development and treatment within *Humana Individual & Family* directs and organises all treatment work in order to guarantee the treatment quality and provision of the correct competence in connection with Humana's operations. The unit structures, creates and evaluates treatment methods based on existing specific needs and is responsible for Humana's internal training courses within the business area. The unit also coordinates and provides guidance for employees throughout the Group. The unit for research, training and treatment is working to enhance the scientific status of psychosocial treatment. Humana is engaged in a number of research projects with, among others, Stockholm University, Linköping University, Södertörn University and the Centre for Clinical Research in Västerås as cooperation partners.

Organisation

Quality work has top priority at all levels within Humana – everything ranging from each employee assuming responsibility in his or her daily work, to the Company working strategically with management systems, systematic monitoring and self-control. The day-to-day quality work takes place in all of Humana's operations, where the Company's ultimate objective is to meet the needs and wishes of clients and purchasers. Each business area has a quality organisation focused on supporting the operations, driving development, working with regular quality monitoring and planning self-controls. Regular contacts and collaboration with local quality representative at the units are also an important task.

Humana also has a central quality organisation tasked with ensuring that all work within the Group takes place in accordance with Humana's ethic principles and meets high quality standard, and that monitoring and development take place in accordance with the Company's adopted goals. The central quality organisation ensures that each operation has sufficient tools and systems to conduct its work and ensures skills development and the transfer of skills between units, business areas and countries. The organisation reports each month to the Company's board of directors. In total, Humana's central quality organisation includes 25 full-time employees. In addition, there are quality coordinators at each unit as well as a large number of employees engaged in methods development, guidance and training.

Methods and monitoring

With the aim of constantly improving the Company's operations, Humana has well established routines in place to accept and process proposals and complaints from clients, relatives, purchasers and employees. The Company is also regularly audited by purchasing municipalities and IVO, which also grants permits for Humana's operations.



At present, there are no nationally agreed quality indicators within all of Humana's business areas (apart from elderly care). Therefore, Humana has developed its own quality indicators and measurements are regularly carried out with the aim of ensuring that each operation maintains a high quality level, that further development takes place, and that improvement work is focused on the right areas. The quality indicators include, among other things, close dialogue with purchasers of services, customer and purchaser surveys, employee surveys, self-controls and pre-notified and unannounced internal inspections. In the measurements where Humana can be compared with other operators in the market – both private and public – Humana consistently demonstrates very good results. For example, in a national survey carried out by the National Board of Health and Welfare regarding placement in elderly housing, Humana achieved 87 per cent customer satisfaction, compared with average customer satisfaction of 82 per cent for the whole of Sweden during the same period.

Furthermore, Humana's large number of units makes it possible for the Company to effectively compare units with each other and ensure that units performing less well quickly assimilate methods and routines that have proven to be successful within other units. However, Humana believes that the most important evidence of good quality is when the Company's clients and purchasers are so satisfied that they recommend others to choose Humana.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Introduction

Increasingly stricter demands are being placed on companies as regards sustainability and social responsibility, not least within the tax-financed welfare sector, particularly healthcare and social care. For Humana, sustainability work represents a fundamental, long-term and value-generating aspect of the business and a way of assuming social, economic and environmental responsibility.

Humana's corporate culture is permeated by its value platform, which is based on employees' responsibility, commitment and happiness. Humana works continuously and actively on its value platform in order to integrate their message in introductions, day-to-day work, in discussions concerning dilemmas, and through value platform ambassadors. See also "– *Quality work within the Humana Group – Value platform*".

Humana works to realise the vision "Everyone is entitled to a good life". This approach applies to those individuals Humana is responsible for helping, and to its personnel. Internationally acknowledged human rights are a natural basis and starting point in Humana's work. These fundamental rights have been expressed in, among other things, the United Nation's Convention on the Rights of the Child and the United Nation's Universal Declaration of Human Rights.

Social responsibility

Humana's operations in themselves constitute assumption of social responsibility inasmuch as Humana delivers life quality enhancing services to people in day-to-day life. In all areas of business, Humana works to promote the health of employees and clients, irrespective of whether work involves individuals with physical functional impairments, psychosocial problems, neuropsychiatric problems, or functional impairment as a consequence of age.

Each individual employee is a part in this work and Humana's operations are entirely dependent on skilled employees who enjoy their work and feel well. Humana works actively to be a healthy organisation, through preventive healthcare, sound leadership, to prevent and eliminate health risks in the workplace and to identify connections between work environment, organisation, productivity and health.

Humana's business operations are all affiliated to collective labour agreements. Humana endeavours to maintain good relations with the affiliated trade unions and has, for many years, worked to promote collective agreements in the industry.

Humana applies the freedom to disclose information for its employees, subject to statutorily prescribed exceptions regarding information protected by a duty of confidentiality to the client or purchaser, as well as information protected by the Swedish Trade Secrets Act (*Sw. lagen (1990:409) om skydd för företags-hemligheter*). The freedom to disclose information purports that all employees are entitled to express their opinions, anonymously or in their own name. Humana never seeks to trace sources behind information in the media.

Humana actively engages in diversity work, including equality and discrimination issues in its organisation. For example, Tiangruppen (which is a part of Humana) has been LGBTQ-certified in cooperation with the Swedish Federation for Lesbian, Gay, Bisexual and Transgender Rights (Sw. *Riksförbundet för homosexuella, bisexuella, transpersoners och queeras rättigheter*) since 2015. At Humana, men and women are equally represented in all management positions up to and including the board of directors and senior management, and all of Humana's branches of business demonstrate large employee diversity.

Humana has initiated a cooperation project with Samhall (a state-owned company with a mandate to create work that furthers the development of people with functional impairment) with successful examples of individuals who have been outside the employment market doing important and appreciated work at Humana. Together with Samhall, Humana has created a joint model that has created added value for both clients and employees; for example, through cooperation at an elderly housing unit where individuals from Samhall have received special training in service measures close to the individual as well as a newly started cooperation project within personal assistance. The other employees have then been able to focus on care work and the clients have had more people around them for socialising and support. Humana has recently also initiated a cooperation project with the charity second-hand store chain Myrorna regarding work training and training places for adolescents and young adults placed at HVB units, with the possibility of extension after conclusion of the placement.

Humana encourages and gives it support to a number of local and national organisations and associations that share Humana's vision, as well to authors and elite athletes who inspire an active life. Among other things, Humana supports the Swedish Parents Association against Drugs (Sw. *Narkotikaföreningen*) and the Swedish National Association for Disabled Children and Young People (Sw. *Riksförbundet för Rörelsehindrade Barn och Ungdomar*). In addition, Humana has contributed to the Crown Princess Victoria Fund, supported orphanages in Belarus and, in 2015, made a contribution to UNICEF's refugee catastrophe work.

As a major care operator, Humana considers it important to participate in debates in society and influence industry issues that are of importance for its clients. Over the past five years, through Humana's Accessibility Barometer, Humana has evaluated the work of approximately 200 municipalities regarding accessibility for functionally impaired individuals. Another survey, the Children Barometer, has been carried out together with Save the Children since 2013. The Children Barometer studies how municipalities work with, and utilise, the child's perspective. Humana also carried out studies concerning elderly and views about growing old in order to engender discussions regarding elderly care of the future. With the broad legal expertise within the area of personal assistance possessed by Humana's legal department, over the past five years Humana has compiled and published a legal yearbook demonstrating important trends within the personal assistance area.

Humana Individual & Family's unit for research, training and treatment is engaged in work to enhance the scientific status of psychosocial treatment. Humana is conducting a number of research projects with, among others, Stockholm University, Linköping University, Södertörn University and the Centre for Clinical Research in Västerås as cooperation partners. *Humana Individual & Family* develops its own methods, but is also a Nordic licensee for several different methods within psychosocial treatment, including Connect for family homes. An on-going cooperation project with the Swedish National Board of Institutional Care is aimed at producing a new national standard within HVB. Through a research cooperation project with Ersta Sköndal College, over the past three years Humana has also participated in a project concerning ethics within, among other things, elderly care.

Humana is a member of the Association of Private Care Providers Almega (Sw. *Värdföretagarna Almega*) – an employer and industry organisation for private sector providers of health, care and social services. With the aim of driving industry issues, Humana has representatives on the Association's main board and on individual and family, personal assistance and elderly care industry boards, and is also represented on the boards of *Svenska Vård* (an organisation for independent operations within welfare, care and treatment) and PARO (the national organisation for private assistance providers).

Economic responsibility

Through its operations, Humana promotes economic sustainability and increased well-being in society by providing and developing alternatives to public sector healthcare and social care. One such example is *Humana Individual & Family*, which provides HVB, emergency homes and family homes, special accommodation, outpatient care and support housing for children, adolescents, adults and elderly. In Humana's assessment, these activities contribute to a reduction in society's costs in respect of the target group of young, socially vulnerable people, at the same time as their social exclusion ceases and they are provided with tools to be returned to society.

Humana conducts its operations in an ethical and transparent manner, as manifested among other things by Humana's support for "Ethical platform for transparency and insight in health, care and social services", an agreement between the parties on the labour market who are signatories to collective agreements within health, care and social services, which was reached on the initiative of the Government. The aim is to increase transparency and insight concerning quality, economy and employment conditions at healthcare and social care providers that receive financing from public funds. All of Humana's employees work in accordance with the guidelines set out in the agreement.

In addition, a criterion for membership of the Association of Private Care Providers is that Humana complies with the Association's ethical guidelines. These include, among other things, requirements of openness and transparency, the promotion of sound competition, conformity with accepted marketing practice, the management of risks of corruption, and maintenance of generally accepted business standards.

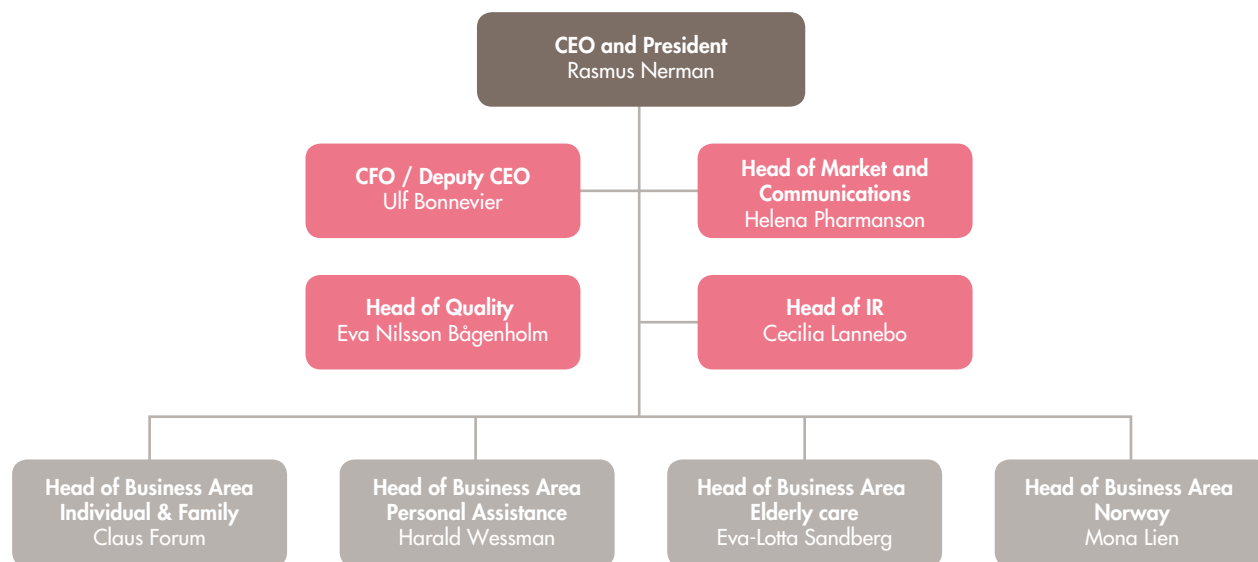
Environmental responsibility

Humana's internal environmental work constitutes a part of the Company's long-term sustainability work and is being regularly developed to correspond to Humana's ambitious sustainability requirements. Humana has identified a number of main areas

for the work on mitigating its environmental impact, including transportation (business travel, company cars and other transportation), energy use, waste management and recycling, as well as purchasing.

ORGANISATION

Organisational structure



Employees

In 2015, there were in average 9,154 full-year employees. 96 per cent of the employees work in Sweden and four per cent in

Norway. In 2015, employees with fixed-period employment accounted in average for 69 per cent of employees in the Group.

Number of employees	2015	2014	2013
At end of the year	9,231	8,773	7,226
Average number	9,154	8,619	6,374
Of whom women, %	69	70	71
Per segment			
Individual & Family	1,795	1,448	545
Personal assistance	5,313	5,143	4,846
Elderly care	1,640	1,812	975
Norway	393	204	–
Central functions			
Sweden	14	12	8

Regulatory overview

INTRODUCTION AND SUMMARY

The principal legal frameworks applicable to Humana's Swedish operations are the Public Procurement Act (Sw. *lagen (2007:1091) om offentlig upphandling* – “**LOU**”), the Act on Free Healthcare Choice System (Sw. *lagen (2008:962) om valfrihetssystem* – “**LOV**”), the Health and Medical Services Act (Sw. *hälso- och sjukvårdslagen (1982:763)* – the “**HMS Act**”), the Social Services Act (Sw. *socialtjänstlagen (2001:453)* – “**SoL**”), the Act concerning Support and Service for Persons with Certain Functional Impairments (Sw. *lagen (1993:387) om stöd och service till vissa funktionshindrade* – “**LSS**”) and the Social Insurance Code (Sw. *Socialförsäkringsbalken (2010:110)* – “**SFB**”). In addition, there are specific laws as well as regulations and general guidance issued by the National Board of Health and Welfare (Sw. *Socialstyrelsens föreskrifter och allmänna råd*) that apply to Humana's different business areas.

The Health and Social Care Inspectorate (Sw. *Inspektionen för vård och omsorg* – “**IVO**”) is the supervisory authority in respect of Humana's operations in Sweden. In addition, municipalities and county councils must also verify that operations within the care sector maintain a satisfactory quality.

The principal legal frameworks applicable to Humana's Norwegian operations are the Act relating to Health Personnel etc. (No. *Lov om helsepersonell m.m.*), the Act relating to Municipal Health and Care Services etc. (No. *Lov om kommunale helse- og omsorgstjenester m.m.*), the Act relating to Child Welfare Services (No. *Lov om barneverntjenester*) and the Specialist Health Service Act (No. *Lov om spesialisthelsetjenesten m.m.*). The Board of Health Supervision (No. *Helsetilsynet*) and the County Governor (No. *Fylkesmannen*) are the authorities responsible for ensuring that the laws and regulations applicable to the Norwegian care sector are met and adhered to.

Under the law, municipalities and county councils must provide welfare services that their citizens are entitled to and they must ensure that the services maintain a satisfactory quality. The operations must be supervised to ensure that both public and private care providers achieve the quality targets stipulated by laws, procurement contracts and political policy documents. There are no national guidelines as to how the supervision performed by municipalities and county councils should be conducted. The supervisory methods may therefore differ significantly even between two municipalities of similar size and with similar prerequisites. Humana has implemented its own management systems based on the above-mentioned legal frameworks. Humana also performs self-checks in order to develop and ensure the compliance with the requirements and objectives of each business unit. The Company also follows closely its work through, inter alia, purchaser analyses and announced and unannounced internal inspections.

OVERVIEW OVER THE REGULATIONS APPLICABLE TO THE SWEDISH CARE SECTOR

The Public Procurement Act

The Public Procurement Act implements an EU directive on public sector procurement and governs the majority of the public procurements in Sweden. Procuring authorities must comply with the Public Procurement Act when purchasing goods and services, including health, care and social services contracts and social services, from private companies. The Public Procurement Act is based on the principles of non-discrimination, equal treatment, transparency (openness and predictability), proportionality and mutual recognition.

The tenderer who best meets the requirements and evaluation criteria set out in the procuring authority's questionnaire is awarded the contract. The Public Procurement Act also allows framework agreements under which contracts may be entered into with several suppliers that meet the requirements and evaluation criteria and where suppliers are ranked based on how well they meet the requirements stated in the tender questionnaire. The procuring authority shall primarily purchase services from the highest rated provider.

The Act on Free Healthcare Choice System (LOV)

The free healthcare choice system (Sw. *valfrihetssystemet*) may be used for procurement of all kind of healthcare and social services (except for child and adolescents care). The free healthcare choice system allows clients to freely choose their welfare service provider and is an alternative to procurement under the Public Procurement Act. The free healthcare choice system ensures welfare service providers the right to establish their business within the welfare sector provided that the provider fulfils the requirements set out by the respective municipality or county council.

LOV provides the legal framework for welfare service providers who wish to participate in the free healthcare choice system. The procuring municipalities and county councils must observe the fundamental principles of non-discrimination, equal treatment, transparency (openness and predictability), proportionality and mutual recognition, but may stipulate certain social, environmental and other conditions to be publicly announced on the website for the free healthcare choice system (www.valfrihetswebben.se) maintained by the Swedish Competition Agency (Sw. *Konkurrensverket*). The procuring authority may exclude providers under certain circumstances, such as if the applicant is convicted of a criminal offence relating to his or her profession. In addition, the basis for the remuneration to the providers must be stipulated in the announcement made on the website for the free healthcare choice system. Procurement under LOV is carried out by

way of the procuring authority publicly announces a questionnaire stating the compensation offered and certain requirements as to how the contract is to be met. All providers that have applied for approval under the free healthcare choice system that meet the criteria stated in the questionnaire (and that have not been excluded) will be approved, and are entitled to immediately thereafter enter into an agreement with the procuring authority. The competition is based on the quality and accessibility of services, and not price, since individuals shall be able to choose the care service provider they believe will provide the best care.

The Health and Medical Services Act (the HMS Act)

The HMS Act provides the legal framework for Swedish healthcare services. Under the HMS Act, healthcare services should be provided in accordance with the standard for good care. Under this standard, healthcare services must, among other things, maintain good quality, address the patients' needs and provide safe care and treatment. Operators providing healthcare services must also have the personnel, premises and equipment necessary to provide good care. Under the HMS Act, the management of healthcare services must be organised to provide high standards in respect of patient safety and the quality of the care given and at the same time promote cost effectiveness. The HMS Act also requires that the quality and safety of the healthcare services are systematically and continuously developed and secured.

The Social Services Act (SoL)

Under SoL, the society's social services shall promote the individual's economic and social security, equal living conditions and active participation in society. The act further stipulates that the social services shall, given the individual's responsibility for his or her own and others' social situation, focus on releasing and developing individuals' and groups' own resources, and that operations should be based on respect for peoples' sovereignty and integrity. SoL also includes the provision called *lex Sarah* that stipulates that a person performing tasks within social services or the Swedish National Board of Institutional Care immediately is to report if he or she recognises or becomes aware of any anomaly or substantial risk of an anomaly relating to a person receiving, or a person that may be eligible for, treatment within the business.

The Act concerning Support and Service for Persons with Certain Functional Impairments (LSS) and the Social Insurance Code

LSS is an act containing rights for persons with severe and permanent disabilities and aims to ensure that these persons enjoy good living conditions, that they get the help they need in daily life and that they can influence the support and services they receive.

The operations shall promote equal living conditions and full participation in social life for these persons. The goal shall be that the individual is able to live like others. The operations

must also maintain good quality, be conducted in cooperation with other relevant public bodies and authorities and be based on respect for the individual's sovereignty and integrity. The quality of the operations shall be systematically and continuously developed and secured. The staffing must be organised to ensure good support, service and care.

Personal assistance and housing for individuals with functional impairments under LSS may be granted to persons belonging to any of the groups defined in the Act and which need extensive personal help in daily life. A person belonging to any of the groups defined in the Act and who need personal assistance for, on average, *more* than 20 hours a week for such basic needs as defined in the Act is, instead, entitled to assistance under the Social Insurance Code.

The Patient Safety Act

Under the Patient Safety Act (Sw. *patientsäkerhetslagen* (2010:659)), healthcare service providers must engage in systematic patient safety work and healthcare professionals must perform their work in accordance with medical science and well-established practices. The Patient Safety Act also imposes an obligation on healthcare service providers to report serious patient injuries or risks for serious patient injuries to IVO, so called *lex Maria* reports and inform a patient that has been injured that the patient may file a complaint with IVO and apply for compensation for the injury.

The Patient Injury Act

The Patient Injury Act (Sw. *patientskadelagen* (1996:799)) regulates patients' rights to injury compensation and healthcare service providers' duty to maintain insurance to cover such claims. Patient injury compensation is granted for personal injuries if there is a preponderant probability that the injury has been caused by, for example, medical treatment, care or other treatment, or through misdiagnosis or wrongly prescribed drugs.

The Patient Act

The Patient Act (Sw. *patientlagen* (2014:821)) aims to strengthen and clarify the position of the patient and to promote the patient's privacy, sovereignty and participation. The act contains rules on accessibility, information, consent, participation, permanent healthcare contact and individual planning, choice of treatment options and tools, new medical assessment, choice of provider, personal data and certificates, comments, complaints, patient safety and children's influence over their care.

The Act on Processing of Personal Data within Social Services

The Act on Processing of Personal Data within Social Services (Sw. *lagen* (2001:454) *om behandling av personuppgifter inom socialtjänsten*) stipulates that sensitive personal data or other data on delicate personal circumstances may, with certain exceptions, not be included in compilations of personal data.

The Patient Data Act

The Patient Data Act (Sw. *patientdatalagen* (2008:355)) regulates how healthcare service providers must handle personal data within healthcare services, including inter alia the duty to keep and maintain patient medical records. The handling of personal data must be organised to meet patient safety and quality standards, promote cost efficiency and be designed and otherwise be treated so that patients' and other registered persons' privacy are respected. Documented personal data must be handled and saved so that unauthorised persons cannot access them.

The Compulsory Psychiatric Care Act and the Act on Forensic Psychiatric Care

Under the Compulsory Psychiatric Care Act (Sw. *lagen* (1991:1128) *om psykiatrisk tvångsvård*), compulsory psychiatric treatment may only be provided to patients suffering from serious mental disorders and that due to their mental state and their personal circumstances in general have a vital need of psychiatric care, which cannot be met other than by way of the patients being admitted to a healthcare facility for qualified psychiatric care 24 hours a day (inpatient involuntary treatment), or need to comply with specific provisions to be given the necessary psychiatric care (open compulsory psychiatric care). A prerequisite for care under this act is that the patient is opposed to inpatient or outpatient compulsory psychiatric care, or that the mental state of the patient gives reason to assume that healthcare cannot be provided with his or her consent.

The Act on Forensic Psychiatric Care (Sw. *lagen* (1991:1129) *om rättspsykiatrisk vård*) applies to individuals that, after a resolution made by a court, will be provided forensic psychiatric care or that have been arrested, detained or admitted to a unit for forensic examination. Forensic psychiatric care may be provided as inpatient forensic psychiatric care or as outpatient forensic psychiatric care.

Coercion under those acts must be exercised as gently as possible and with the greatest possible consideration for the patient. Coercive measures in healthcare may be used only if they are proportionate to the objective of the measure. These acts are primarily applied within the business area *Individual & Family*.

The Act with Special Provisions on Care of Youth

The Act with Special Provisions on Care of Youth (Sw. *lagen* (1990:52) *med särskilda bestämmelser om vård av unga*) stipulates that measures within social services to children and adolescents shall be taken in agreement with the young person and his or her guardian under the provisions of SoL. Some measures may, however, under certain circumstances, be taken without consent. The efforts shall be characterised by respect for the young person's human decency and integrity. Resolutions on care shall, inter alia, be made if there is substantial risk that the young person's health or process of maturity may be harmed due to physical or mental abuse, misuse, inadequate care or other conditions at home.

The Act of Register Controls performed by Employees at Homes for Care or Residence which Accept Children (Sw. *lagen* (2007:171) *om registerkontroll av personal vid sådana hem för vård eller boende som tar emot barn*)

Within Humana business areas *Individual & Family* and *Personal Assistance*, provisions on care of children and youth are of particular importance, including this act which prescribes that HVB units and family homes taking care of children may not employ a person unless criminal records and suspicion records relating to him or her have been checked. The same shall apply to a person that is offered an assignment, internship or the like at such a home, other than employments, under circumstances similar to those that occur at a position within the business. The same applies to the employment of personal assistants working with children.

The Act on the Care of Drug Users in Some Cases

Under the Act on the Care of Drug Users in Some Cases (Sw. *lagen* (1988:870) *om vård av missbrukare i vissa fall*) the objectives outlined above regarding SoL, shall provide guidance for all care aimed at helping individuals to get away from the abuse of alcohol, drugs or volatile solvents. The care must be based on respect for individual's sovereignty and integrity and shall, to the extent possible, be designed and implemented in consultation with the individual. Care within social services shall be given a drug user in agreement with him or her in accordance with the provisions of SoL. A drug user may be provided care regardless of his or her consent under certain conditions (compulsory care). Compulsory care shall aim at, through necessary efforts, motivating the drug user so that he or she can be assumed to be in a position to voluntarily contribute to continued treatment and to receive support to overcome his or her addiction. This act is primarily applied within the business area *Individual & Family*.

Public Access to Information and Secrecy Act

Public Access to Information and Secrecy Act (Sw. *offentlighets- och sekretesslagen* (2009:400)) contains provisions on authorities' and certain other bodies' handling of registrations, disclosure and handling of public documents, provisions on professional secrecy in public operations and on prohibition of disclosure of public documents. These provisions relate to the prohibition to disclose information, whether it be verbally, by disclosure of a public document or in any other way.

SUPERVISORY AND REGULATORY BODIES

The Swedish Health and Social Care Inspectorate (IVO)

In order to conduct private operation under the SoL and LSS the care provider must hold a permit from IVO. All private care providers, except for home care services, family homes, outpatient care and special housing for elderly operated under outsourcing contracts must apply for a permission from IVO no later than a month prior to the start of the operation. IVO is responsible for granting private care providers permissions for special housing for elderly and HVB units as well as granting all private care providers permissions for housing with special

service under LSS and personal assistance, except for in cases where the client has self-employed the personal assistant. Furthermore, any significant changes in the care provider's business and any move of operations must be reported to IVO. IVO shall keep and maintain a care register (Sw. *Omsorgsregistret*), of the care providers and each unit providing care must be registered. The purpose of the registration and reporting requirements is to ensure the supervision of care providers. Criminal penalties may be imposed on those who do not comply with those requirements.

Some of Humana's operations provide healthcare services in accordance with the HMS Act and these operations are reported to IVO as care providers in accordance with the HMS Act and registered in the care provider register (Sw. *Vårdgivarregistret*).

IVO is also the supervisory authority regulating Humana's business areas as its supervision comprises operations within social services, healthcare services and operations conducted under LSS. IVO verifies whether the provider fulfils the requirements stipulated in acts and regulations. IVO regularly monitors selected areas and operations within healthcare services, social services and operations conducted under LSS. Furthermore, IVO may be authorised to perform registrations within specific areas or perform supervision based on specific governmental commissions.

The National Board of Health and Welfare

The National Board of Health and Welfare (Sw. *Socialstyrelsen*) is responsible for the issuance of licenses for care providers within healthcare services.

OVERVIEW OVER THE REGULATIONS APPLICABLE TO THE NORWEGIAN CARE SECTOR

The Public Procurement Act

The Norwegian Public Procurement Act (No. *Lov om offentlige anskaffelser*) is, like the Swedish Public Procurement Act, based on an EU directive and regulates public sector procurement of goods, services and building contracts. The act is based on the principles of objectivity, non-discrimination, predictability, transparency and verifiability.

The Act relating to Municipal Health and Care Services etc.

The Norwegian Act relating to Municipal Health and Care Services etc. (No. *Lov om kommunale helse- og omsorgstjenester m.m.*) is, inter alia, applicable to healthcare services provided by a private company that has entered into an agreement with a municipality. The act contains, inter alia, provisions on professional performance, patient safety and quality, as well as provisions on the duty to keep and maintain patient medical records and information systems for the conducted business.

The Act relating to Child Welfare Services

The Norwegian Act relating to Child Welfare Services (No. *Lov om barneverntjenester*) seeks to ensure that children and adolescents who live under circumstances that may be detrimental for their health and development receive necessary assistance and care in due time. Further, the act aims to ensure that children and adolescents grow up in a secure environment. The child's best interest shall always be in focus when measures are taken.

The Act relating to Health Personnel etc.

The Norwegian Act relating to Health Personnel etc. (No. *Lov om helsepersonell m.m.*) is applicable to Norwegian health personnel and Norwegian care units. The purpose of the act is to contribute to patient safety and maintain good quality of healthcare services, and to maintain confidence to health personnel and healthcare services. The act contains, inter alia, provisions on professional conduct of health personnel and how medical institutions should be organised, obligations concerning disclosure, secrecy and documentation, as well as provisions on issuance and expiration of identifications, licenses, and certificates of completed specialist trainings.

The Act relating to Patients' Rights

The Norwegian Act relating to Patients' Rights (No. *Lov om pasient- og brukarrettigheter*) seeks to promote the confidence between patients and healthcare service providers and to ensure the respect for life, integrity and dignity of all patients. The act contains provisions on fundamental healthcare services, the right to take part of, and to correct, patient medical records, client participation, information, certain rights for children and consent to healthcare services.

The Act on Personal Health Data Filing Systems and the Processing of Personal Health Data

The Norwegian Act on Personal Health Data Filing Systems and the Processing of Personal Health Data (No. *Lov om helseregistre og behandling av helseopplysninger*) is applicable to personal data handled within the public medical administration and public healthcare services and contains provisions seeking to ensure that personal data is handled in accordance with the fundamental principle on the right to privacy, including the need to protect the personal integrity and the respect for the private life, and that the personal data is correct.

The Act relating to the Provision and Implementation of Mental Health Care

The Norwegian Act relating to the Provision and Implementation of Mental Health Care (No. *Lov om etablering og gjennomføring av psykisk helsevern*) applies to examination and treatment within psychiatric care as well as to preliminary examination in order to determine a need of compulsory psychiatric treatment. The provisions in the act seek to ensure that the psychiatric care is carried out in a satisfactory manner and in accordance with the principles set forth in the act. The purpose is also to ensure that measures taken in accordance with the act are based on the patient's need and the respect for the human

value. The general rule is that psychiatric care is based on consent and the act contains strict requirements for compulsory psychiatric care.

The Public Health Act

Chapter 3 of the Norwegian Public Health Act (No. *Lov om folkehelsearbeid*) concerning work environment, applies to private companies and properties (in addition to the public sector) if parts of the business directly or indirectly affect health, which includes biological, chemical, physical and work environment related factors.

The Patient Injury Act etc.

The Norwegian Patient Injury Act etc. (No. *Lov om erstatning ved pasientskader m.m.*) regulates patients' rights to patient injury compensation. The prerequisites for such compensation are (i) that the injury has been caused by healthcare services; (ii) that the injury has been caused by faults in the healthcare services provided; and (iii) that the injury has resulted in an economic loss. Further, the act governs the obligation for healthcare service providers to pay injury compensation to the Norwegian System of Compensation to Patients (No. *Norsk pasientskadeerstatning*).

The Act relating to Public Supervision of Health and Care Services etc.

The supervision of health and care services and health personnel in Norway is governed by the Norwegian Act relating to Public Supervision of Health and Care Services etc. (No. *Lov om statlig tilsyn med helse- og omsorgstjenesten m.m.*). Under this act, any organisation or company that provides health and care services must establish an internal control system for the business and ensure that the business and the services are planned, provided and maintained in accordance with requirements set forth in acts and other regulations.

The Specialist Health Service Act

The Norwegian Specialist Health Service Act (No. *Lov om spesialisthelsetjenesten m.m.*) applies to specialist health services such as hospital services, X-ray clinic services, emergency treatment, rescue (life-saving) services and ambulance services, as well as to treatment of addictions, including institutional treatment. The purpose of the act is to ensure the quality of these services, to contribute to equal treatment, to ensure that the services are adjusted for the individual person and to ensure that the resources are allocated in the best way.

SUPERVISORY AND REGULATORY BODIES

Under the Act relating to Public Supervision of Health and Care Services etc. (No. *Lov om statlig tilsyn med helse- og omsorgstjenesten m.m.*), the Norwegian Board of Health Supervision is the main regulatory body for Norwegian health and care services. The authority shall carry out its supervision in accordance with what is stipulated in acts and regulations. The County Governor is responsible for the supervision of health and care services in the municipalities and for the supervision of all personnel performing health and care services.

Private companies and private centres for parents and children may only conduct operations in accordance with the Act relating to Child Welfare Services after approval from Bufetat. The private company or the centre may only be approved if they conduct its business in accordance with applicable acts and regulation and if the business in general is conducted in an appropriate way. Both Bufetat and the County Governor's administration are entitled to perform inspections in order to ensure that the children institutions fulfil the requirements stipulated in the Act relating to Child Welfare Services and other applicable regulations.

Pro forma financial information

PURPOSE OF THE PRO FORMA FINANCIAL INFORMATION

During the fourth quarter of 2015, Humana divested 43 properties covering a total area of 30,270 square meters to Hemfosa through a sale and lease back transaction, whereupon lease agreements with lease terms between 12–15 years were entered into (the “**Sale and lease back transaction**”). The transfer agreement was executed on 6 November 2015 and was completed on 30 November 2015, and is reflected in the Group’s financial information from 30 November 2015. The transaction is expected to impact the Group’s financial position and profit going forward. For further information about the Sale and lease back transaction, see “*Legal considerations and supplementary information – Material agreements, etc. – Sale and lease back of property portfolio*”.

The pro forma income statement is solely intended to illustrate the effect the above transaction would have had on the consolidated income statement as if the transaction had been carried out on 1 January 2015.

The pro forma income statement has been included in order to describe a hypothetical situation and has been produced solely for an illustrative purpose to provide information, and is not intended to show the result for the period as if the above event had occurred on the date stated above. It also does not show business results at any future date.

BASIS FOR THE PRO FORMA FINANCIAL INFORMATION

The pro forma financial information is based on audited financial statements for Humana for the financial year 2015 in accordance with the accounting principles applied by the Group and in accordance IFRS as described in the section “*Historical financial information*”.

PRO FORMA ADJUSTMENTS

Pro forma adjustments have been made to the historical consolidated income statement for the financial year 2015 in order to illustrate the effects of the Sale and lease back transaction. The pro forma adjustments are described in greater detail below in the notes to the pro forma income statement. The following text description is more general in nature.

Adjustments for capital gain

The properties included in the Sale and lease back transaction were divested to Hemfosa through the disposal of a number of subsidiaries. In connection therewith, operational lease agreements (triple net leases) were entered with lease terms of between 12 and 15 years. The leases provide that the tenant is responsible for all operation and all maintenance of the property, and also grant the tenant the right (a more far-reaching right than customary) to undertake renovation measures without the landlord’s consent. After deduction of transaction costs, the capital gain from the property sale was SEK 62 million. This has been adjusted for in the pro forma income statement. The capital gain and the transaction costs as well as the pro forma adjustments for these are not expected to have a continuing impact.

Adjustments for other external costs and depreciation/amortisation

The Sale and lease back transaction is expected to affect the Group’s income statement through increased leasing expenses as well as a reduction in the depreciation of non-current assets. The pro forma adjustment for lease expenses is based on executed leases. The leasing expenses and the depreciations as well as the pro forma adjustments for these are expected to have a continuing impact.

Adjustments for interest expenses

On 22 January 2016, SEK 50 million of the proceeds from the sale of the properties included in the Sale and lease back transaction were used to amortise the Group’s loans. The remainder of the proceeds were deposited on a current account earning no interest. The Group’s bank loans linked to the financing of the divested properties carried an interest margin of 4.5 per cent. In the pro forma income statement, an adjustment has been made in respect of the reduced interest expenses due to the reduced indebtedness as a consequence of the transaction. The reduced interest expenses and the pro forma adjustments for this are expected to have a continuing impact.

Adjustments for tax effects

The income tax effects arising as a consequence of the adjustments in the consolidated income statement due to the events described above have also been considered in the pro forma income statement. The pro forma adjustments for the income tax effects are expected to have a continuing impact.

THE GROUP'S PRO FORMA INCOME STATEMENT FOR THE FINANCIAL YEAR 2015

SEK million	Humana ¹⁾	Pro forma adjustments	Pro forma
Revenue			
Net revenue	5,593		5,593
Other revenue	62	(62) ²⁾	–
Operating revenue	5,655		5,593
Operating expenses			
Other external expenses	(794)	(15) ³⁾	(809)
Personnel costs	(4,430)		(4,430)
Depreciation/amortisation of assets	(46)	5 ⁴⁾	(41)
Goodwill impairment	(36)		(36)
Other operating expenses	(37)		(37)
Operating profit	312	(72)	240
Finance income	1		1
Finance expenses	(172)	2 ⁵⁾	(170)
Unrealised changes in value of derivatives	7		7
Profit before tax	149	(70)	79
Tax	(35)	2 ⁶⁾	(33)
Profit for the year	114	(68)	46

1) Derived from Humana's audited income statement for the financial year 2015.

2) The adjustment of other revenue relates to the capital gain of SEK 62 million on the divested properties, after deduction of transaction expenses.

3) The increase of SEK 15 million in other external expenses relates to an adjustment for increased lease costs resulting from the newly executed leases in conjunction with the Sale and lease back transaction. The leasing expenses are based on executed leases and calculated for a period of 11 months.

4) The adjustment of SEK 5 million in depreciation relates to reversal of reported depreciation in respect of the divested properties included in the Sale and lease back transaction.

5) The adjustment of SEK 2 million in financial costs is attributable to lower interest expenses as a consequence of lower indebtedness following the disposal of the properties. In accordance with bank agreements, SEK 50 million of the proceeds received in connection with the disposal of the properties on 22 January 2016 was used to repay loans. The pro forma adjustment is calculated applying the same interest rate margin as was relevant during the period, i.e. 4.5 per cent and as if the repayment had taken place on 22 February 2015 (i.e., a period of just over 10 months).

6) Pro forma adjustments with respect to increased leasing expenses of SEK 15 million, reduced depreciation of non-current assets of SEK 5 million, and reduced interest expenses of SEK 2 million, lead to reduced taxable earnings of SEK 8 million. The taxable earnings of SEK 8 million, multiplied by a relevant tax rate of 22 per cent, result in a pro forma adjustment in the form of reduced tax expense of SEK 2 million. The capital gain from the disposal of the properties is not taxable.

Auditor's report on pro forma financial information

To the Board of Directors of Humana AB, Corporate Id. No. 556760-8475

We have audited the pro forma financial information set out on pages 80–81 of Humana AB's Offering Memorandum dated 9 March 2016.

The pro forma financial information has been prepared for illustrative purposes only to provide information about on how the divestment of 43 properties through a sale and lease back transaction might have affected the consolidated income statement for Humana AB for the financial year 2015 had the divestment of 43 properties, through a sale and lease back transaction had taken place on 1 January, 2015.

The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation 809/2004/EC.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of the Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. We do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR's Recommendation RevR 5 *Examination of Financial Information in Prospectuses*. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with source documentation, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on page 80, and that this basis is consistent with the accounting policies applied by the company.

Other disclosures

This report is issued for the sole purpose of the public offering in Sweden and the admission of shares on Nasdaq Stockholm and other regulated markets in the European Union or European Economic Area, as set out in the Offering Memorandum approved by the Financial Supervisory Authority of Sweden. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any other purpose other than the public offering described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the offer to the public of shares on Nasdaq Stockholm and other regulated markets in the European Union or European Economic Area, as set out in the Offering Memorandum approved by the Financial Supervisory Authority of Sweden.

Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on page 80 and this basis is consistent with the accounting policies applied by the company.

Stockholm, 9 March 2016

KPMG AB

Petra Lindström
Authorized Public Accountant

Selected historical financial information

Unless otherwise stated, the condensed selected financial information presented below in respect of the financial years 2013–2015 is derived from Humana's audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The audited consolidated financial statements are presented in the section entitled "Historical financial information". For further information about the accounting principles applied, see "Historical financial information – Accounting principles – Significant accounting principles".

This Offering Memorandum contains consolidated pro forma financial information for the Group's income statement for the financial year 2015 audited by the Company's auditor as stated in section "Auditor's report on pro forma financial information". Apart from the consolidated financial statements for the financial years 2013–2015 and the audited pro forma financial information, no information in this Offering Memorandum has been reviewed or audited by the Company's auditors.

This Offering Memorandum contains certain financial key ratios which have not been defined in accordance with IFRS, including key ratios such as "EBITDA", "adjusted operating profit", "adjusted EBITDA", "operating cash flow" and "cash flow generation", as well as other financial ratios. Key ratios that are not defined in accordance with IFRS have been used by management to monitor the underlying trend in the Company's business and operations. A key ratio which is not specified or defined in accordance with IFRS is defined as a key ratio which measures historical or future economic performance, financial position or cash flows, but which excludes or includes values that would not be adjusted in such manner in the nearest comparable IFRS key ratio. The financial key ratios that are not calculated in accordance with IFRS are not to be regarded, in particular, as a substitute for net revenue, operating profit/loss, profit/loss for the period, cash flow from operating activities, or other items in the income statement or in the statement of cash flows that are calculated in accordance with IFRS. Financial key ratios that are not calculated in accordance with IFRS do not necessarily indicate whether the cash flows will be disposable or sufficiently large to meet Humana's liquidity requirements, and do not necessarily reflect the Company's historical operating profit. They are also not intended to predict Humana's future profit. Humana has presented these financial ratios in this Offering Memorandum since the Company believes that they constitute important supplementary key ratios regarding the Company's profit and believe that they are often used by investors for the purpose of comparing the earnings of companies. Since all companies do not use these or other non-IFRS key ratios in the same manner, due to the manner in which the Company's management has chosen to present these financial key ratios it may not be possible to compare the financial key ratios presented in this Offering Memorandum with similar defined concepts used by other companies. Regarding definitions of the financial key ratios presented in this Offering Memorandum which are not calculated in accordance with IFRS, see the "Selected historical financial information – Key ratios not calculated in accordance with IFRS".

The data below is to be read together with "Operating and financial review" as well as Humana's consolidated financial statements for the financial years 2013–2015, which are reproduced in the section "Historical financial information".

CONSOLIDATED CONDENSED INCOME STATEMENTS

SEK million	1 Jan – 31 Dec		
	2015	2014	2013
Net revenue	5,593	5,065	3,489
Other revenue	62	–	–
Operating revenue	5,655	5,065	3,489
Other external expenses	(794)	(662)	(322)
Personnel costs	(4,430)	(4,041)	(2,931)
Depreciation/amortisation of assets	(46)	(32)	(13)
Goodwill impairment	(36)	–	–
Other operating expenses	(37)	(23)	(5)
Operating profit	312	307	218
Finance income	1	3	23
Finance expenses	(172)	(112)	(27)
Unrealised changes in value of derivatives	7	(41)	3
Profit before tax	149	156	216
Tax	(35)	(41)	(37)
Profit for the year	114	115	179

CONSOLIDATED CONDENSED BALANCE SHEETS

SEK million	31 Dec		
	2015	2014	2013
ASSETS			
Non-current assets			
Goodwill	2,584	2,565	1,436
Other intangible assets	9	7	8
Property, plant and equipment	200	294	136
Financial assets	4	3	1
Total non-current assets	2,797	2,870	1,580
Current assets			
Trade receivables	440	391	242
Other receivables	100	155	82
Cash and cash equivalents	501	244	291
Total current assets	1,040	790	616
TOTAL ASSETS	3,838	3,660	2,196
EQUITY AND LIABILITIES			
Equity	1,093	986	853
Non-current liabilities			
Deferred tax liability	66	54	45
Interest-bearing liabilities	1,550	1,656	540
Total non-current liabilities	1,616	1,710	585
Current liabilities			
Interest-bearing liabilities	125	73	106
Trade payables	79	72	49
Other current liabilities	925	819	602
Total current liabilities	1,129	963	758
TOTAL EQUITY AND LIABILITIES	3,838	3,660	2,196

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

SEK million	1 Jan – 31 Dec		
	2015	2014	2013
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
Acquisition of subsidiaries, net effect on cash and cash equivalents	(141)	(821)	(134)
Disposal of subsidiaries, net effect on cash and cash equivalent	261	–	–
Disposal of property, plant and equipment	4	–	–
Acquisition of intangible assets and property, plant and equipment	(46)	(46)	(24)
Net cash provided by/used in investing activities	78	(868)	(158)
Loan 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	244	291	197
Exchange rate differences	(2)	(2)	–
Cash and cash equivalents at end of year	501	244	291

FINANCIAL INFORMATION PER BUSINESS AREA

Note that, unless otherwise stated, the tables and calculations below have not been audited.

Net revenue per segment¹⁾

SEK million	2015	2014	2013
Humana Individual & Family	1,750	1,422	508
Humana Personal Assistance	2,689	2,609	2,506
Humana Elderly Care	738	825	476
Humana Norway	416	210	–
Total net revenue	5,593	5,065	3,489

Organic growth per segment

%	2015	2014	2013
Humana Individual & Family	3.4	17.0	16.7
Humana Personal Assistance	3.1	4.1	6.0
Humana Elderly Care	(10.6)	18.4	11.0
Humana Norway	–	–	–
Total organic growth	0.8	7.9	7.6

Operating profit/loss per segment¹⁾

SEK million	2015	2014	2013
Humana Individual & Family	217	174	63
Humana Personal Assistance	182	205	206
Humana Elderly Care	(53)	(3)	(13)
Humana Norway	(13)	10	0
Joint Group	(20)	(79)	(38)
Total operating profit/loss	312	307	218

Operating margin per segment

%	2015	2014	2013
Humana Individual & Family	12.4	12.2	12.3
Humana Personal Assistance	6.8	7.9	8.2
Humana Elderly Care	(7.2)	(0.3)	(2.7)
Humana Norway	(3.2)	4.8	0.0
Total operating margin	5.6	6.1	6.2

Adjusted operating profit/loss per segment

SEK million	2015	2014	2013
Humana Individual & Family	217	174	63
Humana Personal Assistance	182	205	206
Humana Elderly Care	(17)	(3)	(13)
Humana Norway	19	10	–
Joint Group	(61)	(52)	(38)
Total adjusted operating profit/loss	340	335	218

Adjusted operating margin per segment

%	2015	2014	2013
Humana Individual & Family	12.4	12.2	12.3
Humana Personal Assistance	6.8	7.9	8.2
Humana Elderly Care	(2.4)	(0.3)	(2.7)
Humana Norway	4.6	4.8	0.0
Total adjusted operating margin	6.1	6.6	6.2

Average number of clients per segment

	2015	2014	2013
Humana Individual & Family	1,659	1,441	464
Humana Personal Assistance	1,952	1,923	1,925
Humana Elderly Care	3,449	3,842	1,809
Humana Norway	202	118	–
Total average number of clients	7,262	7,324	4,198

Average number of full-year employees per segment

	2015	2014	2013
Humana Individual & Family	1,795	1,448	545
Humana Personal Assistance	5,313	5,143	4,846
Humana Elderly Care	1,640	1,812	975
Humana Norway	393	204	–
Joint Group	14	12	8
Total number of full-year employees	9,154	8,619	6,374

1) The information is derived from Humana's audited consolidated financial statements.

KEY RATIOS AND DATA PER SHARE

Note that, unless otherwise stated, the tables and calculations below have not been audited.

Key ratios	2015	2014	2013
Net revenue, SEK million ¹⁾	5,593	5,065	3,489
Growth, %	10.4	45.2	17.0
Organic growth, %	0.8	7.9	7.6
Acquired growth, %	9.6	37.2	9.4
EBITDA, SEK million	394	339	231
EBITDA margin, %	7.0	6.7	6.6
Adjusted EBITDA, SEK million	386	367	231
Adjusted EBITDA margin, %	6.9	7.2	6.6
Operating profit/loss (EBIT), SEK million ¹⁾	312	307	218
Operating margin, %	5.6	6.1	6.2
Adjusted operating profit/loss, SEK million	340	335	218
Adjusted operating margin, %	6.1	6.6	6.2
Profit for the year, SEK million ¹⁾	114	115	179
Change in working capital, SEK million	37	18	57
Acquisition of intangible assets and property, plant and equipment, SEK million ¹⁾	(46)	(46)	(24)
Operating cash flow, SEK million	377	338	264
Cash flow generation, %	97.8	92.2	114.3
Equity ¹⁾	1,093	986	853
Interest-bearing net debt, SEK million	1,174	1,484	355
Interest-bearing net debt/EBITDA 12 months, times	3.0	4.4	1.5
Interest-bearing net debt/adjusted EBITDA 12 months, times	3.0	4.0	1.5
Equity ratio, %	28.5	27.0	38.9
Return on capital employed, 12 months, %	12.3	12.4	16.0
Clients, average number	7,262	7,324	4,198
Full-year employees, average number ¹⁾	9,154	8,619	6,374
Full-year employees, end of year	9,231	8,773	7,215
Data per share	2015	2014	2013
Recalculated earnings per share ²⁾	2.48	2.51	3.90
Recalculated equity per share, SEK ²⁾	23.82	21.50	18.60

1) The information is derived from Humana's audited consolidated financial statements.

2) Recalculated for the number of ordinary shares on the date of this Offering Memorandum (45,882,000) taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016 (see "Share capital and ownership structure – Share capital development"). Right to dividend to holders of preference shares has not been considered, i.e. has not been included as a deduction from earnings.

KEY RATIOS NOT CALCULATED IN ACCORDANCE WITH IFRS

In this Offering Memorandum, Humana presents certain financial key ratios, including key ratios such as “EBITDA”, “adjusted operating profit”, “adjusted EBITDA”, “operating cash flow” and “cash flow generation”, which have not been defined in accordance with IFRS. The Company believes that these key ratios provide valuable information to investors since, combined with (but not in lieu of) other key ratios they facilitate a meaningful assessment of current trends. However, these key ratios are not to be regarded as substitutes for items calcu-

lated in accordance with IFRS. Since listed companies do not always calculate these key ratios in the same way, it is not certain that the presentation herein is comparable with key ratios with the same designation as used by other companies. The tables below reflect the calculation of “EBITDA”, “adjusted operating profit”, “adjusted EBITDA”, “operating cash flow” and “cash flow generation” based on Humana’s operating profit through restoration of a number of items. The tables and calculations have not been audited.

Derivation of non-IFRS-based key performance indicator, EBITDA

SEK million	2015	2014	2013
Operating profit	312	307	218
Depreciation/amortisation and impairments	82	32	13
EBITDA	394	339	231

Derivation of non-IFRS-based key ratios, Adjusted operating profit and Adjusted EBITDA

SEK million	2015	2014	2013
Operating profit	312	307	218
Goodwill impairment ¹⁾	36	–	–
Capital gain upon disposal of properties ²⁾	(62)	–	–
Capital loss upon disposal of subsidiaries ³⁾	32	–	–
Severance payment for former CEO ⁴⁾	6	–	–
Non-recurring expenses in connection with the acquisition of INOM ⁵⁾	–	16	–
Non-recurring expenses in connection with refinancing ⁶⁾	15	–	–
Non-recurring expenses in connection with IPO ⁷⁾	–	12	–
Adjusted operating profit	340	335	218
Depreciation/amortisation and impairment ⁸⁾	46	32	13
Adjusted EBITDA	386	367	231

Derivation of non-IFRS-based key ratios, Operating cash flow and Cash flow generation

SEK million	2015	2014	2013
Adjusted EBITDA	386	367	231
Change in working capital	37	18	57
Acquisition of intangible assets and property, plant and equipment	(46)	(46)	(24)
Operating cash flow	377	338	264
Cash flow generation, % (operating cash flow/adjusted EBITDA)	97.8	92.2	114.3

1) Goodwill impairment related to the acquisition of Carema Hemtjänst AB within the Humana Elderly Care business area during the fourth quarter of 2015.

2) Capital gain upon disposal of 43 properties to Hemfosa during the fourth quarter of 2015.

3) Capital loss upon disposal of subsidiaries within the Humana Norway business area during the fourth quarter of 2015.

4) Severance payment to previous CEO Per Granath who resigned in December 2015.

5) External expenses for financial and legal advice related to the acquisition of INOM during the first quarter of 2014.

6) External expenses for financial and legal advice related to the first quarter of 2015 (SEK 2 million), the second quarter of 2015 (SEK 1 million) and third quarter of 2015 (SEK 11 million).

7) External expenses for financial and legal advice related to preparations pending the IPO during the third quarter of 2014 (SEK 3 million) and the fourth quarter of 2014 (SEK 9 million).

8) Excluding goodwill impairment.

DEFINITIONS

Adjusted EBITDA

Operating profit before depreciation/amortisation and impairment adjusted for non-recurring items.

Adjusted EBITDA margin

Adjusted EBITDA divided by net revenue.

Adjusted operating margin

Adjusted operating profit divided by net revenue.

Adjusted operating profit

Operating profit adjusted for non-recurring items.

Acquired growth

Growth in net revenue attributable to companies acquired during the current period or during a corresponding comparison period.

Acquisition of intangible assets and property, plant and equipment

Acquisition of intangible assets and property, plant and equipment, excluding acquisition-related investments.

Cash flow generation

Operating cash flow divided by adjusted EBITDA.

EBITDA

Operating profit before depreciation/amortisation and impairment.

EBITDA margin

EBITDA divided by net revenue multiplied by 100.

Equity ratio

Shareholders' equity as a percentage of total assets.

Growth

Change in net revenue compared with equivalent comparison period.

Interest-bearing net debt

Loan raised excluding interest rate derivatives, less cash and cash equivalents and interest-bearing assets.

Interest-bearing net debt/adjusted EBITDA

Interest-bearing net debt divided by adjusted EBITDA.

Interest-bearing net debt/ EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Adjusted EBITDA, less changes in working capital, less acquisition of intangible assets and tangible property, plant and equipment.

Organic growth

Growth in net revenue within the respective segment for companies which Humana owned during the entire current period as well as the entire corresponding comparison period.

Operating margin

Operating profit divided by net revenue.

Operating profit/loss

Profit/loss before financial items and tax.

Profit/loss for the period

Profit/loss after financial items and tax.

Recalculated earnings per share

Earnings for the period divided by the number of ordinary shares on the date of this Offering Memorandum taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016 (see "*Share capital and ownership structure – Share capital development*").

Recalculated equity per share

Equity attributable to the parent company's shareholders divided by the number of ordinary shares on the date of this Offering Memorandum taking into consideration the split (45:1) registered with the Swedish Companies Registration Office on 7 March 2016 and the conversion of preference shares into ordinary shares which is expected to be registered with the Swedish Companies Registration Office on 22 March 2016 (see "*Share capital and ownership structure – Share capital development*"). Right to dividend to holders of preference shares has not been considered, i.e. has not been included as a deduction from earnings.

Return on capital employed

Adjusted working capital and financial income as a percentage of total capital employed multiplied by 100, where capital employed is defined as total assets less non-interest-bearing liabilities at the end of the period.

Working capital

Total of trade receivables and other operating receivables minus the total of other operating liabilities and trade payables.

Operational and financial review

The following information constitutes a description of the Group's financial position and its results for the financial years 2015, 2014 and 2013. The information should be read together with the selected historical financial information presented in "Selected historical financial information" and Humana's audited consolidated financial statements presented in "Historical financial information". A part of the information in the description includes forward-looking statements involving risks and uncertainty factors. Investors should also read the section entitled "Important information—Forward-looking information and risk factors" for a description of the risks and uncertainty factors related to the statements. Investors should also read the section "Risk factors" for a description of certain factors that may affect the Group's business, financial position and results. The Company's financial position for the financial years 2015, 2014 and 2013 has been prepared in accordance with IFRS as adopted by the European Union.

OVERVIEW

Humana's net revenue relates to operations that deliver services in the Nordic care sector. The Company operates within four business areas: *Humana Individual & Family*, *Humana Personal Assistance*, *Humana Elderly Care* and *Humana Norway*. In 2015, these business areas accounted for 31, 48, 13 and 7 per cent, respectively, of the Company's net revenue. *Humana Individual & Family*, *Humana Personal Assistance* and *Humana Norway* accounted for 52, 44 and 5 per cent, respectively, of the Company's total adjusted operating profit in 2015, whereas *Humana Elderly Care* reported a negative adjusted operating profit during the year. These four business areas also constitute the Company's business segments.

The majority of Humana's net revenue is generated by operations in full responsibility homes or through individual-based contracts resulting from customer choice. Outsourcing contracts account for only approximately 7 per cent of the Company's net revenue. The Company's revenues are, therefore, strongly linked to the number of clients the Company has under these contracts. This also means that the contracts do not normally guarantee an income or occupancy rate. The Company considers that this represents a lower total contract risk since each individual contract has a minor impact on Humana's net revenue and profit.

Broadly, Humana's operations can be divided into three business models: housing, family homes and home-based care services.

Housing is primarily conducted in full responsibility homes under the Company's own management and comprises housing within individual and family care, elderly care and LSS. Contracts for such housing are normally individual-based and remuneration is linked to the number of performed housing days. Humana also operates a number of smaller housing units under outsourcing contracts within elderly care and LSS. Humana conducts housing operations within the *Humana Individual & Family*, *Humana Elderly Care* and *Humana Norway* business areas.

Family homes relate to the placement of children and adolescents in consultant-supported family homes which are coordinated, investigated, trained, guided and supported by Humana. Contracts regarding family homes are individual-based in Sweden and Norway and remuneration is linked to the number of performed housing days. Humana operates family homes within the *Humana Individual & Family* and *Humana Norway* business areas.

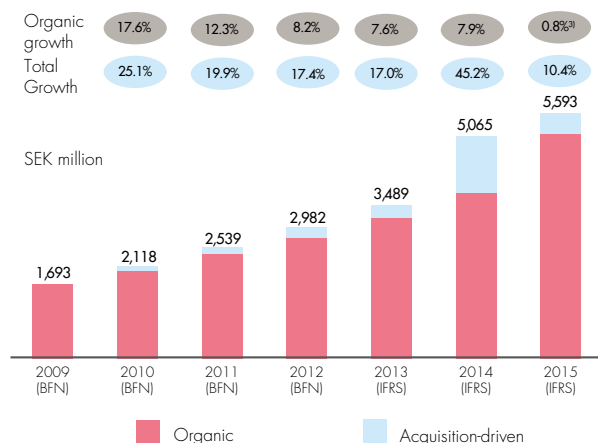
In Humana's case, home-based care comprises care services delivered to the client's own home. Humana provides personal assistance to individuals with functional impairments in Sweden within the *Humana Personal Assistance* business area and, to a small extent, in Norway within *Humana Norway*. Humana also provides home care services for elderly within *Humana Elderly Care*. In addition, Humana provides consultant-supported outpatient care treatment for children and adults in their own home or in the biological family's home within the *Humana Individual & Family* and *Humana Norway* business areas. Within both personal assistance and home care services, customer choice prevails with individual-based contracts under which remuneration is linked to the number of hours performed.

Humana's financial profile is characterised by:

● **Strong growth – both organic and acquisition-driven:**

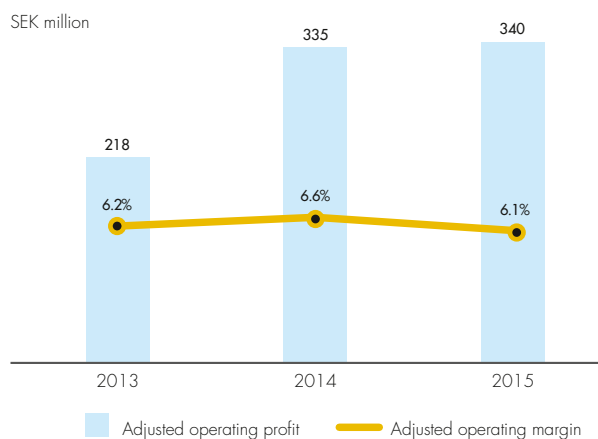
Since 2009, Humana's net revenue has grown from SEK 1,693 million to SEK 5,593 million in 2015, corresponding to an average annual growth rate of 22.0 per cent. The average rate of organic growth during the period 2009–2015 was 10.0 per cent per year.¹⁾ Humana's medium-term target is a growth of 8–10 per cent generated through organic growth as well as through supplementary acquisitions.

Development of net revenue and growth, 2009–2015²⁾



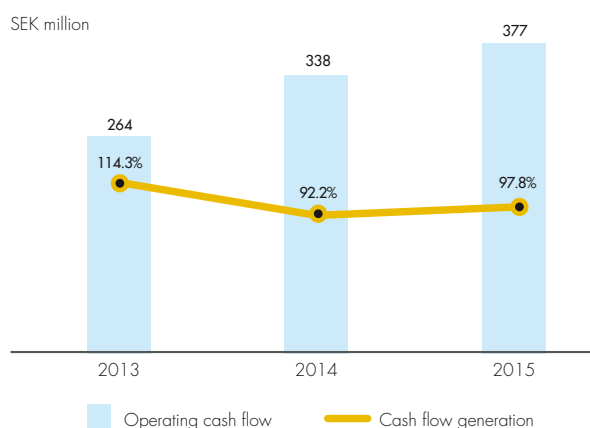
● **Stable profitability:** Adjusted for non-recurring items, Humana has in recent years demonstrated a stable profitability level, with the adjusted operating margin during the period 2013–2015 being within the range 6.1–6.6 per cent. Humana's medium-term target is to achieve an operating margin of approximately 6 per cent.

Adjusted operating profit and adjusted operating margin development 2013–2015⁴⁾



● **Sound cash flow generation:** As a consequence of Humana's limited working capital tie-up and capital expenditure requirements, Humana has demonstrated positive cash flow generation. Between 2013–2015, operating cash flow in relation to adjusted EBITDA were between 92.2 and 114.3 per cent per year.⁵⁾ Humana's limited working capital tie-up is in part attributable to payment in advance of assistance allowances from the Swedish Social Insurance Agency. The Swedish Social Insurance Agency has given notice that they intend to change their payment routines as from October 2016, which is described in further detail in the section entitled “– Key factors affecting the results of operations and cash flows – Other factors – Working capital”. However, Humana makes the assessment that also after this change, the Company will have limited working capital tie-up and sound cash flow generation.

Operating cash flow and cash flow generation development, 2013–2015⁶⁾



KEY FACTORS AFFECTING THE RESULTS OF OPERATIONS AND CASH FLOWS

Humana believes that the factors below are the key drivers behind the Company's performance.

The Company's ability to attract and retain clients

Humana's ability to continue to grow and generate profit is conditional demand for the Company's services. All of Humana's business areas are characterised by open-ended individual-based contracts. Contracts can be entered into, or terminated on, short notice and consequently, the annual inflow and outflow of clients have an effect on the Company's net revenue and profitability.

1) The figures for organic growth are not audited and have been produced by the Company. Organic growth is defined as growth for a company within a segment which Humana owned during the entire holding period as well as during the entire equivalent comparison period.

2) Net revenue is derived from the Company's audited annual reports. The financial information for 2009–2012 has been prepared in accordance with the Swedish Accounting Standards Board's general advice (BFN). Net revenue is accounted for in a comparable way according to the various accounting standards applied and does not implicate any differences in the comparison between the different financial years.

3) Since INOM was acquired on 22 January 2014, and therefore is not included throughout the whole reference period, growth related to INOM is not included in organic growth. If INOM had been included, organic growth had amounted to 5.2 per cent for 2015.

4) Financial key ratios that have not been audited or defined in accordance with IFRS. For a description of the derivation of adjusted operating profit, see also “Selected historical financial information – Key ratios not calculated in accordance with IFRS”.

5) For a description of the derivation to cash flows from operating activities and adjusted EBITDA, see “Selected historical financial information – Key ratios not calculated in accordance with IFRS”.

6) Financial key ratios that have not been audited or defined in accordance with IFRS. For a description of the derivation of operating cash flow and cash flow generation, see “Selected historical financial information – Key ratios not calculated in accordance with IFRS”.

Most of the operations within *Humana Personal Assistance*, as well as a large part of the operations within *Humana Elderly Care*, are based on free customer choice whereby the clients personally choose their supplier of care services, whereas most of the clients within *Humana Individual & Family* and *Humana Norway* are placed with Humana through municipalities or public authorities.

Within *Humana Individual & Family*, the Group has witnessed a strong increase in the number of clients in recent years. The increase has been driven by both an increased number of clients in the business area's housing units, as well as an increase in the number of clients in family home placements. Humana is experiencing growing demand for care services within individual and family care and perceives favourable opportunities for continued growth in the number of clients. In 2015, the average number of clients within the business area increased by 218, from 1,441 to 1,659. Within *Humana Personal Assistance*, the Company has witnessed an even inflow of clients in recent years. However, an increased outflow in recent years has contributed to the average number of clients being relatively constant. In 2015, the average number of clients within the business area increased by 29, from 1,923 to 1,952. Humana perceives possibilities for continued organic growth within the business area since the personal assistance market is expected to become more challenging for operators, with certain smaller operators in particular facing the risk of losing clients if they fail to maintain quality and service. Within *Humana Elderly Care*, in 2015, the average number of clients decreased by 393, from 3,842 to 3,449, primarily due to a terminated outsourcing contract. The number of clients within the business area's home care services increased during the year. The Company perceives possibilities for growth in the number of clients within the business area, primarily by establishing new housing in full responsibility homes. Within *Humana Norway*, where the number of municipalities offering customer choice within personal assistance has increased, the number of clients of Humana within personal assistance increased substantially during the second half of 2015. The number of clients in the business area's housing has also increased and, in total, the average number of clients during 2015 increased by 84, from 118 to 202.

The provision of high-quality services is a prerequisite for attracting and retaining clients. In addition, Humana regularly engages in communication and marketing in order to increase its brand recognition and convey a clear message regarding the Company's offering, and thereby attract new clients.

The Company's ability to establish new units

The establishment of new full responsibility homes constitutes an important aspect of Humana's growth strategy. Humana conducts full responsibility home operations within *Humana Individual & Family*, *Humana Elderly Care* and *Humana Norway*. At the end of 2015, *Humana Individual & Family* had 69 HVB units and support housing units providing care to children and adolescents as well as 24 housing units for adults. In addition, the business area had five full responsibility special service homes. Within *Humana Elderly Care*, during the first

quarter of 2016, the Company opened its first full responsibility home for elderly with 81 places. In addition, at the end of 2015, the business area operated ten special service accommodation units for elderly under outsourcing contracts, 29 special service housing units under outsourcing contracts, and five full responsibility home with special service as well as daily activities in a full responsibility home. Within *Humana Norway*, on the same date, the Company had 38 housing units for children and adolescents, and six housing units in accordance with the Norwegian Act relating to Municipal Health and Care Services.

Humana broadly perceives continued strong interest from purchasers and consequently, the Company is continuing to develop new services and establish itself in new geographic markets. The Company has identified a number of areas in which it intends to strengthen its presence when the conditions for doing so are right.

As part of its strategy, Humana has a medium-term target of opening two to three units annually within *Humana Individual & Family*, and two to three full responsibility homes within *Humana Elderly Care*. The Company believes that there are also good possibilities for opening new individual and family care units within *Humana Individual & Family* and *Humana Norway*.

The first six months of a new HVB unit within *Humana Individual & Family* are generally a construction phase, during which the main part of the investments are accounted for. In conjunction with the establishment of a new HVB unit, Humana often initially acquires a property in which Humana also bears the costs for renovation and adaptation of the unit. However, these investments are limited since these units are normally small. A unit for adults usually requires slightly higher investments than a unit for adolescents. During the construction phase, the unit does not accept any clients and the profitability is negative since the unit has certain costs, e.g. for certain staff. Subsequent to the construction phase, a start-up phase follows during which the unit welcomes new clients. A HVB unit for adolescents usually has place for 5–8 clients, while a HVB unit for adults generally has place for 10–20 clients. On average a HVB unit has an occupancy rate of 50–60 per cent during the start-up phase and a margin of approximately 50 per cent of the long-term margin. A new unit is expected to be fully operational after 12 months with an average occupancy rate of approximately 85 per cent.

For a new elderly accommodation unit in a full responsibility home within *Humana Elderly Care*, the construction phase is generally expected to be around 15 months during which the main part of the investments are accounted for. In conjunction with the establishment of a new full responsibility home, Humana normally co-operates with a property partner, who defrays most of the investments. Humana is normally only liable for limited investments for equipment, which are incurred as clients move in. The start-up phase for a full responsibility home, during which the clients move in, is expected to last approximately nine months with an average

1) The figures regarding acquired growth are not audited and have been produced by the Company.

occupancy rate of 50 per cent during this period. During this period, the home has a margin of approximately 0–50 per cent of the long-term margin. A new home is expected to be fully operational after two years, with an average occupancy rate of approximately 95 per cent. On average, a full responsibility home has around 50–60 apartments.

Acquisitions

Humana's ability to identify, acquire and integrate acquired companies and units affects the Company's results and cash flows. Since 2009, Humana's net revenues have grown from SEK 1,693 million to SEK 5,593 million in 2015, representing an average annual growth rate of 22.0 per cent. In average, organic growth during the period was at a rate of 10.0 per cent. The remaining growth is due to more than 30 acquisitions, which jointly have contributed with SEK 2,589 million in revenue growth during the period.¹⁾ Humana's largest acquisition is the acquisition of INOM which was completed in the beginning of 2014. During 2014 INOM contributed with revenue growth corresponding to SEK 888 million. During the same period, Humana has established three new business areas, *Humana Individual & Family*, *Humana Elderly Care* and *Humana Norway*. The acquisitions have resulted in a larger range of services over a larger geographic area. Acquisitions are only made following careful consideration in which the acquisition object's values and focus are key elements. Through the large number of acquisitions, the Company has established an efficient process for evaluating, acquiring and integrating companies. Acquisitions are usually made at attractive value multiples, with the average acquisition multiple during the period being below 5 times EBITDA, without taking into consideration possible synergies (excluding the acquisition of INOM).

Going forward, acquisitions are expected to continue to constitute an important growth component for Humana, with the expected following focus areas: on the *Humana Individual & Family* business area to enable Humana to further strengthen its geographic presence and range of services; on the *Humana Norway* business area, where the Company perceives opportunities to acquire operations within individual and family care; and within *Humana Personal Assistance*, where Humana makes the assessment that more challenging market conditions can give rise to opportunities to acquire companies. Humana has also identified several attractive acquisition possibilities which would give the Company a strong presence on those Nordic markets where the Company is currently not established.

Remuneration for the Company's services

Remuneration for the Company's services depends, among other things, on the service content and place where Humana carries out the operation. The remuneration level can vary in terms of size and form and consequently, the Company's net revenue and profitability (in addition to any price adjustments) can be affected by the proportionate breakdown between the services provided. Most of Humana's contracts can be terminated on short notice, and consequently the breakdown between services can change between periods. Certain frame-

work agreements contain indexation clauses and, in addition, the Company can also obtain greater payment for an increased care element. Where framework agreements have not been entered into, the price is determined based on separate contracts with the purchaser (in most cases the municipality).

Within *Humana Personal Assistance*, Humana receives predetermined remuneration per performed hour. The increase in remuneration has been determined by the Government and will increase at a rate of 1.4 per cent annually from a 2016 level of SEK 288; corresponding to an increase of approximately SEK 4 per year.

The Company's ability to manage costs

Personnel costs represent Humana's largest cost item and are driven primarily by the number of employees and pay levels. Salaries are determined by collective agreements and, as a rule, adjusted once a year. In addition, some employees receive supplements for unsocial working hours. The Company's results are also affected by Humana's ability to promote a low level of sick leave absence and low personnel revenue. Hired personnel are brought in to a limited extent.

The number of employees is determined primarily by the number of clients and the number of units in operation. Operations which run family homes and home care services mainly have variable costs inasmuch as the number of employees is very closely related to the number of clients. Operations which run housing units have partially variable costs depending on the number of clients who can be served by a specific number of employees. The occupancy rate is an important parameter for the profitability of a housing unit.

Humana's total personnel costs relative to net revenue totalled 84 per cent in 2013, 80 per cent in 2014 and 79 per cent in 2015. Personnel costs will continue to increase in absolute terms as the number of customers, clients and units increases. Humana is regularly engaged in personnel planning and capacity utilisation in the Company's units. The Company expects to be able to benefit from scalability advantages that exist due to the same central organisation being able to manage an increase in net revenue (with directly related personnel costs) without this resulting in a significant increase in the Company's central costs.

Humana has a significant proportion of young employees, particularly within the *Humana Personal Assistance* business area. In 2015, the Swedish Parliament decided to change employers' social security contributions in respect of young employees by gradually phasing out the rebate previously applicable in respect of young employees. This decision entails an increase in Humana's personnel costs and has affected the Company as from the third quarter of 2015. In total, compared with what the expense would have been had Humana paid the same average employers' social security contributions as during the corresponding period of the preceding year, the increase negatively impacted Humana's personnel costs by SEK 19 million in 2015. Of this amount, SEK 13 million was attributable to the *Humana Personal Assistance* area. Humana makes

1) The figures regarding acquired growth are not audited and have been produced by the Company.

the assessment that the average employer's social security contributions within *Humana Personal Assistance* in 2015, totalled 28.45 per cent, corresponding to a total outstanding rebate of SEK 52 million per year, compared with implementation of full employer's social security contributions of 31.42 per cent for all employees within *Humana Personal Assistance*.

The Company's ability to attract and retain employees

Humana's business is personnel-intensive and includes a number of different professional categories, managers and specialists of key importance in Humana's offering to clients, municipalities and other public authorities. It is, therefore, necessary that the Company be able to attract and retain skilled employees.

In total, Humana has almost 450 specialists who are highly skilled within their relevant work areas, including approximately 25 licensed psychologists and psychotherapists, approximately 300 social workers, a large number of whom possess basic psychotherapy training, two licensed doctors with specialist expertise within psychiatry and forensic psychiatry, as well as 20 licensed doctors as consultants with specialist expertise in psychiatry, child and adolescent psychiatry and general medicine. In line with Humana's aspiration to be a decentralised, customer-focused organisation, significant responsibility and authority are often devolved to local operational managers.

Through, among other things, investments in training and skills-enhancement activities, Humana works actively to provide new and existing employees with an attractive work environment.

Quality related to performance of the Company's services

Maintenance of high quality is a key factor in attracting and retaining clients through customer contracts and securing client placements through the municipalities. Quality work is, therefore, top priority at all levels within Humana. Brands, quality systems, skilled personnel, reception, continuity and delivery of service content as agreed with the customer or client are factors that influence the experienced quality. Each business area has its own quality function adapted to the nature and conditions of the business. For example, Humana monitors its work through purchaser surveys, self-controls as well as pre-notified and unannounced internal inspections. Humana has also established routines for receiving and processing proposals and complaints that can improve the operations. In addition, Humana has a central quality organisation tasked with ensuring that each operation possesses sufficient tools and systems to carry out its work and to ensure skills development and transfers of skills between units, business areas and countries. The organisation reports directly each month to the Company's board of directors. The Company has a policy of zero tolerance as regards irregularities and works proactively to prevent their occurrence. Any doubts are checked and customer contracts are sometimes terminated on Humana's initiative as a consequence of conducted checks.

Other factors

Working capital

The amount of working capital is primarily dictated by net revenue, seasonal variations and calendar effects. Within the *Humana Personal Assistance* business area, the Company receives assistance allowances from the Swedish Social Insurance Agency and municipalities. Approximately 90 per cent of the assistance allowances that the Company receives are paid out by the Swedish Social Insurance Agency. In practice, payments by the Swedish Social Insurance Agency often take place in advance, with subsequent settlement of account based on compensable time expended. The salaries that the Company pays its personal assistants each month are financed from the payments that the Company received from the Swedish Social Insurance Agency the month before. The Swedish Social Insurance Agency has announced that it intends to change this procedure and, instead, only pay out assistance allowances in arrears based on received work time reports. As of the date of this Offering Memorandum, it has not been finally decided in what way and at what pace the change will be implemented. However, a policy decision has been taken to introduce payment in arrears of assistance allowances as from 1 October 2016. Depending on how the implementation takes place, this could lead to the Company requiring greater working capital. The Company currently estimates that the impact on the Company's working capital will be SEK 200–300 million. Within other business areas, remuneration is normally paid in arrears.

Currency effects

Although currency exposure is currently relatively limited, the Company is through its operations exposed to changes in exchange rates. Changes in exchange rate thus affect the Company's results and financial position. Humana's currency exposure primarily includes translation exposure. Translation exposure arises as a consequence of changes in exchange rates when the income statement and balance sheet of the Company's Norwegian subsidiary, in NOK, are translated to the Company's presentation currency (SEK).

Tax expenses

Humana pays tax in those countries in which the Company operates (Sweden and Norway), and thus the Company's results and cash flows are dependent on local tax rates and changes in those tax rates, and on the profit in each country. A reallocation of results in each country, but with unchanged total results for the Company, can thus result in an increase or decrease in tax expenses.

Interest expenses

The Company is partially financed through interest-bearing liabilities, a factor which exposes the Company to interest rate risks. The interest rate risk is the risk of adverse effects on the Company's results and cash flows from changes in underlying interest rates. See also the section entitled "*Capital structure, indebtedness and other financial information – Capital structure in connection with the listing – Interest rate derivatives*".

DESCRIPTION OF PRINCIPAL INCOME STATEMENT LINE ITEMS

Net revenue

Net revenue primarily includes revenue of care services within the four business areas: *Humana Individual & Family*, *Humana Personal Assistance*, *Humana Elderly Care* and *Humana Norway*.

Other external expenses

Other external expenses include direct operating expenses, purchased services, premises and property expenses, IT expenses, marketing expenses and other expenses.

Personnel costs

Personnel costs include salaries and remuneration, pension expenses for defined contribution plans, social security contributions and other personnel costs.

Depreciation/amortisation of assets

Intangible assets and property, plant and equipment are reported at historical cost less accumulated depreciation/amortisation and any impairment.

Amortisation of intangible assets, excluding goodwill, takes place on a straight-line basis over the estimated useful life of the asset, unless such useful life is not determinable. Useful life is tested at least once per year. Goodwill is tested annually for impairment and, in addition, as soon as indications arise that the asset in question has diminished in value. Intangible assets with a determinable useful life are amortised from the date on which they are available for use.

Depreciation of property, plant and equipment takes place on a straight-line basis over the estimated useful life of the asset. Leased assets are depreciated over the estimated useful life or over the agreed leasing period, if shorter. Land is not depreciated.

Applied depreciation/amortisation methods, residual values and useful life periods are reviewed at the end of each year.

Impairment of intangible assets

Goodwill arises in conjunction with acquisitions when the purchase price exceeds the fair value of identifiable net assets in the acquired unit. Goodwill is not amortised; instead, it is tested for impairment on an annual basis or upon indications of a decline in value. Impairment takes place if the reported value exceeds the recovery value, which comprises the use value or the fair value, whichever is higher. Impairment is reported immediately as a charge in the income statement and may not be reversed.

Financial income and costs

Financial income comprises interest income and, where appropriate, dividend income, profit upon reappraisal or disposal of financial instruments, and profit upon reappraisal of reserved supplemental purchase prices. Financial costs comprise interest expenses on loans, including transaction costs allocated over a period, losses upon changes in value or disposal of financial instruments, as well as losses upon reappraisal of reserved supplemental purchase prices. Exchange rate gains and exchange rate losses are reported as a net figure.

Unrealised changes in value of derivatives

Humana uses derivative instruments in the form of interest rate swaps and interest rate cap in order to hedge interest rate risks in its borrowing. Derivative instruments are valued at market value on the reporting date and changes in value are reported in the income statement.

Income tax

Income taxes consist of current tax and deferred tax. Income taxes are reported in the results for the year except when an underlying transaction is reported in other comprehensive income or in equity, whereupon the related tax effect is reported in other comprehensive income or in equity. Current tax must be paid or received with respect to a current year, applying the tax rates decided upon or in practice decided upon on as per the balance sheet date. Current tax also includes adjustments of current tax attributable to earlier periods. Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the reported values and tax values of assets and liabilities. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated applying the tax rates and tax rules decided upon or in practice decided upon as per the balance sheet date. Deferred tax receivables regarding deductible temporary differences and losses able to carry forward are reported only insofar as it is likely that they might be used. The value of deferred tax receivables is reduced when it is no longer deemed likely that they can be used.

COMPARISON BETWEEN THE FINANCIAL YEARS 2015 AND 2014

Income statement

Net revenue

Net revenue in 2015 increased by 10.4 per cent to SEK 5,593 million, compared with SEK 5,065 million in 2014, which was primarily due to sound growth within the *Humana Individual & Family* business area. Acquisitions in 2014 and 2015 that were still held at the end of 2015 contributed SEK 509 million to the net revenue growth between 2014 and 2015. Comparable units¹⁾ increased by 0.8 per cent in 2015 and contributed SEK 42 million to net revenue. Since INOM was acquired on 22 January 2014 and thus is not included in the entire comparison period, growth relating to INOM is not included in organic growth. Had INOM been included, the organic growth in 2015 would have been 5.2 per cent in 2015. Within the *Humana Individual & Family* business area, net revenue increased by 23.1 per cent, to SEK 1,750 million. This was mainly attributable to the full year effects of acquisitions made in 2014 as well as supplemental acquisitions within niche treatment methods in 2015, which strengthens Humana's position. Organic growth during 2015 was 3.4 per cent, primarily attributable to the establishment of new units. Within the *Humana Personal Assistance* business area, net revenue increased by 3.1 per cent, to SEK 2,689 million. This entirely comprised organic growth attributable to a net inflow of clients and an increased number of hours per client. Within the *Humana Elderly Care* business area, net revenue decreased

1) Companies owned by Humana during the entire current period as well as the entire corresponding comparison period.

by 10.6 per cent, to SEK 738 million. The entire reduction was organic, primarily due to the expiry of a major outsourcing agreement in Laholm at the end of 2014, which had contributed SEK 79 million to net revenue in 2014. Within the *Humana Norway* business area, net revenue increased by 98.5 per cent, primarily due to the fact that the operations acquired from Frösundas at the end of 2014 contributed full year net revenue, as well as the acquisition of Dedicare Assistanse during the second quarter of 2015. Net revenues were adversely affected by the sale of Villa Skaar in June 2015. During the first five months of 2015, Villa Skaar contributed net revenue of SEK 19 million, compared with SEK 43 million for 2014.

Operating profit/loss

Operating profit in 2015 increased by 1.8 per cent to SEK 312 million, compared with SEK 307 million in 2014. The operating margin for 2015 decreased to 5.6 per cent, from 6.1 per cent in 2014. The lower operating margin was primarily due to lower margins within *Humana Personal Assistance* and *Humana Elderly Care*. Adjusted for non-recurring items, the operating profit in 2015 increased by 1.4 per cent to SEK 340 million, compared with SEK 335 million in 2014. The adjusted operating margin for 2015 decreased to 6.1 per cent, from 6.6 per cent in 2014. *Humana Individual & Family* reported an operating profit of SEK 217 million, entailing a slight increase in the operating margin to 12.4 per cent for 2015, from 12.2 per cent in 2014. *Humana Personal Assistance* reported an operating profit of SEK 182 million, corresponding to an operating margin of 6.8 per cent, compared with 7.9 per cent in 2014. The weaker margin was primarily due to increased employer's social security contributions in respect of employees below the age of 26, as well as due to the increase in salary expenses during the year exceeding the increase in assistance allowances. *Humana Elderly Care* reported an operating loss of negative SEK 53 million, corresponding to an operating margin of negative 7.2 per cent, compared with negative 0.3 per cent in the previous year. The weaker margin was primarily due to goodwill impairment relating to the home care services business, which negatively affected earnings by SEK 36 million. In addition, profit was negatively affected by costs for a continued programme of measures relating to home care services, as well as increased employer's social security contributions in respect of young employees. *Humana Norway* reported an operating loss of negative SEK 13 million, corresponding to a margin of negative 3.2 per cent, compared with 4.8 per cent the previous year. The downturn in the margin is primarily due to a capital loss of negative SEK 32 million in connection with the disposal of Villa Skaar, as well as integration and reorganisation costs connected with acquisitions made in 2014 and 2015. During the first five months, Villa Skaar contributed an operating profit of SEK 1 million, compared with SEK 4 million for the full year 2014. As a result of supplemental acquisitions and increased financial leasing, amortisa-

tion/depreciation of assets increased to SEK 46 million, compared with SEK 32 million in 2014. In 2015, operating profit/loss was affected by non-recurring items totalling negative SEK 27 million.¹⁾ Exchange rate fluctuations had a marginally negative impact on operating profit/loss in 2015.

Profit/loss before tax

Profit before tax in 2015 decreased by 4.6 per cent, to SEK 149 million, compared with SEK 156 million in 2014. The lower profit before tax was mainly due to higher financial expenses, which increased to SEK 172 million, compared with SEK 112 million in 2014. This was primarily due to the fact that previous loan acquisition costs that had been allocated over a period were booked as a cost in connection with the refinancing that took place in 2015. In 2015, non-realised changes in the value of derivative instruments affected pre-tax profit positively in the amount of SEK 7 million, compared with negative SEK 41 million in 2014.

Profit/loss for the year

Profit for the year in 2015 decreased by 1.1 per cent, to SEK 114 million, compared with SEK 115 million in 2014. The tax expense was SEK 35 million in 2015, compared with SEK 41 million in 2014. This represents an effective tax rate of 23.7 per cent in 2015, which was lower than the rate of 26.4 per cent in 2014. The change in the effective tax rate is primarily due to the fact that, in 2015, non-taxable revenues in the form of, among other things, non-taxable capital gains, increased more than non-deductible expenses.

Cash flows

Cash flow from operating activities

Net cash provided by operating activities totalled SEK 274 million in 2015, compared with SEK 156 million in 2014. The increase was primarily attributable to lower interest and tax payments during the year, as well as changes in working capital. Interest paid in 2015 totalled negative SEK 102 million, compared with negative SEK 131 million in 2014. Tax paid in 2015 totalled negative SEK 31 million, compared with negative SEK 74 million in 2014. Working capital decreased in 2015 and the change had a positive effect on cash flows in the amount of SEK 37 million, compared with SEK 18 million from the change in working capital in the preceding year. Of the change in working capital during 2015, negative SEK 30 million is explained by an increase in trade receivables, SEK 29 million by a decrease in operating receivables, SEK 35 million by an increase in other operating liabilities, and SEK 3 million by an increase in trade payables. Of the change in working capital in 2014, negative SEK 45 million is explained by an increase in trade receivables, negative SEK 3 million by an increase in operating receivables, SEK 53 million by an increase in other operating liabilities, and SEK 13 million by an increase in trade payables.

1) Of which negative SEK 36 million related to goodwill impairment within *Humana Elderly Care*; SEK 62 million related to a capital gain in connection with property disposal; negative SEK 32 million related to a capital loss in connection with the disposal of the subsidiary Villa Skaar; negative SEK 6 million related to severance payment to the former CEO; and negative SEK 15 million related to refinancing costs.

Cash flows from investing activities

Cash flows from investing activities totalled SEK 78 million in 2015, compared with negative SEK 868 million in 2014. The increase is explained primarily by the acquisition of INOM, which had a negative impact on cash flows in 2014. In addition, disposal of the subsidiary Villa Skaar and the Company's property portfolio had a positive effect on the cash flows during the year. Acquisitions of intangible assets and property, plant and equipment totalled negative SEK 46 million in 2015, which was unchanged compared with 2014. As a percentage of net revenues, acquired intangible assets and property, plant and equipment decreased from 0.9 per cent to 0.8 per cent.

Cash flows from financing activities

Cash flows from financing activities totalled negative SEK 93 million in 2015, compared with SEK 668 million in 2014; this was primarily attributable to refinancing and loan repayments during the year. Loan raised in 2015 totalled SEK 1,639 million, compared with SEK 1,106 million in 2014. Repayment of loans totalled negative SEK 1,732 million in 2015, compared with negative SEK 438 million in 2014. Of repayments made in 2015, SEK 13 million related to repayment under existing loan agreements and SEK 1,719 million related to repayment under a previous loan facility.

Financial position

The Group's interest-bearing net debt totalled SEK 1,174 million on 31 December 2015, compared with SEK 1,484 million on 31 December 2014. This was mainly due to the disposal of a property portfolio affecting cash flow with SEK 250 million and strong cash flows in 2015. The interest-bearing net debt compared with adjusted EBITDA for the period totalled 3.0 times on 31 December 2015, compared with 4.0 times on 31 December 2014. Cash and cash equivalents on 31 December 2015 totalled SEK 501 million, compared with SEK 244 million on 31 December 2014. The equity ratio on 31 December 2015 was 28 per cent, compared with 27 per cent on 31 December 2014.

COMPARISON BETWEEN THE FINANCIAL YEARS 2014 AND 2013

Income statement

Net revenue

Mainly as a result of acquisitions, net revenue in 2014 increased by 45.2 per cent to SEK 5,065 million, compared to SEK 3,489 million in 2013. Acquisitions made in 2013 and 2014 contributed SEK 1,299 million to net revenue growth between 2014 and 2015, of which the acquisition of INOM in January 2014 accounted for SEK 888 million. Comparable units increased by 7.9 per cent in 2014 and contributed SEK 277 million to net revenue. Within the *Humana Individual & Family* business area, net revenue increased by 180.1 per cent to SEK 1,422 million, mainly due to the acquisition of INOM. Organic growth was 17.0 per cent, primarily due to Humana starting new units with specialist skills within the area of psychiatry and psychosocial change work. Within the *Humana Personal Assistance* business area, net revenue increased by

4.1 per cent to SEK 2,609 million, with the entire growth being organic. Growth in the number of individuals entitled to assistance allowances decreased somewhat, at the same time as the number of customers who chose to leave Humana as a consequence of withdrawn assistance decisions or for other reasons, decreased compared to the preceding year. The number of assistance hours granted to each individual increased during the year. Within the *Humana Elderly Care* business area, net revenue increased by 73.3 per cent, to SEK 825 million. The strong growth was primarily attributable to the fact that the home care services business acquired from Carema in October 2013 contributed full year net revenue during 2014. Organic growth was 18.4 per cent, primarily due to an increase in the number of customers within the business area's housing operations. The *Humana Norway* business area was introduced in connection with the acquisition of INOM and revenues in 2014 totalled SEK 210 million.

Operating profit/loss

The operating profit in 2014 increased by 40.9 per cent to SEK 307 million, compared with SEK 218 million in 2013. The operating margin decreased slightly to 6.1 per cent for 2014, from 6.2 per cent in 2013. The decrease in operating profit is explained primarily by a lower margin in *Humana Personal Assistance* compared with previous years and higher costs on a group level as a consequence of increased consultancy expenses in connection with the acquisition of INOM, as well as initial preparations in relation to the listing of shares. Adjusted for non-recurring items, operating profit in 2014 increased by 53.7 per cent to SEK 335 million, compared with SEK 218 million in 2013. Adjusted operating margin increased to 6.6 per cent in 2014 from 6.2 per cent in 2013. *Humana Individual & Family's* operating profit was SEK 174 million, entailing a slight decrease in the operating margin to 12.2 per cent for 2014, compared with 12.3 per cent in 2013. The operating profit for *Humana Personal Assistance* was SEK 205 million, representing a margin of 7.9 per cent compared with 8.2 per cent in 2013. The lower margin was primarily due to the increase in salary expenses during the year exceeding the increase in assistance allowances. *Humana Elderly Care* reported an operating loss of negative SEK 3 million, corresponding to an operating margin of negative 0.3 per cent, compared with negative 2.7 per cent in previous year. In 2014, an extensive programme of measures was carried out to create profitability within the business area. *Humana Norway* had an operating profit of SEK 10 million in 2014, corresponding to a margin of 4.8 per cent. As a consequence of the acquisition of INOM, depreciation/amortisation of assets increased to SEK 32 million, compared with SEK 13 million in 2013. In 2014, operating profit was affected by non-recurring items totalling negative SEK 28 million.¹⁾ Changes in exchange rates had a marginally adverse effect on operating profit during the year.

Profit/loss before tax

Profit before tax decreased by 27.7 per cent in 2014, to SEK 156 million, compared with SEK 216 million in 2013. The decreased profit before tax is primarily a result of higher

1) Of which negative SEK 16 million related to costs associated with the acquisition of INOM and negative SEK 12 million related to costs associated with preparations for the listing of shares.

financial costs which – as a result of higher borrowing during the year – increased to SEK 112 million, compared with SEK 27 million in 2013. Unrealised changes in value of derivatives affected profit before tax by negative SEK 41 million in 2014, compared with SEK 3 million in 2013.

Profit/loss for the year

Profit for the year decreased by 35.7 per cent in 2014, to SEK 115 million, compared with SEK 179 million in 2013. Tax expenses in 2014 increased by 11 per cent to SEK 41 million, compared with SEK 37 million in 2013. As regards 2014, this corresponds to an effective tax rate of 26.4 per cent, which is higher than the rate of 17.2 per cent in 2013. The change in the effective tax rate is due to the fact that acquisition costs charged to profit in 2014 are not deductible, as well as a higher tax rate in Norway. In addition, the comparison is affected by the fact that tax expenses for 2013 were positively affected by a tax repayment of SEK 10 million, relating to rectification of tax assessments in previous years.

Cash flows

Cash flow from operating activities

Net cash provided by operating activities totalled SEK 156 million during 2014, compared with SEK 196 million in 2013. The decrease was primarily due to higher interest payments as a consequence of increased indebtedness after the refinancing that was carried out in connection with the acquisition of INOM. Working capital decreased in 2014 and the change had a positive effect on cash flows in the amount of SEK 18 million, compared with SEK 57 million from the change in working capital in the preceding year. Of the change in working capital in 2014, negative SEK 45 million is explained by an increase in trade receivables, negative SEK 3 million by an increase in operating receivables, SEK 53 million by an increase in other operating liabilities and SEK 13 million by an increase in trade payables. Of the change in working capital in 2013, negative SEK 13 million is explained by an increase in trade receivables, SEK 20 million by a decrease in operating receivables, SEK 41 million by an increase in other operating liabilities and SEK 10 million by an increase in trade payables.

Cash flows from investing activities

The cash flows from investing activities totalled negative SEK 868 million in 2014, compared with negative SEK 158 million in 2013. The decrease was primarily due to increased investments in subsidiaries (with the acquisition of INOM being the largest contributory factor), which totalled negative SEK 821 million in 2014, compared with negative SEK 134 million in 2013. Acquisitions of intangible assets and property, plant and equipment totalled negative SEK 46 million in 2014, compared with negative SEK 24 million in 2014. The increase was primarily due to additional investment requirements in the operations acquired through the acquisition of INOM. In relation to net revenue, acquisitions of intangible assets and property, plant and equipment increased from 0.7 per cent to 0.9 per cent.

Cash flows from financing activities

The cash flows from financing totalled SEK 668 million in 2014, compared with SEK 57 million in 2013. This was primarily due to loan raised of SEK 1,106 million from the refinancing carried out in connection with the acquisition of INOM, as well as additional loan raised in connection with the acquisition of Frösunda Holdco AS. Loan repayments in 2014 totalled negative SEK 438 million, compared with negative SEK 76 million in 2013. SEK 11 million of the loan repayments during the year related to existing loan agreements, SEK 316 million related to the repayment of an earlier loan facility, and SEK 111 million related to loan redemption in connection with the acquisition of Frösunda Holdco AS.

Financial position

The Group's interest-bearing net debt on 31 December 2014 totalled SEK 1,484 million, compared with SEK 355 million on 31 December 2013, and was primarily affected by increased borrowing in connection with the acquisition of INOM. In connection with the acquisition of INOM, Humana entered into an agreement regarding new long-term financing. The agreement covers business financing as well as acquisition loans for continued investments in the business and expansion. The interest-bearing net debt in relation to adjusted EBITDA for the period totalled 4.0 times on 31 December 2014, compared with 1.5 times on 31 December 2013. Cash and cash equivalents totalled SEK 244 million on 31 December 2014, compared with SEK 291 million on 31 December 2013. The equity ratio was 27 per cent on 31 December 2014, compared with 39 per cent on 31 December 2013.

INTANGIBLE ASSETS

The Group's intangible assets relate to goodwill, customer relations, systems development and licenses, with most assets comprising goodwill. As of 31 December 2015, intangible assets were reported at SEK 2,593 million, of which SEK 2,584 million related to goodwill and SEK 9 million related to other intangible assets. Other intangible assets comprising customer relations, systems development and licenses are amortised over the useful life of the asset.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at historical cost less accumulated depreciation and any impairment. Financial leasing agreements, which primarily relate to vehicles, are reported as property, plant and equipment at the beginning of the leasing period at the leasing object's fair value or present value of the minimum leasing fees, whichever is lower. Property, plant and equipment comprising components with different anticipated useful life periods are treated as separate property, plant and equipment components.

During the fourth quarter, Humana divested 43 properties to Hemfosa under the Sale and lease back transaction. The Group's balance sheet on 31 December 2015 reflects the value of property, plant and equipment after the disposal.

As of 31 December 2015, the reported value of property, plant and equipment totalled SEK 200 million and comprised land

and buildings, improvement of third-party property, finance leases and equipment, with the respective reported value of each item being SEK 66 million, SEK 28 million, SEK 74 million and SEK 32 million, respectively.

INVESTMENTS

Humana's investments mainly relate to the acquisition of new units or subsidiaries, investments in properties and the start-up of new units, as well as equipment and vehicles. Investments in vehicles are financed primarily through financial leasing agreements and thus do not directly affect the cash flows. During the period 2013–2015, Humana's net investments excluding acquisitions corresponded in average to 1 per cent of net revenue. In connection with the acquisition of INOM in 2014, Humana's need for investments in other non-current assets increased somewhat as a percentage of net revenue, since the acquired operations were characterised by a large proportion of properties with maintenance responsibility. As the operations with housing increase as a percentage of Humana's total net revenue, the Company's investments may increase somewhat in relation to net revenue due to increased requirements for investments in new properties and subsequent maintenance responsibility for these properties.

SEK million	2015	2014	2013
Acquisition of intangible assets	–	–	(1)
Acquisition of property, plant and equipment	(46)	(46)	(23)
Total gross investments	(46)	(46)	(24)
Disposal of property, plant and equipment	4	–	–
Total net investments	(42)	(46)	(24)

At present, the Company has no undertakings involving significant future investments. The Company also believes that future investment requirements can be financed through funds generated from the purchased operations.

ACQUISITIONS AND DISPOSALS

In 2013, Davidsbo Invest AB, the assets of Syster Hulda Englands stiftelse Ekeliden, HVB Lappetorp AB, Humlans HVB AB, Carema Hemtjänst AB and Storsjögårdens HVB AB were acquired. In total, these acquisitions contributed SEK 213 million to the Group's net revenue and negative SEK 3 million to the Group's operating profit. The purchase prices for Carema Hemtjänst AB and Davidsbo Invest AB totalled SEK 35 million and SEK 43 million, respectively, whereas the total purchase prices for other acquisitions totalled SEK 87 million.

In 2014, INOM – Innovativ Omsorg i Norden AB, Våre Hjem AS, Frösundas Holdco AS, Ungdomshemmet Hajstorp AB and Lunna Gård AB were acquired. In total, these acquisitions contributed SEK 989 million to the Group's net revenue and SEK 104 million to the Group's operating profit. The purchase prices for INOM and Frösundas Holdco AS totalled SEK 794 million and SEK 34 million, respectively, whereas the total purchase prices for the other acquisitions amounted SEK 27 million. For further information, see “Legal considerations and supplementary information – Material agreements, etc. – Acquisitions and disposals”.

In 2015, Dedicare Assistanse AS, Orana Vård och Omsorg Holding AB, Salboheds Gruppboende (AB Salboheds Gruppboende and AB Saloheds Fastigheter), Oasen HVB & Skola AB, Ramlösa Social Utveckling AB, Off.Clinic AB and Familjestödsgruppen i Stockholm AB were acquired. In total, these acquisitions contributed SEK 92 million to the Group's net revenue and SEK 10 million to the Group's operating profit. The purchase prices for the acquisitions totalled SEK 32 million for Dedicare Assistanse AS, SEK 25 million for Orana Vård och Omsorg Holding AB, SEK 26 million for Oasen HVB & Skola AB, SEK 33 million for Off.Clinic AB, SEK 48 million for Familjestödsgruppen i Stockholm AB and SEK 19 million for the other acquisitions. During the second quarter of 2015, the Norwegian subsidiary Villa Skaar AS was also divested. Villa Skaar AS contributed SEK 19 million to the Group's net revenue and SEK 1 million to the Group's operating profit. The purchase price for Villa Skaar AS totalled SEK 16 million.

WORKING CAPITAL STATEMENT

It is Humana's assessment that the existing working capital is sufficient for current needs during the coming twelve months' period. The assessment also takes into account the increased need for working capital which is expected to arise as a consequence of the Swedish Social Insurance Agency's changed payment routines (see the section entitled “– Key factors affecting the results of operations and cash flows – Other factors – Working capital”).

In this respect, ‘working capital’ means Humana's possibility to obtain access to cash and cash equivalents in order to perform its payment obligations as they fall due.

SIGNIFICANT TRENDS

During 2015 and 2016, underlying factors have continued to point towards continued growth in demand for care services. An increasing number of diagnoses among younger and older people has resulted in a greater need for measures within psychiatry and psychosocial change work. In particular, the need for care for children and adolescents has increased.

The refugee situation in Europe is affecting Humana in several ways, albeit that support for treatment of unaccompanied refugee children constitutes a limited part of the Company's operations. The urgent situation is placing pressure on municipal social services. In the long-term, there is a risk that the situation will lead to a re-prioritisation of society's resources as a consequence of capacity limitations and budgetary restraints.

The increase in employers' social security contributions for young employees during the year has had an adverse effect on Humana's profitability. In addition, the Swedish Social Insurance Agency has announced that it intends to change its payment procedures, which will have an adverse effect on the Company's cash flows. (See also the section entitled “Risk factors – There is a significant risk that the Swedish Social Insurance Agency (Sw. Försäkringskassan) will ultimately decide to change the disbursement of assistance allowances from payment in advance to payment in arrears based on received work time reports, which would affect the Group's working capital requirements”).

SIGNIFICANT CHANGES SINCE 31 DECEMBER 2015

On 4 February 2016, Humana announced that the Company had divested its home care services Sollentuna and Solna, and parts of its home care business in Stockholm's inner city, to Attendo AB. Total net revenue and total operating profit/loss, respectively, for these operations for 2015 totalled SEK 59 million and negative SEK 7 million, respectively. The disposal is aimed at consolidating Humana's home care services business in order to secure Humana's long-term plan and focus within *Humana Elderly Care*. Attendo is considered to be a good contract party which will ensure that customers, employees and subcontractors have a secure future with a stable provider who will take over personnel and use the same collective agreements. The transaction is assessed as having no material impact on the Company's profit or cash flows.

On 10 February 2016, Humana announced that the Company had reached agreement with Växjö Municipality regarding the opening of a new elderly housing unit comprising 72 places. The project, which is being carried out in cooperation with Skanska, will commence in the winter of 2016, with occupancy planned for the summer of 2017.

In other respects, there have been no material changes in Humana's financial position or position on the market since 31 December 2015.

PROSPECTS

As a listed company, Humana does not intend to provide the market with economic and/or financial forecasts regarding its

future development. The Company's financial targets are described in "*Business description*".

QUARTERLY DATA

The Company believes that the information provided below is of material value for investors. Note, however, that the table has been prepared based on information from the Company's internal reporting and is not covered by the auditor's reports issued by the auditors.

Generally speaking, Humana has relatively high costs over major holidays such as Christmas, the New Year and Easter. For example, profitability in the first and second quarter of the year is affected by Easter, depending on the quarter in which the Easter holiday occurs, while the fourth quarter is affected by the Christmas and New Year holidays. Short months generate lower results due to the fewer number of days that can be invoiced. This is particularly noticeable in operations with a large number of employees on monthly pay. The summer months generally make a positive contribution to earnings, since a large number of white-collar staff is on leave, which contributes to lower salary costs for Humana. Another seasonal effect comprises the way in which pay revisions take place compared with changes in Humana's prices. For example, up to now assistance allowances have been changed at the end of the year, while salaries have changed during the second quarter; this has had a seasonal effect for *Humana Personal Assistance*. Within *Humana Individual & Family*, pay revisions usually take place on 1 July, and Humana witnesses a corresponding effect in the segment.

Net revenue and operating profit/loss per segment¹⁾

SEK million	Jan-Mar 2013	Apr-Jun 2013	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015
Humana Individual & Family	114	120	125	149	297	357	374	394	407	415	434	495
Humana Personal Assistance	604	624	640	638	636	646	664	663	656	671	688	673
Humana Elderly Care	97	90	91	199	199	211	208	207	185	183	182	188
Humana Norway	0	0	0	0	24	32	55	98	104	110	100	103
Total net revenue	814	833	856	986	1,157	1,245	1,301	1,362	1,351	1,379	1,404	1,459
Growth, %	17.7	15.2	11.7	27.1	42.0	49.5	52.0	38.2	16.8	10.7	7.9	7.1
Humana Individual & Family	14	10	21	19	36	36	68	35	47	43	76	51
Humana Personal Assistance	44	44	60	58	56	39	62	48	49	33	56	45
Humana Elderly Care	(2)	(3)	6	(14)	(6)	(5)	10	(2)	(1)	(8)	6	(51)
Humana Norway	0	0	0	0	2	6	3	(2)	5	(28)	7	3
Joint group expenses	(5)	(9)	(8)	(15)	(23)	(15)	(14)	(28)	(15)	(16)	(19)	30
Total operating profit/loss	50	42	78	48	65	62	128	51	84	24	126	78
Operating margin, %	6.1	5.1	9.1	4.8	5.6	5.0	9.9	3.8	6.2	1.7	9.0	5.3
Humana Individual & Family	14	10	21	19	36	36	68	35	47	43	76	51
Humana Personal Assistance	44	44	60	58	56	39	62	48	49	33	56	45
Humana Elderly Care	(2)	(3)	6	(14)	(6)	(5)	10	(2)	(1)	(8)	6	(15)
Humana Norway	0	0	0	0	2	6	3	(2)	5	5	7	3
Joint group expenses	(5)	(9)	(8)	(15)	(11)	(11)	(11)	(19)	(13)	(16)	(8)	(24)
Total adjusted operating profit/loss	50	42	78	48	77	66	131	60	86	57	137	60
Adjusted operating margin, %	6.1	5.1	9.1	4.8	6.7	5.3	10.1	4.4	6.4	4.1	9.7	4.1
Humana Individual & Family	417	447	478	515	1,363	1,410	1,465	1,527	1,582	1,587	1,651	1,819
Humana Personal Assistance	1,932	1,928	1,921	1,919	1,919	1,913	1,923	1,936	1,936	1,950	1,967	1,956
Humana Elderly Care	1,210	1,130	1,119	3,776	3,819	3,874	3,834	3,839	3,411	3,436	3,461	3,488
Humana Norway	0	0	0	0	78	81	118	196	194	210	193	209
Total average number of clients	3,559	3,505	3,518	6,210	7,180	7,278	7,340	7,498	7,123	7,183	7,271	7,471

1) The quarterly information is not audited.

Capital structure, indebtedness and other financial information

The tables below describe the Company's capital structure and indebtedness as of 31 December 2015. For more information about the Company's share capital and shares, see "*Share capital and ownership structure*". The information below should be

read together with "*Operating and financial review*" and financial reports with related notes, which are provided in the section "*Historical financial information*".

CAPITAL STRUCTURE

SEK million	31 December 2015
Current interest-bearing liabilities	125
Against guarantee or surety	–
Against security ¹⁾	125
Unguaranteed/Unsecured	–
Non-current interest-bearing liabilities	1,550
Against guarantee or surety	–
Against security ¹⁾	1,550
Unguaranteed/Unsecured	–
Equity	1,093
Share capital	1
Other paid-in capital	642
Other reserves	450

1) Relates primarily to shares in subsidiaries.

NET INDEBTEDNESS

SEK million	31 December 2015
(A) Cash	501
(B) Cash equivalents	–
(C) Trading securities	–
(D) Liquidity (A)+(B)+(C)	501
(E) Current financial receivables	–
(F) Current bank loans	–
(G) Current share of non-current financial liabilities	88
(H) Other current financial liabilities	36
(I) Current financial liabilities (F)+(G)+(H)	125
(J) Net current indebtedness (I)-(E)-(D)	(376)
(K) Non-current bank loans	1,513
(L) Bonds issued	–
(M) Other non-current financial liabilities	37
(N) Non-current financial liabilities (K)+(L)+(M)	1,550
(O) Net financial indebtedness (J)+(N)	1,174

RETIREMENT BENEFIT OBLIGATIONS

Humana has various pension plans which are classified as either defined contribution pension plans or defined benefit pension plans. A defined contribution pension plan is a scheme in which the Group's obligations are capped at the fixed contributions paid to the relevant insurance provider. Pension premiums relating to defined contribution plans are reported as personnel expenses in the income statement as they are incurred.

A defined benefit pension plan is a pension plan which is not contribution-based. Humana's defined benefit obligations in respect of retirement pension and family pension for white-collar staff in Sweden (ITP2) are secured through insurance with the life insurance company Alecta. According to an opinion issued by the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*), UFR 10, this is a defined benefit pension plan covering several employers. The Group, similarly to other Swedish companies, does not have access to such information as makes it possible to report this plan as a defined benefit plan. Pension plans in accordance with ITP which are secured through insurance with Alecta are therefore reported as a defined contribution pension scheme.

The Group has issued certain pension commitments which are secured through endowment insurance. Pension commitments, including special employer's contribution, correspond to the value of the endowment insurance assets from time to time. As at 31 December 2015, the endowment insurance assets totalled SEK 4 million.

CAPITAL STRUCTURE IN CONNECTION WITH THE LISTING

In connection with the Offering, the Group's indebtedness will decrease as a result of the Company's receipt of proceeds from the issue of new shares in the Offering. Assuming that (i) the full issue proceeds from the Offering, less costs relating to the Offering and the new loan facility which is to be in place when the Offering is completed (see "*The new loan facility*" below), had been available to the Company as from 31 December 2015; (ii) that the new loan facility was available as from 31 December 2015; and (iii) disbursements under the new loan facility had been made as of 31 December 2015, less impairments and expenses related to the existing loan facility and the new loan facility, the Group's financial indebtedness would have decreased by SEK 354 million to SEK 820 million.

The table below shows a compilation of Humana's equity and net indebtedness as of 31 December 2015, adjusted for the events described above, in order to demonstrate how the Company's financial position would have been as of 31 December 2015 if these events had occurred then.

In the event a breakup cost is incurred as a consequence of termination of the interest rate swap entered into in conjunction with the existing loan agreement (see "– *The existing loan facility*" below), net indebtedness will increase by approximately SEK 38 million.

SEK million	31 December 2015	Write-off of capitalised expenses for the existing loan facility and expenses related to the new loan facility	Issue proceeds from the Offering ¹⁾	31 December 2015 after adjustments
Share capital and additional paid-in capital	643 ²⁾		410	1,053
Reserves	(7)			(7)
Retained earnings including profit for the year	458	(56)		402
Equity	1,093	(56)	410	1,447
Interest-bearing liabilities	1,675 ³⁾	56	(258)	1,473 ⁴⁾
Interest-bearing liabilities	1,675	56	(258)	1,473
Cash and cash equivalents	501		152	653
Net indebtedness	1,174	56	(410)	820

1) Presupposes that Humana receives a gross proceed of SEK 450 million in the Offering, less estimated expenses related to the Offering amounting to SEK 40 million.

2) Comprises share capital of SEK 1 million and additional paid-in capital of SEK 642 million.

3) Comprises long-term interest-bearing liabilities of SEK 1,550 million and short-term interest-bearing liabilities of SEK 125 million.

4) Presupposes that the revolving credit facility is undrawn and that the interest bearing liabilities consist of term loan facilities of in total SEK 1,400 million and financial leases of in total SEK 73 million.

The existing loan facility

Prior to the listing of shares, Humana's capital structure consisted, among other things, of a senior loan facility entered into in 2015 on, in all essential respects, customary terms and conditions on the market (the "**Existing Loan Facility**") as well as finance leases. In conjunction with the Offering, the loans taken up under the Existing Loan Facility will be repaid in their entirety together with any costs for early redemption of the loans taken up under the Existing Loan Facility and other expenses, applying net proceeds from the Offering and utilising a new credit facility. In connection with the anticipatory redemption of loans taken up under the Existing Loan Facility, capitalised expenses will be impaired due to the fact that anticipatory repayment of the Existing Loan Facility will affect the Company's results. These impairment charges, together with costs for redemption of the loans taken up under the Existing Loan Facility, will reduce the Company's results by approximately SEK 43 million during the first quarter of 2016 without a negative effect on cash flows.

Furthermore, the interest rate swap entered into in conjunction with the Existing Loan Facility may be terminated by the Company's counterparties, which in such case will result in a break cost currently estimated at approximately SEK 38 million.

The new loan facility

On 8 March 2016, the Company entered into a new loan facility (the "**New Loan Facility**") with DNB Sweden AB and Skandinaviska Enskilda Banken AB (publ) (the "**Lenders**"). Under the New Loan Facility, the Lenders have undertaken to provide certain credit facilities upon completion of the Offering with the aim of financing the refinancing of the Existing Loan Facility and securing Humana's on-going financing requirements. The credit facilities

under the New Loan Facility amount to SEK 2,200 million, have a maturity term of five years and consist of:

- A term loan facility divided into tranches of SEK 250 million (with annual repayment of SEK 50 million) and SEK 1,150 million.
- A revolving credit facility of SEK 800 million.

The annual interest rate on the credit facilities (equivalent to the relevant IBOR plus a floating margin based on the Company's net debt relative to the Group's operating profit (EBITDA)) will initially be approximately 2 per cent. In addition, in connection with the establishment of the credit facilities under the New Loan Facility, the Company is obliged to pay certain charges to the Lenders, including arrangement fee, documentation fee and any commitment fee and, in arrears each quarter during the availability period, to pay customary commitment fee and utilisation fee respectively, in respect of the part of the revolving credit facility that is not utilised and any part that is utilised, respectively.

The credit facilities under the New Loan Facility are conditional on the Company fulfilling certain market terms, including the financial key ratios net debt/EBITDA and interest coverage ratio, which may not deviate negatively from certain levels stated in the facility. The credit facilities under the New Loan Facility will not be secured but will be subject to customary covenants and warranties as well as negative covenants (subject to agreed exceptions), including restrictions on the pledging of the Company's assets, restrictions regarding indebtedness in subsidiaries (with the exception of Humana Group Holding AB) and restrictions regarding disposals and also acquisitions for an annual total amount which exceeds an aggregate enterprise value of SEK 500 million, as well as undertakings regarding trading sanctions and anti-corruption. In

the event the Company fails to comply with its obligations under the credit facilities, the Lenders shall be entitled to terminate the credit facilities and demand repayment of all outstanding loans.

Interest rate derivatives

Humana uses derivative instruments in the form of interest rate swaps under which, in order to hedge interest rate risks in its borrowing, Humana receives variable interest and pays fixed interest to the swap counterparties. In accordance with IFRS, derivatives are valued at market value on each reporting date, with changes in value being reported in net financial items in the income statement. Pursuant to the Existing Loan Facility, Humana is required to hedge the interest in respect of one half of the credit facilities under the loan facility. As of 31 December 2015, Humana had hedged interest payments in respect of SEK 907 million of the Company's loan up to 24 April 2017. In addition, Humana took out an interest rate cap which limits the interest payments on part of the Company's loans by offering an interest cap. This derivative instrument relates to SEK 800 million of the Company's loan and applies commencing on 24 April 2017 until 28 December 2018. As of 31 December 2015, the total reported value of derivative instruments was negative SEK 38 million.

Finance leases

Humana has also entered into financial leasing agreements, primarily relating to the leasing of cars. As of 31 December 2015, Humana's undertakings in respect of these leasing agreements totalled SEK 73 million.

Share conversion in connection with the Offering

In connection with the listing of Humana's shares on Nasdaq Stockholm, all outstanding preference shares and ordinary A shares will be converted into ordinary B shares, with the consequence that, in conjunction with the listing of shares, Humana will have only one share class (named shares); see the section entitled "*Share capital and ownership structure – Share conversion in connection with the Offering, etc.*".

AGREED COMMITMENTS

Throughout Sweden, Humana leases properties in which operations are conducted. These properties are leased under operational leasing agreements.

In the fourth quarter, Humana divested 43 properties to Hemfosa under the Sale and lease back transaction, whereupon leases were executed with an average lease term of 14 years. The transaction entails an increase in Humana's future rent obligations of SEK 18 million per year.

All of Humana's leases in respect of premises have an outstanding term to expiry of between 2 months – 25 years, with the average term being 8.3 years.

Future minimum leasing fees in respect of operational leasing agreements, including rent obligations, are described in the table below.

SEK million	Within 1 year	1–5 years	After 5 years	Total
Minimum leasing fees	137	587	729	1,453

Board of directors, senior management and auditor

BOARD OF DIRECTORS

According to Humana's Articles of Association, the board of directors shall comprise of three to ten members elected by the shareholders at a general meeting. In addition, Swedish law entitles employee organisations to appoint up to three ordinary board members and an equivalent number of deputy board members. The board of directors currently consists of eight members elected by the general meeting. All members were elected by the annual general meeting held on 6 March 2016 for the period up until the end of the annual general meeting 2017.

At the time of this Offering Memorandum no board member has been appointed by an employee organisation.

In the table below the board members are set forth with their function, year of election, independence in relation to the Company, the senior management and major shareholders as defined in the Swedish Corporate Governance Code (the "Code"), together with their shareholding after the Offering.

Name	Function	Elected	Independent in relation to the Company and the senior management	Independent in relation to major shareholders of the Company	Shareholding after the Offering ¹⁾
Per Båtelson	Chairman	2008	Yes	Yes	57,522
Per Granath	Member	2008	No	No	3,796,713
Ulrika Östlund	Member	2014	Yes	Yes	163,644
Maria Nilsson	Member	2008	Yes	Yes	320,699
Simon Lindfors	Member	2008	Yes	Yes	729,113
Wojciech Goc	Member	2011	Yes	No	–
Lloyd Perry	Member	2008	Yes	No	–
Helen Fasth Gillstedt	Member	2014	Yes	Yes	31,093

1) Relates to board members' own shareholding as well as shares held by related persons and affiliated companies, assuming that the Offer Price corresponds to the midpoint of the Price Range and that the capital structure changes described in "Share capital and ownership structure – Share conversion in connection with the Offering etc." have been implemented.

BOARD OF DIRECTORS



Function and elected	Per Båtelson Born 1950. Chairman of the board since 2014 and board member since 2008. Chairman of the remuneration committee and member of the audit committee.	Per Granath Born 1954. Board member since 2008. Member of the finance committee.	Ulrika Östlund Born 1968. Board member since 2014. Member of the remuneration committee.	Maria Nilsson Born 1957. Board member since 2008. Member of the remuneration committee.
Education	M.Sc. in Engineering, Chalmers University of Technology. Studies in Business Administration, University of Gothenburg.	M.Sc. in Engineering, KTH Royal Institute of Technology. Studies in Economics, Gothenburg School of Economics and Stockholm University. Healthcare Management, Harvard Business School, Paris.	M.Sc. in Systems Science and additional studies in Economics, Mid Sweden University in Östersund.	Higher Personnel Administration education, Frans Schartau.
Other current appointments	Chairman of the board of Geras Solution AB, IVBAR Institute AB, Nordic Network for Personalized Lifestyle Medicine AB and SCI Innovation AB. Board member of Med Group Oy, Oriola-KD Oy, Sakura AB, Swecare Aktiebolag and Webbhälsa AB. Advisor to Adelis and Accelerated Innovation.	Chairman of the board of Aktiebolaget Salktennis. Board member of Vård-företagarna, G & S Fastigheter i Sverige AB, Svefa Holding AB and Zirkona Aktiebolag.	Board member of Kesam Industrilackering AB and Q-it AB.	Chairman of the board Swesale Rekrytering & Bemanning AB. Board member Ewalie AB, Konsultfirma Maria Nilsson AB, Samhall Aktiebolag and SOS Alarm Sverige AB. Chairman of the Advisory Board StoreSupport.
Previous appointments (past five years) and professional experience	Founder, board member and CEO of Capio AB and Global Health Partner AB. Chairman of the board of Apoteket AB and Karolinska Universitetssjukhuset. Board member of MPP MediaTec Group AB and Unilabs Holding AB.	CEO of Humana. Chairman of the board of Amanda Assistans Aktiebolag, DIN assistans i Östersund AB, My Life Sweden and Wise IT Bemanning AB. Board member of AB Salkmäne, Akademiska Hus Aktiebolag, Dinas Utbildning AB, GustaviaDavegårdh Holding Aktiebolag, Lobb Fastighets AB and Nyklippan AB.	Chairman of the board of Kesam Industrilackering AB and Vårdföretagarna. Board member of ALMEGA Aktiebolag and Svenskt Näringsliv. CEO of INOM – Innovativ Omsorg i Norden AB.	Chairman of the board Humana AB and Wise IT Bemanning AB. Chairman of the Advisory Board Kandidata.
	<i>Independent in relation to the Company, the senior management and the Company's major shareholders.</i>	<i>Not independent in relation to the Company's major shareholders, the Company or the senior management.</i>	<i>Independent in relation to the Company, the senior management and the Company's major shareholders.</i>	<i>Independent in relation to the Company, the senior management and the Company's major shareholders.</i>

**Simon Lindfors**

Born 1964.
Board member since 2008.
Member of the audit committee and the finance committee.

**Wojciech Goc**

Born 1966.
Board member since 2011.
Member of the audit committee.

**Lloyd Perry**

Born 1965.
Board member since 2008.
Member of the remuneration committee and the finance committee.

**Helen Fasth Gillstedt**

Born 1962.
Board member since 2014.
Chairman of the audit committee.

MBA, Stockholm School of Economics.

MBA, Texas Christian University. Master of Arts in Economics, Akademia Ekonomiczna i Poznan.

MBA, University of Chicago, Graduate School of Business. Bachelor of Arts in Economics and History, Northwestern University, Evanston Illinois.

MBA, Stockholm School of Economics. Studies in Sustainable Development, Stockholm University and KTH Royal Institute of Technology.

Chairman of the board of Arcos Capital Partners AB. Board member of Silvicapital AB, SilviLao AB and SilviPar AB. Regional Advisor to Advent International.

Managing Partner, Argan Capital Advisors LLP. Partner, Argan Capital Feeder S.L.P. and Argan Capital Management LP. Board member of GMS Investments Ltd. and Janton Holding Oy. Designated Member, Argan Capital Advisors LLP and Argan Holdings LLP. Partner and Designated Member of the Sole Manager, Argan Executive Co-Investment LP and Argan Carry LP. Designated Member of Director, Argan Services Ltd. Chairman of the Supervisory Board of AAT Holding S.A. and Hortex Holding S.A.

Managing Partner, Argan Capital Advisors LLP. Chairman of the board of GCE Group AB. Designated Member, Argan Capital Advisors LLP and Argan Holdings LLP. Partner and Designated Member of the Sole Manager, Argan Executive Co-Investment LP and Argan Carry LP. Designated Member of Director, Argan Services Ltd. Partner, Argan Capital Management LP. Member of the Supervisory Board of AAT Holding S.A., DHI Company SAS and Hortex Holding SA.

Board member of AcadeMedia AB, Handelsbanken Fonder Aktiebolag, Samhall Aktiebolag, Sjölundas Gård Ekogrossisten AB and Svefa Holding AB. Member of the Advisory Board Save the Children Sweden. CEO and board member of Blong AB.

Chairman of the board of IPM Informed Portfolio Management Aktiebolag and Silvicapital AB. Board member of Ownit Holding AB. Previously also board member of Capio AB and Unilabs AB.

Chairman of the Supervisory Board of Hortex Marketing Services Sp and Ortika Polska Sp Z O.O. Member of the Supervisory Board of Archiwum Marketing Sp. Z O.O., DHI Company SAS and Polski Ogrod Sp Z O.O. Previously also Managing Director, BA Capital Partners Europe.

Board member of Almazora Holdings Sarl and Edificaciones Arenkonk SL. Member of the Supervisory Board of Archiwum Marketing Sp Z O.O., Hortex Marketing Services Sp Z O.O. and Ortika Polska Sp Z O.O. Previously also Principal/Managing Director and Managing Partner, BA Partners/Continental Partners, Inc.

Board member of Intrum Justitia AB and Swedesurvey Aktiebolag.

Independent in relation to the Company, the senior management and the Company's major shareholders.

Independent in relation to the Company and senior management, but not in relation to the Company's major shareholders.

Independent in relation to the Company and senior management, but not in relation to the Company's major shareholders.

Independent in relation to the Company, the senior management and the Company's major shareholders.

SENIOR MANAGEMENT



Position and elected	Rasmus Nerman Born 1978. CEO and President since 2015.	Ulf Bonnevier Born 1964. CFO since 2012, Deputy CEO since 2015. Co-opted member of the finance committee.	Helena Pharmanson Born 1966. Marketing and Communications Director since 2010.	Eva Nilsson Bågenholm Born 1960. Head of Quality since 2015.
Education	MBA, Stockholm School of Economics. M.Sc. in International Management, CEMS MIM.	MBA with focus on accounting, Uppsala University. Leadership training (IFL), Stockholm School of Economics.	International MBA, with focus on business administration, Uppsala University, including studies in Marketing and Management at Haute École de Commerce, Bordeaux. Board/directorate program, Stockholm Chamber of Commerce. Leadership training (UGI).	B.Sc. in Nursing, Umeå University. M.Sc. in Medicine, University of Gothenburg. Medical Degree and specialist in general practice.
Other current appointments	Board member of Vårdförstagarna Individ & Familj.	–	–	Board member of Stiftelsen Danviks Hospital and Oriola-KD Oy.
Previous appointments (past five years) and professional experience	Deputy CEO of Humana. Business Area Manager in Humana Individ & Familj. CEO of INOM – Innovativ Omsorg i Norden AB. Management consultant, mainly within healthcare services, Boston Consulting Group.	Board member and CEO of Synovate Nordic AB and Synovate Sweden AB.	Director Primary Care, Pfizer Sverige AB.	Chairman of the Swedish Medical Association, Läkartidningen Förlag AB and WMA Medical Ethics Committee. Board member of Swedish Research Council for Health, Working Life and Welfare (Forte), Region Skåne's Ethics Council, The National Board of Health and Welfare, Standing Committee of European Doctors (CPME) and World Medical Association (WMA). Previously also national investigator of the beauty industry and national elderly coordinator for the Swedish Ministry of Health and Social Affairs.

SENIOR MANAGEMENT

Name	Position	Member of senior management since	Employed at Humana since	Shareholding after the Offering ¹⁾	Holding of subscription warrants after the Offering (maximum)
Rasmus Nerman	CEO and President	2014	2014	136,064	374,520
Ulf Bonnevier	CFO and Deputy CEO	2012	2012	155,466	280,890
Helena Pharmanson	Marketing and Communications Director	2010	2010	93,280	115,230
Eva Nilsson Bågenholm	Head of Quality	2015	2015	3,109	115,230
Cecilia Lannebo	Head of IR	2015	2014 ²⁾	–	–
Harald Wessman	Business Area Manager <i>Personal Assistance</i>	2008	2008	932,801	115,230
Eva-Lotta Sandberg	Business Area Manager <i>Elderly care</i>	2013	2012	77,733	115,230
Claus Forum	Business Area Manager <i>Individual & Family</i>	2014	2011	155,466	208,860
Mona Lien	Business Area Manager Norway	2015	2014	18,562	115,230

1) Relates to board members' own shareholding as well as shares held by related persons and affiliated companies, assuming that the Offer Price corresponds to the midpoint of the Price Range and that the capital structure changes described in "Share capital and ownership structure – Share conversion in connection with the Offering, etc." have been implemented.

2) Cecilia Lannebo has been hired as a consultant since 2014.

**Cecilia Lannebo¹⁾**

Born 1973.
Head of IR since 2014.

Harald Wessman

Born 1956.
Business Area Manager
Personal Assistance since
2008.

Eva-Lotta Sandberg

Born 1971.
Business Area Manager
Elderly care since 2013.

Claus Forum

Born 1965.
Business Area Manager
Individual & Family since
2015.

Mona Lien

Born 1962.
Business Area Manager
Norway since 2015.

MBA with focus on business
administration and interna-
tional marketing.

MBA, Stockholm School of
Economics and Ivey
Business School, University
of Western Ontario,
Canada.

B.Sc. in Economic Engineer-
ing, University of Gävle.
Knowledge Management,
Luleå University of Technol-
ogy. Leadership training
(IFL), Stockholm School of
Economics.

M.Sc. in International Social
Work and Pedagogic
Leadership, University of
Gothenburg. Teaching
degree, Jelling College.

M.Sc. in Psychology,
University of Oslo,
Trondheim and New York
University. Additional studies
in Psychology and Leader-
ship.

Founder and CEO of
i-Core Communications AB.
Deputy board member of
Zubizuri AB.

–

Board member of
Vårdföretagarna
Äldreomsorg.

–

–

Board member of Fond-
Prinsen AB. Previously also
Head of IR, Eniro AB,
Hakon Invest AB and RNB
Retail and Brands.

Board member and CEO of
Amanda Assistans Aktie-
bolag. Board member of
Blåvingen Personlig
Assistans AB and DIN
assistans i Östersund AB.
Previously also Senior Vice
President HR and Organiza-
tion at Electrolux Asia
Pacific, Vice President Talent
Management at Electrolux
AB as well as Managing
Director at Involve Learning
AB and Guidor AB.

CEO and deputy board
member of AffärsConcept i
Stockholm Aktiebolag.
Co-author, *Strategiska
Offentliga Inköp* (2010 and
2013).

Chairman of the board and
CEO of Vindora Utbildning
AB. CEO of Nordstenen
AB.

Operational and Business
Development Manager at
INOM Norge. CEO of Løft
AS.

¹⁾ Cecilia Lannebo has been hired
as a consultant.

OTHER INFORMATION ON THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

All members of the board and the senior management may be contacted at the Company's address, Warfvinges väg 39, SE-112 51 Stockholm.

There are no family ties between the board members and/or the senior executives. No member of the board or the senior executives have been convicted in any case involving fraud during the past five years. Nor has any member of the board or the senior executives been involved in any bankruptcy, company reconstruction or insolvency procedure during the past five years, save for Per Båtelson who was a board member of Sentoclone AB, which was placed into bankruptcy in 2010. The bankruptcy was concluded in 2012 without surplus. No accusations and/or sanctions have been issued by any agency authorised by law or regulation (including approved professional organizations) during the past five years against any of the board members or the senior executives. No member of the board or senior executives has, during the past five years, been prohibited by a court of law from being a member of a company's administrative, management or control body or from holding any senior or general management position in a company.

No member of the board or senior executives has any private interests which might conflict with Humana's interests. However, as stated above, a number of the members of the board and the senior executives have a financial interest in Humana through holdings of shares and subscription warrants.

Humana has not entered into any agreement with any member of the board or the senior executives relating to benefits after the end of the assignment. Senior executives may however be entitled to severance payment in case of dismissal from the Company, please refer to "*Corporate governance – CEO and senior management*".

AUDITOR

The consolidated financial statements of Humana AB as of December 31, 2015, 2014 and 2013, and for the years then ended, included in this Offering Memorandum have been audited by KPMG AB, independent auditors, as stated in "*Auditor's report on historical financial information*" on page F-23.

The pro forma financial information of Humana AB set out on pages 80–81 of the Offering Memorandum has been audited by KPMG AB, independent auditors, as stated in "*Auditor's report on pro forma financial information*" on page 82. The auditor's work has not been carried out in accordance with attestation standards and practices generally accepted in the United States of America or in other jurisdictions than as stated in the report, and accordingly, should not be relied on as if they had been carried out in accordance with those standards.

KPMG AB (Box 16106, SE-103 23 Stockholm) has been the Company's auditor since 2008, with Petra Lindström (authorised accountant and member of FAR, the accountants' professional body in Sweden) as auditor-in-charge since 2010, currently for the period up until the end of the annual general meeting 2017.

Corporate governance

CORPORATE GOVERNANCE WITHIN HUMANA

Prior to listing on Nasdaq Stockholm, the corporate governance of the Company has been based upon Swedish law as well as internal rules and guidelines. These internal rules and guidelines include primarily the instructions for the board of directors, the instruction for the CEO, instructions for financial reporting and the accounting manual. The Group also has a number of policy documents and manuals with internal rules and regulations, which contain principles and give guidance in the operations of the Group and for its employees.

Once listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and the Code. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be fully applied from the time of the listing. The Company is not obliged to apply every rule in the Code, but is allowed the freedom to choose alternative solutions which the Company deems better suited under its particular circumstances, provided that the Company reports every deviation, describes the alternative solution and explain the reasons for the deviation in its annual corporate governance report (the "comply or explain" principle).

At present, Humana expects to comply with all rules in the Code from the date of the listing of the shares on Nasdaq Stockholm, with exception of rule 9.7, in respect of which Humana is expected to report a deviation from the Code in the corporate governance report concerning the subscription warrants program described in the section "*Share capital and ownership structure – Share-related incentive programs – Warrant program*", on the issue of the possibility to exercise warrants to acquire shares during a period of less than three years. The offering of subscription warrants with terms to expiry of two to four years is considered to be in line with Humana's long-term business plan, strategy and financial targets.

THE GENERAL MEETING OF SHAREHOLDERS

Introduction

Pursuant to the Swedish Companies Act (Sw. *Aktiebolagslagen* (2005:551)), the general meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings. In addition to the annual general meeting, extraordinary general meetings may be convened. The Company's annual general meetings are held in Stockholm every calendar year before the end of June. Extraordinary general meetings are held as required.

The general meeting makes decisions on several matters, including confirmation of income statement and balance sheets, disposition of the Company's profit or loss, discharge of liability for the members of the board and the CEO, composition of nomination committee, election of members of the board (including chairman of the board) and auditor, remuneration

to the members of the board and auditor, guidelines for remuneration to the CEO and other senior executives as well as any changes of the articles of association.

Notice convening the general meeting

Pursuant to the Articles of Association, notices convening general meetings shall be issued through announcement in the Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on the Company's website. Announcement to the effect that a notice convening a general meeting has been issued shall be made in *Dagens Industri*. Once Humana is listed, a press release in Swedish and English with the notice in its entirety will be issued ahead of each general meeting.

Right to attend general meetings

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five weekdays (Saturdays included) prior to the general meeting and who have notified the Company of their intention to participate in the general meeting not later than the date indicated in the notice of the general meeting, are entitled to attend the general meeting and vote for the number of shares they hold.

In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders may attend general meetings in person or by proxy and may be accompanied by a maximum of two assistants. It will normally be possible for shareholders to register for the general meeting in several different ways, as indicated in the notice of the meeting.

Shareholder initiatives

Shareholders who wish to have an issue brought before a general meeting must submit a written request to the board of directors. The request must normally be received by the board of directors not later than seven weeks prior to the general meeting.

NOMINATION COMMITTEE

Under the Code, the Company shall have a nomination committee, the purpose of which is to make proposals to the annual general meeting in respect of the chairman at general meetings, board of directors, chairman of the board, auditor, remuneration of each board member (divided between the chairman of the board and other board members, and remuneration for committee work), remuneration to the auditor,

and to the extent deemed necessary, proposals for amendments to the instruction for the nomination committee. At the extraordinary general meeting held on 15 February 2016, the following instruction for the nomination committee was resolved.

The nomination committee shall be composed of representatives of four of the largest shareholders in terms of voting rights, listed in the shareholders' register maintained by Euroclear Sweden as of August 31¹⁾ of each year together with the chairman of the board, who will also convene the first meeting of the nomination committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee. The chairman of the board of directors cannot be the chairman of the nomination committee. If a shareholder leaves the nomination committee before its work is complete may, if the nomination committee deems necessary, a replacement from the same shareholder be appointed. If a shareholder with appointed representatives to the nomination committee has substantially decreased its holding in the Company, the representatives appointed by such shareholder shall resign, and if the nomination committee deems appropriate, a representative for the next largest shareholder, in terms of voting rights, may be appointed. If the ownership structure substantially changes before the work of the nomination committee is completed, and the nomination committee so decides, a change in the composition of the committee be possible, should the nomination committee deem appropriate. Changes to the composition of the nomination committee must be announced immediately.

The composition of the nomination committee is to be announced no later than six months prior to each annual general meeting. Remuneration shall not be paid to the members of the nomination committee. The Company is to pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced. The nomination committee shall propose the following: chairman at the general meeting, board of directors, chairman of the board of directors, auditor, remuneration to the board of directors divided between the chairman and the other directors as well as remuneration for committee work, remuneration to the auditor and, if deemed necessary, proposal regarding changes to the instruction to the nomination committee.

The instruction is valid until further notice.

BOARD OF DIRECTORS

Composition and independence

According to Humana's Articles of Association, the board of directors shall comprise of three to ten members elected by the shareholders at a general meeting. There is no other regulation in the Articles of Association concerning the election or dismissal of members of the board of directors. In addition, Swedish law entitles employee organisations to appoint up to

three ordinary board members and an equivalent number of deputy board members. The board of directors currently consists of eight members elected by the general meeting. All members were elected by the annual general meeting held on 6 March 2016 for the period up until the end of the annual general meeting 2017. Humana's CEO and CFO as well as other employees within the Company participate in the meetings of the board of directors when presenting certain issues. The Company's CFO serves as secretary of the board. At the time of this Offering Memorandum no board member has been appointed by an employee organisation.

According to the Code, a majority of the board members appointed by the general meeting must be independent in relation to the Company and its management. This does not apply for any employee representatives. To determine whether a member of the board is independent, all circumstances should be considered that may put into question the independence of a member of the board in relation to the Company or senior management, for instance if the board member was recently employed by the Company or an affiliated company. At least two of the board members that are independent in relation to the Company and the senior management must also be independent in relation to the major shareholders of the Company. To evaluate a board member's independence, the extent of the board member's direct or indirect relation to the larger shareholders should be taken into consideration. A major shareholder, according to the Code, is a shareholder that directly or indirectly controls 10 per cent or more of the shares or votes in the Company.

The board of director's assessment of the independence of a board member in relation to the Company, its management and major shareholders are presented in the section "*Board of directors, senior management and auditor – Board of directors*". Besides from Per Granath, who up until December 2015 was Humana's CEO and President, all board members are independent in relation to the Company and its management. Five of these are also independent in relation to the major shareholders of the Company. The Company therefore complies with the requirements of independence in the Code.

Responsibilities and work

The duties of the board of directors are set forth in the Companies Act, the Company's Articles of Association and the Code, the latter of which will be applicable to the Company as from the date of listing of the shares on Nasdaq Stockholm. In addition, the work of the board of directors is governed by instructions for the board of directors, adopted yearly by the board. The instructions for the board of directors govern, among other things, the division of work and responsibility between the board of directors, its chairman and the CEO and specify financial reporting procedures for the CEO. The board of directors also adopts instructions for the board committees.

1) The owner statistics to be used should be sorted according to voting power (grouped by owners) and contain the 25 largest shareholders registered in Sweden, i.e. shareholders with a Euroclear Sweden account in their own name, or shareholders that possess a nominee deposit and the identity of the shareholder has been stated to Euroclear Sweden.

The board of directors' tasks include adopting strategies, business plans, budget, interim reports, year-end financial statements and setting policies and guidelines. The board of directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the board of directors. The board of directors is also responsible for regularly evaluating the work of the CEO. Finally, the board of directors decides on major investments and changes in the organisation and operations of the Group. The chairman of the board of directors shall, together with the CEO, monitor the Company's performance and prepare and chair board meetings. The chairman is also responsible for ensuring that the board members evaluate their work each year and continuously receive the information necessary to effectively perform their tasks. The chairman represents the Company in relation to its shareholders.

Board committees

According to the Code and the Companies Act, the board of directors shall institute a remuneration and an audit committee, alternatively can these tasks be carried out by the whole board, with the exception that a member of the board that is a part of the Company's management may not participate in the handling of the tasks of the audit committee and that a board member that is employed by the company may not be a part of the audit committee. The board of directors has also instituted a finance committee.

Audit committee

The board of directors has instituted an audit committee with the purpose of creating a specific forum for work related to financial reporting, internal control, risk management and audit. The audit committee consists of Helen Fasth Gillstedt, Per Båtelson, Simon Lindfors and Wojciech Goc. Helen Fasth Gillstedt is chairman. The audit committee's work is performed in accordance with a written instruction from the board of directors, and its main tasks are to monitor the financial reporting of the Company and the Group, and to monitor the efficiency of the Company's internal controls and risk management. In addition, the audit committee should stay informed on the audit of the annual report and the consolidated annual report, review and monitor the impartiality and independence of the auditor and in doing so, especially highlight if the auditor also provides Humana with other services than audit services. The audit committee should also assist the nomination committee in

appointment of auditors. The audit committee stays in contact with Humana's auditor with the aim to create a continuous exchange of opinion and information between the board of directors and the auditor in audit matters.

Remuneration committee

The board has also instituted a remuneration committee. The committee consists of Per Båtelson, Maria Nilsson, Ulrika Östlund and Lloyd Perry. Per Båtelson is Chairman. The function of the remuneration committee is partially advisory, partially preparatory. The remuneration committee's work is performed in accordance with a written instruction from the board of directors. Its main tasks are to prepare the board of directors' decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the senior management, monitor and evaluate all programs for variable remuneration within the Group, both on-going and those that have ended during the year, and monitor and evaluate the application of the guidelines for remuneration for the senior executives that the annual general meeting has adopted, as well as the current remuneration structures and levels in Humana.

Finance committee

The purpose of the finance committee is to support and advise the senior management in financing issues. The financing committee consists of Simon Lindfors, Lloyd Perry and Per Granath. Humana's CFO, Ulf Bonnevier, is co-opted as member of the Financing Committee.

Remuneration to the members of the board of directors

The annual general meeting 2016 resolved that fees are to be paid with the amount of SEK 600,000 to the chairman of the board and SEK 230,000 to each of Per Granath, Helen Fasth Gillstedt, Simon Lindfors, Maria Nilsson and Ulrika Östlund, calculated on the premise that the appointment runs for the period up until the annual general meeting 2017.

The annual general meeting 2016 also resolved that compensation for committee work for the period until the next annual general meeting shall be paid with the amount of SEK 100,000 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.

The following table sets forth the compensation allocated between members of the board of directors elected by the annual general meeting for the financial year 2015.

SEK	Function	Board fee	Fee, remuneration committee	Fee, audit committee	Total
Per Båtelson	Chairman	400,000	13,000	20,000	433,000
Per Granath ¹⁾	Board member	–	–	–	–
Ulrika Östlund	Board member	180,000	13,000	–	193,000
Maria Nilsson	Board member	180,000	13,000	–	193,000
Simon Lindfors	Board member	–	–	20,000	20,000
Wojciech Goc	Board member	–	–	–	–
Lloyd Perry	Board member	–	–	–	–
Helen Fasth Gillstedt	Board member	180,000	–	60,000	240,000
Total		940,000	39,000	100,000	1,078,000

1) Per Granath was CEO and President until December 2015.

CEO AND SENIOR MANAGEMENT

The CEO is responsible for the everyday management and operations of Humana in accordance with applicable laws and regulations, including Nasdaq Stockholm's Rule book for Issuers as well as relevant sections of the Code and instructions and strategies adopted by the board of directors. The CEO ensures that the board of directors is presented with the necessary information, in order for the board of directors to take appropriate decisions. The CEO monitors that Humana's goals, policies and business plans, as adopted by the board of directors, are observed and is responsible to inform the board of directors of Humana's development between board meetings.

The CEO leads the work of the senior management, which is responsible for the overall business development. In addition to the CEO, the senior management consists of CFO and deputy CEO, the Marketing and Communications Director, the Head of Quality, Head of IR and the Business Area Managers.

Remuneration to the senior management

Remuneration to the senior management consists of salary, variable compensation and pension. The fixed salary for the CEO for the financial year 2016 amounts to SEK 220,000 monthly, in addition to holiday compensation. The CEO also has the possibility to receive variable salary consisting of bonus, corresponding to a maximum amount equivalent to 25 per cent of the fixed annual salary. A pension contribution is paid by the Company according to ITP 1. See also section "*Share capital and ownership structure—Share-related incentive programs – Warrant program*" for a description of outstanding warrant programs, in which the CEO, among others, are allowed to participate.

The following table sets forth the salary and other compensation paid to the CEO as well as the other members of the senior management during 2015.

(SEK)	Fixed salary (gross), excl. variable salary	Bonus	Pension ²⁾	Other remuneration ³⁾	Total
CEO and President	3,145,000	900,000	2,305,000	3,638,000	9,987,000
Other senior executives ¹⁾	11,785,000	1,787,000	4,071,000	0	17,643,000
Total	14,930,000	2,687,000	6,375,000	3,638,000	27,630,000

1) Eight individuals during 2015.

2) All pension commitments to senior management are defined contribution commitments and premiums are paid regularly.

3) Per Granath terminated his agreement as CEO on 22 December 2015. Other remuneration of SEK 3,638,000 relates to severance payments and car benefit (excluding social security contributions and pension).

For a description on outstanding incentive programs within the Company, see "*Share capital and ownership structure – Share-related incentive programs*".

Guidelines

Pursuant to the Companies Act, the general meeting shall adopt guidelines for remuneration of the CEO and other senior executives. The following guidelines were adopted at the extraordinary general meeting held on 15 February 2016 and apply up until the annual general meeting 2017.

The remuneration of members of the senior management is to comprise fixed salary, possible variable salary, pension and other benefits. The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities. In terms of share related incentive programs, they shall be designed with a purpose of increasing the alignment of interest between the employees and the Company's shareholders and increase motivation to reach or exceed the Company's financial targets.

The variable salary shall consist of an annual cash salary and a long-term variable salary consisting of cash, shares and/or share-related instruments in Humana. The variable cash salary shall depend on defined and measurable targets and shall be capped at 30 per cent of the yearly fixed salary. The conditions of the variable remuneration shall be designed in such a way as to enable the board of directors, if exceptional economic conditions prevail, to restrict or omit payment of the variable salary if such action is deemed reasonable.

Exceptional cases may permit one-off remuneration agreements, provided that such remuneration does not exceed an amount corresponding to the individual's annual fixed salary and capped variable cash salary, and is not distributed more than once per year and individual.

Pension benefits should be defined contribution.

In the event of termination of employment, a mutual notice period of six months applies, regardless if initiated by the Company or by the senior executives. If the employment period exceeds five years, and the termination is initiated by the Company, the notice period should increase to twelve months. If the termination is initiated by the senior executive, the notice period remains six months. Severance payment may apply for some members of the senior management with an employment period exceeding five years, but to a maximum amount corresponding to six months' salary. Severance payments are agreed separately following a decision of the remuneration committee.

The board of directors may derogate from the guidelines adopted by the general meeting in certain cases if there are special reasons for doing so.

The senior executives that are affected by the guidelines comprise the CEO and members of the senior management.

Severance payment

The CEO and CFO are entitled to a severance payment corresponding to six months' salary. Two additional members of the senior management are entitled to severance payment corresponding to six and 22 months' salary, respectively. Upon termination of a senior executive upon own request, no severance payment will be distributed, with exception for one senior executive who is entitled to a severance payment corresponding to 21 months' salary provided that this person gives notice of termination following a change of control in one of Humana's subsidiaries. The severance payment will, in all cases but one, be paid as a one-off payment at the end of the notice period, and is therefore not deductible.

EXTERNAL AUDIT

The external audit of the financial accounts of Humana and all of its subsidiaries, including the management by the board of directors and senior management, is conducted in accordance with International Standards of Auditing and Swedish auditing standards. The external auditor is, as a minimum, present at one board meeting annually, presenting observations from the audit and an assessment of the internal control. The auditor is entitled to compensation based on a decision from the annual general meeting. During 2015, the total compensation paid to Humana's auditor totalled SEK 3 million. For additional information, see note 8 in the audited consolidated financial statements on page F-11 in the Offering Memorandum, in section "*Historical financial information*".

INTERNAL CONTROL

Control environment

Internal control is an integrated part of Humana's operational management. The internal control should ensure that Humana's financial reporting provides a fair reflection of the Humana's financial position.

Humana's board of directors is ultimately responsible for ensuring that Humana complies with the requirements for internal control of its financial reporting. Humana's CEO has delegated the responsibility of implementation and enforcement of formalised routines that ensures observance of standardised principles for financial reporting and internal controls to the CFO. It is nevertheless the responsibility of each individual employee to take part in the internal control, for instance through observing the accounting manual and carry out the daily controls that have been laid down with the aim to prevent, discover and manage deficiencies and errors. In addition, structured reporting of identified deficiencies should be carried out.

Humana's strategic efforts to ensure quality are directed by management systems for systematic quality work in each business area. The management systems support systematic follow-ups, self-control, risk analysis and investigations of deviations. This, in combination with evidence-based and measurable treatment methods, ensures the appropriate conditions to, in a systematic and controlled way, develop the operations.

Humana's control environment is based upon:

- A strong corporate culture with firmly established values at the core of the business.
- Well established ethical guidelines.
- Comprehensive quality efforts with continuous self-controls on all levels of the business.
- A clear organisational structure with clearly defined roles and areas of responsibility.
- Clear delegation of authority.
- Steering documents.
- Clear and well-defined processes and routines

Humana has a number of steering documents in order to support all employees within Humana to act in accordance with Humana's internal rules and guidelines. The steering documents for accounting and financial reporting comprise areas of special importance to promote correct, complete and current accounting, reporting and information sharing. The accounting guidelines are the natural, central steering document for Humana insofar as guidelines to achieve good internal control over the financial reporting.

Humana has acquired a number of companies, and ensuring compliance with Humana's values, guidelines and the internal control environment is a vital part of the integration process.

Risk management

Risk assessments related to the strategically most important processes are carried out both on an over-arching operational level as well as on a lower organisational level, with the aid of a documented work process. Risks related to errors in the financial reporting are analysed annually on a Group level. Identified risks on a Group level relate to the time plan for year-end reports, competence, information sharing and systems. The risk analysis is documented separately.

In the analysis of the financial reporting, the following main areas are taken into consideration: rights and obligations, establish whether incidents have occurred, completeness, valuation and measurement. Other risks that Humana consistently take into account are risks of fraud, risks of assets used without authorisation outside of Humana or disappear, or benevolent treatment of counterparties to the detriment of Humana.

Control activities

Humana carries out control activities for foreseen material risks. It is the responsibility of the Group's CFO to ascertain that identified risks related to the financial reporting on a Group level are addressed. The Line manager has a general responsibility to follow up that controls within its responsible area have been carried out. In addition to these hands-on controls, analysis of results and follow-up on budget are also important control measures.

Information and communication

Humana's communication and information channels enable information about news relevant to financial reporting quickly can be communicated to affected employees. Primarily Humana's intranet is used, and if required, the information in the

accounting manual is updated. In addition to the written communication that is carried out e.g., through the accounting manual, news, risks and control results etc. are communicated and discussed during meetings and at an annual business conference. It is also the responsibility of each responsible person to clearly explain a risk and attached control to the employees involved in a process. Each and every employee has a responsibility to report inconsistencies and discrepancies discovered during controls even if such have been rectified. The aim is to create a good understanding of how the work is performed and be able to improve the processes.

Follow-up measures

Humana's significant processes for financial information are reviewed once per year. Follow-up of Humana's efforts with internal control are primarily documented through senior management's continuous review of Humana's activities in order to ascertain a stable internal control. Compilation and status of identified measures are reported to the board of directors via the regular work in the audit committee.

According to the Code, the board of directors shall annually review if the Company shall put in place an internal audit function, evaluating whether internal control is sufficient, or if the board of directors in any other way ensures that this is the case. The issue is also reviewed annually in the audit committee. It is the Company's assessment that the enhanced quality in the organisation and management is sufficient to ensure good order and Humana has therefore chosen not to appoint an internal auditor. Humana has chosen to work with internal follow-up measures and self-evaluation and submit activity reports to the board of directors.

Processing of personal data

Humana processes large amounts of personal data in its operations. Given the varying operations in each respective business area, the responsibility for personal data matters is allocated both on business areas, where the day-to-day processing and control of personal data occurs, and on Group level.

Humana's compliance program regarding personal data comprises five fundamental parts: (i) leadership, (ii) risk and needs analysis, (iii) policies, internal guidelines and routines, (iv) implementation and (v) follow-up, control and remedies.

Leadership – compliance work on a Group level

Group-wide policy documents are adopted on a Group level, e.g. Humana's information security policy which applies to all business areas. In addition, each business area adopts policy documents that are adapted according to, and applies to, the entire business area, e.g. personal data deletion routines. When necessary the policy documents are complemented by local guidelines, e.g. to ensure compliance with local regulations in Norway.

Humana has a Group level personal data protection officer with responsibility to ensure that Humana complies with applicable regulations. This is ensured both by examining Humana's policies and guidelines, and by verifying that these are obeyed

and by reporting possible deficiencies in the personal data processing. Humana's board of directors are provided with monthly reports of deviations and compliance and information regarding the personal data processing.

On a business area level each Business Area Manager is responsible for compliance with applicable law and internal guidelines and policies regarding personal data processing.

The personal data protection officer and the Business Area Managers are supported by Humana's quality organisation which is responsible for Humana's quality management systems and monitors compliance with processes, routines and policies governing Humana's operations and develops follow-up and control measures. Within each business area there is a quality manager that is responsible for the quality department of that business area. The quality managers within each business area report to each respective Business Area Manager and to the quality director who is responsible for quality on a Group level.

Personal data legislation requires implementation of security measures to protect the personal data processed. Humana has a central IT department whose duties include, among other things, to identify and manage risks related to information security. This is done for example by ensuring system support for logging access to data, personal data deletion, records review and testing.

Risk and needs analysis

Humana is continuously working on identifying, managing and following up risks within the personal data area. This work is, among other things, done through the personal data organisation described above and through a yearly risk review executed by the senior management and each respective Business Area Manager, in which risks within the personal data area are included, after which risk management measures are produced. The quality departments within each business area also carries out yearly reviews and risk updates regarding routines, policies and compliance with these. The Group also has several MRN:s (Medical Responsible Nurses) who support, among other things, the compliance with the Swedish Patient Data Act (Sw. *patientdatalagen* (2008:355)).

Identified risks are reported in Humana's deviation system. Occurred events as well as potential risks are reported. Submitted deviations are analysed by Humana's quality department and measures are taken and implemented. Most deviations are managed at the business area level and followed up centrally by the quality director on a monthly basis. Larger deviations are reported directly to the Head of Quality and the CEO.

For identified deficiencies an action plan is produced with information on, among other things, (i) who is responsible, (ii) the date of remedying, (iii) implemented actions for remedying and (iv) date and structure of follow-up.

Policies, internal guidelines and routines

Within Humana there are Group level guidelines and routines as well as business area and operations specific guidelines.

The personal data protection officer, the quality managers, the Business Area Managers and the IT director are responsible for the development of the guidelines.

Where necessary external legal advice is engaged for the production, or review, of the guidelines.

Implementation

Some Group level policies are adopted by the board of directors. The Group level guidelines are adopted by and implemented in the Group by the CEO in consultation with the senior management. Guidelines specific to business areas are adopted and implemented by each respective Business Area Manager in consultation with the quality department. Regional or operations specific guidelines are adopted and implemented by the Group companies concerned.

Adopted guidelines are communicated within the organisation, among other things, through information via email and publication on Humana's intranet, information during monthly meetings, management processes and quality systems, training individually or in groups and introductions to new employees.

Follow-up, control and remedies

To prevent the occurrence of deficiencies within the personal data area, Humana has implemented various control mechanisms. These comprise, among other things, the personal data protection officer's, Business Area Managers' and quality department's continuous review, quarterly self-controls, monthly reporting to the senior management, regular file maintenance, annual quality review of policy documents as well as analysis and remedying submitted deviations.



Share capital and ownership structure

SHARE INFORMATION

As of the date of this Offering Memorandum, the Company's registered share capital is SEK 1,019,600, represented by 45,882,000 shares¹⁾, each with a quota value of SEK 0.022 per share.²⁾ The shares in Humana have been issued in accordance with Swedish law and are fully paid and denominated in SEK.

After the completion of the Offering and the share issue that intends to be carried out in connection therewith (see “*Share issue in connection with the Offering*” below), the Company's registered share capital will, assuming full subscription and that the share issue is carried out at a subscription price corresponding to the midpoint of the Price Range, be SEK 1,192,013.8 represented by 53,640,620 shares, each with a quota value of SEK 0.022.³⁾ The share issue intends to be registered with the Swedish Companies Registration Office on or about 24 March 2016. The Company will, in accordance with what is described in “*Share conversion in connection with the Offering, etc.*” below, only have one share class in connection with the listing.

According to the Articles of Association that were adopted at the extraordinary general meeting held on 15 February 2016, the share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000, represented by no fewer than 45,000,000 and not more than 180,000,000 shares.

The shareholders' rights, including the rights set forth in the Articles of Association, may only be changed in accordance with the provisions set forth in the Companies Act.

SHARE ISSUE IN CONNECTION WITH THE OFFERING

At the extraordinary general meeting held on 9 March 2016, it was resolved to issue new shares. The purpose of the share issue is to complete the Offering. Humana's board of directors was authorised to resolve which amount the Company's share capital is to increase with, the number of shares to be issued as well as the subscription price. The subscription price shall correspond to the Offer Price. The right to subscribe for new shares shall, with deviation from shareholders' preferential rights, be given to the general public in Sweden, institutional investors in Sweden and institutional investors in certain other jurisdictions. The board of directors in Humana is expected to determine the final conditions for the share issue on or about 21 March 2016 and the number of shares issued will depend on the Offer Price. Assuming that the Offer Price will corre-

spond to the midpoint in the Price Range, the share issue, if fully subscribed, will lead to an increase in the number of shares from 45,882,000 to 53,640,620 shares, corresponding to an increase of 16.9 per cent. For existing shareholders, a dilution of 7,758,620 new shares will arise, corresponding to 14.5 per cent of the total shares after the share issue.

SHARE CONVERSION IN CONNECTION WITH THE OFFERING, ETC.

In connection with the listing of Humana's shares on Nasdaq Stockholm, all preference shares and ordinary A shares will be converted (1:1) into ordinary B shares, which will result in the Company, in accordance with what is described below, having only one class of shares in connection with the listing (the “**Share Conversion**”). A resolution regarding the Share Conversion was adopted at the extraordinary general meeting held on 9 March 2016.

The resolution to implement the Share Conversion is expected to be registered with the Swedish Companies Registration Office on 22 March 2016.

After completion of the Share Conversion, there will thus be only one share class in the Company, named shares (previous ordinary B shares).

Re-allocation of shares between existing shareholders

To ensure for the Share Conversion to result in an equal treatment of all shareholders, based on the value of their holdings prior to the Offering, a re-allocation of shares between the shareholders will take place, depending on the final Offer Price. This may lead to an adjustment in relation to the information that is indicated about shareholding in this Offering Memorandum, *inter alia*, in the sections “*Board of directors, senior management and auditor*” and in “*Ownership structure*” below. Any such re-allocation will not lead to any change in Humana's number of shares or share capital.

CERTAIN RIGHTS ATTACHED TO THE SHARES

After the changes described in “*Share conversion in connection with the Offering etc.*”, all shares will be of one class. The shareholders' rights may only be changed in accordance with the provisions set forth in the Companies Act.

1) Of which 29,916,000 ordinary A shares, 15,965,685 ordinary B shares and 315 preference shares (of which 45 class C1, 90 class C2, 45 class C3, 45 class C4, 45 class C5 and 45 class C6), each with a quota value of SEK 0.022 per share).

2) As of 31 December 2015, the Company's registered share capital was SEK 1,019,600, represented by 1,019,600 shares, where of 664,800 ordinary A shares, 354,793 ordinary B shares, and seven preference shares (C1, C2 (two classes), C3, C4, C5 and C6), each with a quota value of SEK 1 per share (the number of shares is unchanged since 1 January 2015).

3) If the share issue is carried out at a subscription price corresponding to the lowest and the highest price in the Price Range, respectively, the Company's share capital will be SEK 1,204,785.2 and 1,180,890.3, respectively.

Voting right at general meeting

Each share entitles to one vote and each shareholder is entitled to vote for the total number of shares held without limitation in the voting rights. See “*Corporate governance – The general meeting of shareholders*” for further information about the general meeting in Humana.

Preferential rights to new shares, etc.

If the Company decides to issue shares, stock options or convertibles in a cash issue or a set-off issue, the shareholders shall have preferential rights to subscribe in proportion to the number of shares held prior the issue. There are however no provisions in the Company’s Articles of Association that limit the Company’s ability to decide to, in accordance with the rules set out in the Companies Act, issue new shares, stock options or convertibles with deviation from the shareholders’ preferential rights.

Right to dividend and liquidation proceeds

After the changes described in “– *Share conversion in connection with the Offering etc.*”, all shares will carry the same right to dividend and any surplus in the event of liquidation. Shareholders in Humana will be entitled to future dividends, including any resolved dividend for the financial year 2016 as well as for all subsequent periods, under assumption that dividend is resolved upon.

SHARE CAPITAL DEVELOPMENT

The below table shows the historical development of Humana’s share capital as well as the changes in number of shares and share capital that will be carried out in connection with the listing of the Company’s shares on Nasdaq Stockholm.

Year	Event	Change, number of shares			Total number of shares			Change in share capital, SEK	Share capital, SEK	Quota value, SEK
		Ordinary A	Ordinary B ¹⁾	Preference	Ordinary A	Ordinary B ¹⁾	Preference			
2008	Incorporation	100,000	–	–	100,000	–	–	100,000	100,000	1
2008	Share issue	564,800	335,200	–	664,800	335,200	–	900,000	1,000,000	1
2012	Share issue	–	–	7	664,800	335,200	7 ²⁾	7	1,000,007	1
2014	Share issue	–	19,593	–	664,800	354,793	7 ²⁾	19,593	1,019,600	1
2016	Split	29,251,200	15,610,892	308	29,916,000	15,965,685	315 ³⁾	–	1,019,600	0.022222
2016	Conversion	(29,916,000)	29,916,315	(315 ³⁾	–	45,882,000	–	–	1,019,600	0.022222
2016	Share issue ⁴⁾	–	7,758,620	–	–	53,640,620	–	172,413.8	1,192,013.8	0.022222

1) After the conversion, the ordinary B shares will be designated as shares.

2) Six classes of preference shares comprising C1, C2 (two), C3, C4, C5 and C6.

3) Six classes of preference shares comprising 45 class C1, 90 class C2, 45 class C3, 45 class C4, 45 class C5 and 45 class C6.

4) Issuance of new shares in the Offering, assuming an Offer Price of SEK 58, which is at the midpoint of the Price Range. If the Offer Price is the highest in the Price Range, 7,258,064 new shares will be issued, and if the Offer Price is the lowest in the Price Range, 8,333,333 new shares will be issued. The share issue is expected to be registered with the Swedish Companies Registration Office on or about 24 March 2016.

OWNERSHIP STRUCTURE

As at the date of this Offering Memorandum, the Company has 89 shareholders. The largest shareholder is Argan Capital. Argan Capital, Per Granath (board member and former CEO) through company, Simon Lindfors (board member) through company, Maria Nilsson (board member), Lars Johansson

(former deputy board member) through company, Zeinab Daugaard through company and Christer Hansson through company are selling shareholders in the Offering (“**Selling Shareholders**”).

The table below shows the maximum number of shares that each Selling Shareholder may sell under the Offering, assuming

an Offer Price of SEK 58, which is at the midpoint of the Price Range.

Selling Shareholders	Maximum number of shares for sale if the Over-Allotment Option is not exercised	Maximum number of shares for sale if the Over-Allotment Option is exercised in full
Argan Capital ¹⁾	2,985,286	4,784,385
Per Granath (board member and former CEO) through company ²⁾	166,139	166,139
Simon Lindfors (board member) through company ³⁾	729,112	729,112
Maria Nilsson (board member) ⁴⁾	30,713	30,713
Lars Johansson (former deputy board member) through company ⁵⁾	1,397,126	1,397,126
Zeinab Dagaard through company ⁶⁾	197,222	197,222
Christer Hansson through company ⁷⁾	229,036	229,036
Total	5,734,634	7,533,733

1) Address: 52-54, Avenue du X Septembre, L-2550 Luxembourg.

2) Zirkona AB, c/o Per Granath, Limavägen 4, SE-167 76 Bromma.

3) SLP Partners AB, c/o EPEA Advisory AB, Birger Jarlsgatan 5, SE-111 45 Stockholm.

4) Källparksgatan 19, SE-754 32 Uppsala.

5) Europeiska Investeringsklubben AB, c/o Lars Johansson, Södra Kungsvägen 294B, SE-181 63 Lidingö.

6) Minara AB, c/o Zeinab Dagaard, Tappstigen 5, SE-181 41 Lidingö.

7) MECA Ekonomi AB, c/o Christer Hansson, Brännkyrkagatan 34a, SE-118 22 Stockholm.

The table below shows Humana's ownership structure immediately before the Offering and immediately after completion of the Offering, assuming (i) an Offer Price of SEK 58, which is

the midpoint in the Price Range and (ii) that the measures stated in "– Share conversion in connection with the Offering, etc." have been implemented.

	Shareholding prior to the Offering		Shareholding after the Offering assuming that the Over-Allotment Option is not exercised		Shareholding after the Offering assuming that the Over-Allotment Option is exercised in full	
	Number	%	Number	%	Number	%
Selling Shareholders whose holdings exceed 5 per cent of the shares¹⁾						
Argan Capital	34,156,499	74.4	31,171,213	58.1	29,372,114	54.8
Per Granath (board member and former CEO), through company	3,962,852	8.6	3,796,713	7.1	3,796,713	7.1
Other Selling Shareholders						
Simon Lindfors (board member) through company	1,458,225	3.2	729,113	1.4	729,113	1.4
Maria Nilsson (board member)	351,412	0.8	320,699	0.6	320,699	0.6
Lars Johansson (previous deputy board member) through company	1,397,126	3.0	0	0	0	0.0
Zeinab Dagaard through company	394,444	0.9	197,222	0.4	197,222	0.4
Christer Hansson through company	458,072	1.0	229,036	0.4	229,036	0.4
Total	42,178,630	91.9	36,443,996	67.9	34,644,897	64.6
Other shareholders ²⁾	3,703,370	8.1	3,703,370	6.9	3,703,370	6.9
New owners ³⁾	–	–	13,493,254	25.2	15,292,353	28.5
Sum	3,703,370	8.1	17,196,624	32.1	18,995,723	35.4
Total	45,882,000	100.0	53,640,620	100.0	53,640,620	100.0

Source: Euroclear Sweden.

1) In Sweden, the lowest threshold for the obligation to report holdings (so-called flagging) is 5 per cent of all shares or the voting rights for all shares.

2) Refers to mainly current and former board members and Group employees.

3) Refers to those individuals who hold shares as a consequence of allotment in the Offering, including the Anchor Investors.

APPLICATION FOR LISTING

The board of directors of Humana has applied for listing of the Company's shares on Nasdaq Stockholm. For further information, see "*Terms and conditions – Listing on Nasdaq Stockholm*".

SUBSCRIPTION WARRANTS AND CONVERTIBLES

There are no outstanding convertibles issued by the Company. For a description of outstanding subscription warrants, see below under "*– Share-related incentive programs*".

SHARE-RELATED INCENTIVE PROGRAMS

Long-term incentive programs

At the extraordinary general meeting held on 9 March 2016, the shareholders resolved to implement two long-term incentive programs, one program directed to senior executives and one program directed to approximately 300 other employees of the Company. The senior executives are offered to participate in an incentive program comprising three series of warrants, and the other approximately 300 employees are offered to participate in a share saving program. The purposes of the incentive programs are to encourage a broad ownership amongst the Company's employees, facilitate recruitment, maintain competent employees, increase the alignment of interest between the employees and the Company's shareholders and increase motivation to reach or exceed the Company's financial targets.

Warrant program

At the extraordinary general meeting it was resolved to issue warrants within the scope of the incentive program directed to senior executives. Rasmus Nerman (CEO and President), Ulf Bonnevier (CFO and deputy CEO), Helena Pharmanson (Marketing and Communications Director), Eva Nilsson Bågenholm (Head of Quality), Claus Forum (Business Area Manager *Individual & Family*), Harald Wessman (Business Area Manager *Personal Assistance*), Eva-Lotta Sandberg (Business Area Manager *Elderly Care*) and Mona Lien (Business Area Manager *Norway*) are entitled to participate in the incentive program. In total, the issuance comprises 1,440,420 warrants, entitling to subscription of the same number of new shares in the Company. The participants will be offered to acquire the warrants at market value, amounting to a total of approximately SEK 5.5 million¹⁾. If the maximum number of warrants are exercised, it will result in a dilution of approximately 2.6 per cent of the total number of outstanding shares in Humana following completion of the Offering (after dilution and based on the fact that the Offer Price equals the midpoint in the Price Range). The warrants have been issued in three different series with different expiry dates in order to correspond to the Company's strategic and financial goals. Each participant is entitled to acquire a certain maximum number of warrants of each series.

- Series 1 comprises 480,140 warrants in total, with a subscription price per share corresponding to 120 per cent of the price of the shares in the Offering, and can be exercised during the period 1 – 31 March 2018.
- Series 2 comprises 480,140 warrants in total, with a subscription price per share corresponding to 125 per cent of the price of the shares in the Offering, and can be exercised during the period 1 – 31 March 2019.
- Series 3 comprises 480,140 warrants in total, with a subscription price per share corresponding to 130 per cent of the price of the shares in the Offering, and can be exercised during the period 1 – 31 March 2020.

The Company has reserved the right to repurchase warrants if the participant's employment with the Company is terminated or if the participant wishes to transfer warrants.

Share saving program

The extraordinary general meeting also resolved to implement a long-term incentive program in the form of a share saving program. Approximately 300 of the Company's permanent employees are being offered participation in the share saving program. The participants are divided into three different categories depending on position. Category 1 includes approximately 45 employees, category 2 approximately 105 employees and category 3 approximately 150 employees. Participation requires the employee to make own investments in Humana's shares at market price at Nasdaq Stockholm, or allocate already acquired shares to the program ("**Savings Shares**"). The maximum investment permitted in Savings Shares depends on the category of the participant and the investment grade of all participants. Participants in categories 1, 2 and 3 may as a main rule invest no more than SEK 55,000, SEK 14,000 and SEK 7,000, respectively, in Savings Shares, but should all participants not invest maximum amounts other participants may (pro rata) invest a total amount corresponding to the aggregated difference between maximum and actual investment for the participants who did not invest the maximum amount, however, that a participant may not invest an amount exceeding one month's salary before tax. Participants who retain the Savings Shares during the program's vesting period of approximately three years and also remain employed by Humana throughout the whole vesting period will at the end of the period receive one so-called matching share free of charge for each acquired Savings Share.

Participants in category 1 may, in addition to the matching shares, be entitled to receive one additional Humana share free of charge for each acquired Savings Share after the vesting period, provided that certain performance conditions related to EBIT margin as defined by the Company have been satisfied.

1) The warrants are valued in accordance with the Black-Scholes model.

Full allotment of Matching Shares and Performance Shares would mean that the total number of shares under the program amounts to no more than 129,500 shares, corresponding to approximately 0.24 per cent of the total number of shares outstanding in the Company following completion of the Offering (based on the fact that the Offer Price equals the midpoint in the Price Range). Aggregated with a total number of 41,000 shares that may be transferred on Nasdaq Stockholm in order to cover the cash flow effects associated with the program, primarily social security charges, the total number of shares under the program amounts to approximately 0.32 per cent of the total number of shares outstanding in the Company after the IPO (based on the fact that the Offer Price equals the midpoint in the Price Range). The costs for the share savings program will be accounted for in accordance with *IFRS 2 – Share-Based Payments*, and are estimated to amount to approximately SEK 3.8 million over a three-year period, assuming that 50 per cent of the maximum number of Matching Shares and Performance Shares are allotted to the participants. The costs for social security charges are calculated to approximately SEK 1.6 million assuming an annual share price increase of 10 per cent during the vesting period. The Extraordinary General Meeting authorized the Board of Directors of the Company to resolve on acquisition of shares in Humana on Nasdaq Stockholm in order to secure the transfers as described above. The General Meeting also resolved on transfer of shares to program participants as described above.

CENTRAL SECURITIES DEPOSITARY AFFILIATION

Humana's Articles of Association contains a CSD clause and the Company's shares are registered through the electronic securities system operated by Euroclear (Euroclear Sweden AB, Box 191, 101 23 Stockholm) as central securities depository. The shares are registered on person. No share certificates have been issued with respect to the shares nor will be issued with respect to the new shares. The ISIN-code for the shares in Humana is SE0008040653.

SHAREHOLDERS' AGREEMENTS

The Company's shareholders are currently parties to a shareholders' agreement that will terminate in connection with the listing of the Company's shares.

As far as the board of directors is aware, no shareholders' agreements or equivalent agreements exist between shareholders in the Company with the objective of creating a joint control over the Company, other than the above mentioned shareholders' agreement. The board of directors is not aware of any other agreements or equivalent arrangements that may lead to a change in control over the Company.

LOCK-UP AGREEMENTS ETC.

In connection with the Offering, the Principal Owner and other shareholding members of the board of directors and the senior executives, will undertake towards Manager, with customary exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced. The lock-up period for the Principal Owner will

be 180 days, whereas the lock-up period for the shareholding members of the board of directors and the senior executives will be 360 days. Managers may grant exemptions from the lock-up. After termination of each lock-up period, shares may be offered for sale, which may affect the market price on the share.

See also "*Legal considerations and supplementary information – Material agreements, etc. – Placing Agreement*" for a description of the Company's obligations in connection with the Offering.

DIVIDENDS AND DIVIDEND POLICY

Humana has adopted a dividend policy entailing a dividend amounting to 30 per cent of the net profit. The dividend proposal shall take into account Humana's long term development possibilities and its financial position.

Shareholders in Humana will be entitled to future dividends, including any dividend resolved for the financial year 2016 as well as for all subsequent periods, assuming dividend is resolved upon.

Dividends are resolved upon by the general meeting and the payment is administered by Euroclear Sweden. Dividends may only be paid if the Company, after such dividends, still has full coverage of its restricted equity and further to the extent that such dividends are justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations; and (ii) the Company's and the Group's consolidation needs, liquidity and financial position in general (the so-called prudence rule). As a general rule, the shareholders may not decide upon larger dividends than those proposed or approved by the board of directors.

The right to dividends vests in any person who is registered as a shareholder in the share register maintained by Euroclear Sweden on the record date for dividend as determined by the general meeting. If a shareholder cannot be contacted through Euroclear Sweden, the shareholder's claim on the Company with respect to the dividend remains and is limited only by the statute of limitations rule (10 years). Where the statute of limitations applies, the dividend amount accrues to Humana. Neither the Companies Act nor Humana's Articles of Association contain any restriction on the right to dividends with respect to shareholders domiciled outside of Sweden. Other than in case of possible restrictions in connection with bank or clearing systems in the concerned jurisdictions, payments of dividends to such shareholders are made in the same way as to shareholders domiciled in Sweden. However, in relation to shareholders who are subject to limited taxation in Sweden, Swedish withholding tax is normally payable, see "*Tax considerations – Certain tax considerations in Sweden*".

Articles of association

Articles of association, adopted on extraordinary shareholders' meeting on 9 March 2016. The decision by the shareholders' meeting to adopt the articles of association is conditional upon the completion of the Offering, and the articles of association are expected to be registered on 22 March 2016.

§1 Name

The name of the company is Humana AB. The company is a public limited liability company (publ).

§ 2 Registered Office

The Board of Directors shall have its registered office in the municipality of Stockholm, the county of Stockholm.

§ 3 Object

The object of the company's business shall be to directly, or indirectly through subsidiaries, own securities in Humana Group Holding AB, Reg. No. 556730-0453, and to carry out any other activities compatible therewith.

§ 4 Share Capital

The minimum share capital of the company shall be 1,000,000 Swedish kronor and the maximum share capital shall be 4,000,000 Swedish kronor.

§ 5 Number of Shares

The number of shares shall be not less than 45,000,000 and not more than 180,000,000 shares.

§ 6 Board of Directors

The Board of Directors shall consist of not less than three and not more than ten members.

§ 7 Auditors

The company shall have no more than two auditors with no more than two deputy auditors, or a registered auditing company.

§ 8 Notices to shareholders' meeting

A notice convening a shareholders' meeting shall be published in the Official Swedish Gazette and on the company's website. An announcement with information that notice of the shareholders' meeting has been issued shall be published in Dagens Industri.

§ 9 Advance notification

Shareholders wishing to participate in the shareholders' meeting must, firstly, be registered in the transcript of the entire share ledger prevailing five weekdays prior to the meeting and, secondly, notify the company of their intention to attend the meeting not later than the day set out in the notice convening the general meeting. The latter day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the five weekdays before the meeting.

A shareholder may be accompanied by one or two assistants at the shareholders' meeting, but only if the shareholder has notified the company on the number of assistants in the manner prescribed in the paragraph above.

§ 10 Shareholders' Meeting

The annual shareholders' meeting shall be held in Stockholm.

The following matters shall be dealt with at the annual shareholders' meeting:

1. Election of chairman of the shareholders' meeting.
2. Preparation and approval of the voting register.
3. Approval of the agenda.
4. Election of one or two persons to approve the minutes.
5. Examination of whether the shareholders' meeting has been duly convened.
6. Presentation of the annual report and the audit report and the consolidated annual report and the consolidated audit report.
7. Resolutions in respect of:
 - (a) adoption of the profit and loss statement and the balance sheet, and the consolidated profit and loss statement and the consolidated balance sheet,
 - (b) allocation of the company's profit or loss in accordance with the adopted balance sheet, and
 - (c) discharge from liability of the members of the Board of Directors and the managing director.
8. Determination of the number of board members and the number of auditors and deputy auditors.
9. Determination of fees to the board members and auditors' fees.
10. Election of members of the Board of Directors and auditors.
11. Other matters to be dealt with at the meeting pursuant to the Swedish Companies Act or the articles of association.

§ 11 Financial Year

The financial year of the company shall be 1 January to 31 December.

§ 12 Central securities depository registration

The company's shares shall be registered in a central securities depository register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).

Legal considerations and supplementary information

GENERAL COMPANY AND GROUP INFORMATION

The Company's name (and trading name) is Humana AB. The corporate registration number of Humana is 556760-8475 and the registered office of the board of directors is the municipality of Stockholm, Sweden. The Company was incorporated in Sweden on 22 May 2008 and registered with the Swedish Companies Registration Office on 1 July 2008. The Company has been operating since then. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) governed by the Companies Act.

Humana is the parent company of the Group, which comprises 74 directly and indirectly owned subsidiaries in Sweden and Norway. The most important subsidiaries are listed in the table below.

Subsidiary	Land	Shares and votes, % ¹⁾
Humana Group Holding AB	Sweden	100
Humana Assistans AB	Sweden	100
Humana Omsorg AB	Sweden	100
Humana Hemtjänst AB	Sweden	100
Baggium Vård & behandling AB	Sweden	100
Sociala tjänster Sverige AB	Sweden	100
Partnergruppen Svenska AB	Sweden	100
Tiltak for ungdom – Agder AS	Norway	100
Neuropsyk i Bollnäs AB	Sweden	100
Adventum Vård AB	Sweden	100
Familjeforum Lund AB	Sweden	100
Björkviks Vårdhem AB	Sweden	100
Familjestödsgruppen i Stockholm AB	Sweden	100
Løft AS	Norway	100

1) As of 31 December 2015.

MATERIAL AGREEMENTS, ETC.

Below is a summary of material agreements entered into by Humana during the last two years as well as other agreements entered into by Humana, which includes rights and obligations of material importance to Humana (in both cases with exception for agreements entered into as part of the on-going business).

Acquisitions and disposals

Sale and lease back of property portfolio

On 2 November 2015, within the scope of a so called sale and lease back, Humana entered into an agreement with Hemfosa regarding the divestment to Hemfosa of a number of subsidiaries with propriety right to the vast majority of Humana's properties. In connection with the disposal, Humana obtained leasehold right to the properties for continued business

(HVB units and housings for support and service for persons with certain functional impairments). The purpose of the transaction was to raise capital in order to support Humana's expansion plans. The transaction closed on 30 November 2015 whereby access was given to the shares/properties. The property portfolio's agreed value totalled just under SEK 258.5 million.

The share purchase agreement contains customary warranties regarding the companies and the properties. The warranty period is 15 months from the closing date and warranty ceiling is 30 per cent of the property portfolio's agreed value (i.e. SEK 86 million). As usual, the capped warranty period does not apply to certain fundamental warranties (e.g. ownership to the shares and the properties). The warranty ceiling for the fundamental warranties is 100 per cent of the property portfolio's agreed value.

The initial term of lease for the lease agreements is between 12 and 15 years. The lease agreements also stipulate that the tenant is responsible for all operations and maintenance of the property. However, the tenant is entitled to, without consent from the landlord, reconstruct the property to a greater extent than usual. The lease agreements do also include customary provisions related to the care business conducted in the properties.

Humana Group Holding AB has in relation to Hemfosa entered into a personal guarantee for the subsidiaries'/tenants' fulfilment of the lease agreements. The commitment contains an obligation to subrogate, alternatively designate a subsidiary to subrogate, in the tenant's position in the event the tenant is declared bankrupt. However, the obligation to subrogate does not apply if the bankruptcy estate uses its entitlement to subrogate into the lease agreement during the remaining term of lease or if the bankruptcy estate transfers the lease agreement to another party in conjunction with a transfer of the tenant's business. The personal guarantee is capped to an amount of SEK 17.5 million per year concerning circumstances that occur after 27 November 2020.

See also "*Pro forma financial information*".

Acquisition of Frösunda Holdco AS

On 4 July 2014, Humana acquired all shares in Frösunda Holdco AS from Frösunda Omsorg AB. The acquisition of Frösunda Holdco AS includes the subsidiary Tiltaksgruppen AS and Tiltak for Ungdom – Agder AS. The acquisition was completed on 1 September 2014.

The total purchase price totalled SEK 34 million.

The share purchase agreement contains fundamental warranties regarding the seller's ownership of shares and the authority to enter into purchase agreements. The agreement also contains customary seller warranties regarding the company's assets and business.

Acquisition of INOM

On 27 November 2013, Humana acquired all shares in INOM – Innovativ Omsorg i Norden AB from the private equity fund Valedo Patners Fund I AB and certain other owners. The acquisition was completed on 22 January 2014 when the acquisition was approved by the Swedish Competition Authority. The purchase price totalled SEK 794 million (after adjustments).

The share purchase agreement contains customary fundamental warranties regarding the seller's ownership and disposal of the shares. The agreement also contains seller warranties regarding, among other things, the INOM group's accounts, corporate documents, financial position, material agreements, absence of limiting documents, tax, disputes, compliance, properties, employees and insurances.

The seller's responsibility is capped to a maximum amount of SEK 225 million. Claims must be submitted within 18 months from the date of the agreement (as regards to tax responsibility, claims must be submitted within three months after the tax is finally determined). The above mentioned limits of responsibility do not apply for certain fundamental warranties (ownership and disposal of the shares).

As a part of the share purchase agreement, Humana has insured the warranties with Ironshore Europe Limited. As regards to the fundamental warranties, Humana is only entitled to enforce liability from the sellers when the possibilities to obtain compensation from the insurer are exhausted.

Credit agreements

In connection with the listing of the shares, the Group will enter into a new loan agreement with DNB Bank ASA, Sweden Branch and Skandinaviska Enskilda Banken AB (publ). See "*Capital structure, indebtedness and other financial information – Capital structure in connection with the listing – The new loan facility*" for further information about this credit agreement.

Placing Agreement

According to the terms and conditions of an agreement regarding placement of shares, which is intended to be entered into on or about 21 March 2016 between the Company, the Selling Shareholders and Managers, (the "**Placing Agreement**"), the Company and the Selling Shareholders will undertake to issue and sell, respectively, the numbers of shares comprising in the Offering to the buyers designated by Managers or, insofar as Managers have not been successful in doing so, Managers have undertaken to acquire the shares covered by the Offering, provided that the Offering is not discontinued prior thereto (see below). Furthermore, the Principal Owner intends to issue an Over-Allotment Option entailing an undertaking, upon request by Managers not later than 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, to sell

not more than a total of 1,932,366 shares, corresponding to approximately 13 per cent of the maximum total number of offered shares in the Offering. The Over-Allotment Option may be exercised solely to cover any over-allotment within the scope of the Offering.

Through the Placing Agreement, the Company issues customary warranties to Managers, primarily with respect to the information in the Offering Memorandum being correct, that the Offering Memorandum and the Offering satisfy relevant requirements in statutes and rules and regulations, and that there are no legal or other impediments to the Company entering into the agreement or to the implementation of the Offering. The Placing Agreement prescribes that the Managers' obligations to procure purchasers to buy shares – or in the event Managers are unsuccessful in doing so, themselves to purchase the shares covered by the Offering – are conditional, among other things, on no events having occurred that have such a material adverse impact on the Company that it is inappropriate to complete the Offering ("**Material Adverse Events**"), as well as certain other customary terms. Up to the settlement date, 24 March 2016, Managers may terminate the Placing Agreement upon the occurrence of any Material Adverse Event, upon the breach of any warranties provided by the Company to Managers, or in the event of non-fulfilment of any of the other terms and conditions of the Placing Agreement. The Offering may be discontinued in the event any of the aforementioned conditions are not fulfilled and in the event Managers terminate the Placing Agreement. In such case, neither delivery nor payment for shares will be carried out under the Offering. According to the Placing Agreement, the Company will, subject to customary reservations, undertake on certain conditions to indemnify Managers in respect of certain claims.

Under the Placing Agreement, the Company undertakes – with the exception of the issues of shares described in this Offering Memorandum – not to (i) offer, pledge, allot, issue, sell, undertake to sell, sell any option or, under a futures contract, acquire any put option, issue any subscription right or warrant, or otherwise transfer or sell, directly or indirectly, any shares in the Company or any other securities which are convertible to or may be exercised or changed to such shares, or (ii) enter into any swap agreements or other arrangements which, in whole or in part, transfer to any third party the financial risk associated with the ownership of shares in the Company, before at least 180 days have elapsed from the day on which trading in the share commenced on Nasdaq Stockholm. Managers may, however, grant exemptions from these restrictions.

For a description of the lock-up agreements that will be entered into in connection with the Offering, see "*Share capital and ownership structure – Lock-up agreements etc.*".

STABILISATION

In connection with the Offering and the listing on Nasdaq Stockholm, Joint Global Coordinators may carry out transactions which result in the price of the share being maintained at a higher level than would otherwise have been the case. Stabilisation measures aimed at supporting the share price may

occur commencing the first day for trading in the shares on Nasdaq Stockholm and during a maximum period of 30 calendar days thereafter. Stabilisation transactions will not be carried out by Joint Global Coordinators at a higher price than the Offer Price. The stabilisation measures may result in the market price for the shares reaching a level which is not sustainable in the long term, and which exceeds the price that would otherwise prevail on the market.

The fact that Joint Global Coordinators has the possibility to carry out stabilisation measures does not mean that such measures will necessarily be taken. Stabilisation measures taken may be discontinued at any time whatsoever. When the stabilisation period (30 calendar days) has expired, Joint Global Coordinators will announce whether stabilisation measures were taken, the dates (where appropriate) on which stabilisation measures were taken, including the final date for such measures, and the price range within which the stabilisation transactions were carried out.

LEGAL AND ARBITRATION PROCEEDINGS

The Group conducts its business in Sweden and Norway and is from time to time subject to disputes, claims and administrative proceedings within the on-going operations. However, Humana has not been involved in legal or arbitral procedures (including cases that are pending or that Humana is aware could arise) during the last 12 months that recently have had or could have had, material effects on Humana's financial position or profitability.

RELATED-PARTY TRANSACTIONS

Humana applies IAS 24 *Related Party Disclosures*. Related-party transactions are made on commercial terms.

The Group has outstanding vendor notes (subordinated loans) as shown below:

SEK thousand	Costs for interest rate, not paid-out			Debt		
	2015	2014	2013	2015	2014	2013
Argan Capital	–	37	33	–	402	365
Board and CEO	–	577	755	–	6,337	8,314
Total	–	613	788	–	6,738	8,679

Outstanding vendor notes were settled in full, including outstanding interest rate, in July 2015. Proceeds to an amount of SEK 10,079 thousand were transferred to related-parties (SEK 424 thousand to Argan Capital, SEK 9,655 thousand to the board and CEO).

The Group owes outstanding accumulated preference amounts to related parties as shown below:

SEK million	Accumulated preference amount		
	2015	2014	2013
Argan Capital	760	678	606
Board and CEO	37	33	31
Total	797	711	637

For information about fees to board members and members of the senior management, see section “*Corporate governance*”. See also note 22 to the audited consolidated financial statements on page F-17 of the Offering Memorandum in the section entitled “*Historical financial information*”.

ADVISORS

Humana's financial advisors in connection with the Offering and the listing on Nasdaq Stockholm are Carnegie and SEB who act as Joint Global Coordinators and Joint Bookrunners in the Offering. ABG and DNB act as Joint Bookrunners in the Offering. The total consideration to the financial advisors depends on the outcome of the Offering. These advisors (including related companies) have provided, and may in the future provide, various banking, financial, investing, commercial and other services to Humana for which they have received, and may receive, compensation.

Mannheimer Swartling Advokatbyrå is Humana's legal advisor in connection with Offering and the listing on Nasdaq Stockholm.

SUBSCRIPTION COMMITMENTS

Zeres Capital, Bodenholm Capital, Handelsbanken Fonder, Incentive, ODIN Fonder and Swedbank Robur have, vis-à-vis Joint Global Coordinators, the Principal Owner and Humana, undertaken in the Offering, on the same terms and conditions as other investors, to acquire shares at an amount of SEK 125 million, SEK 65 million, SEK 65 million, SEK 65 million, SEK 65 million and SEK 65 million respectively. Accordingly, the Offering is secured to approximately 50.7 per cent (assuming an Offer Price of SEK 58 which is at the mid-point of the Price Range and that the Over-Allotment Option is exercised in full).

The Anchor Investors will receive no compensation for the respective undertakings and investments by the Anchor Investors are made on the same terms and conditions as other investors in the Offering. Joint Global Coordinators, the Principal Owner and the board of directors of the Company make the assessment that the Anchor Investors have good credit ratings and thus will be able to discharge their respective undertakings. However, the Anchor Investors' undertakings are not secured through bank guarantees, blocked funds or pledging of collateral or any similar arrangement. The Anchor Investors' undertakings are subject to certain conditions. In the event that any of these conditions are not fulfilled, there is a risk that the Anchor Investors may not fulfil their undertakings.

Anchor Investor	Investment amount (SEK million)	Numbers of shares ¹⁾	Portion of total number of shares in the Company following completion of the Offering, % ¹⁾
Zeres Capital	125	2,155,172	4.0
Bodenholm Capital	65	1,120,689	2.1
Handelsbanken Fonder	65	1,120,689	2.1
Incentive	65	1,120,689	2.1
ODIN Fonder	65	1,120,689	2.1
Swedbank Robur	65	1,120,689	2.1
Total	450	7,758,617	14.5

1) Assuming an Offer Price of SEK 58, which is at the mid-point of the Price Range.

Zeres Capital

Zeres Capital is an independent fund manager based in Stockholm. Zeres Capital invests in a concentrated portfolio of listed Nordic small cap companies with the aim to create value through active collaborative ownership.

Bodenholm Capital

Bodenholm Capital is a long-term oriented global investment fund, investing in quality companies with a multi-year investment horizon. Bodenholm Capital runs a concentrated portfolio of around 20 investments, enabling it to do deep due diligence to properly understand the drivers of the business it invests in. Bodenholm Capital is backed by Brummer & Partners.

Handelsbanken Fonder

Handelsbanken Fonder is a wholly owned subsidiary of Svenska Handelsbanken and is a significant fund manager in Scandinavia. Handelsbanken Fonder offers funds that are targeted towards private individuals as well as institutional clients.

Incentive AS

Incentive AS is an investment firm based in the Nordic region that invests in a concentrated portfolio of sound businesses it believes will produce attractive returns for its investors over long periods.

ODIN Fonder

ODIN Fonder was founded in 1990 and is one of Norway's leading fund managers and a wholly-owned subsidiary of SpareBank 1 Gruppen AS in Norway. ODIN Fonder is an active, responsible and long-term fund manager. ODIN Fonder invests in companies with capable management teams, operating excellence and strong competitive positions, when the price offered by the market is attractive.

Swedbank Robur

Swedbank Robur is one of Scandinavia's largest fund managers and a wholly owned subsidiary of Swedbank. Swedbank Robur offers savings alternatives for retail and institutional clients through mutual funds and discretionary asset management.

DOCUMENTS ON DISPLAY

The following documents are available in electronic form on Humana's website, www.humana.se. Copies of the documents are also available at Humana's head office, Warfvinges väg 39, SE-112 51 in Stockholm, during the term of the Offering Memorandum (regular office hours on weekdays).

- Humana's Articles of Association.
- The annual reports of Humana for the financial years 2014–2015.

The annual reports of Humana's subsidiaries for the financial years 2014–2015 are available at Humana's head office on the address above.

Tax considerations

*The following is a summary of certain tax consequences that may arise from the Offering and is intended as general information only. The statements concerning Swedish tax laws and U.S. federal income tax laws set forth below, including concerning the Convention Between the Government of Sweden and the Government of the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “**Treaty**”), are based on the laws and regulations as at the date of this Offering Memorandum and are subject to any changes in Swedish or U.S. law, or in the Treaty, occurring after that date, which changes may have retroactive effect.*

CERTAIN TAX CONSIDERATIONS IN SWEDEN

Presented below is a summary of certain tax consequences which may arise as a result of the Offering. Unless otherwise stated, the summary applies only to individuals and limited liability companies who are tax resident in Sweden. The summary is based on governing legislation and on the assumption that the terms for the Offering are fulfilled, and is intended to serve solely as general information as from the date on which the shares are admitted to trading on Nasdaq Stockholm. The summary does not cover securities held by partnerships or held as current assets in business operations. Furthermore, the summary does not cover the specific rules on tax-exempt capital gains (including non-deductibility in the event of capital losses) and dividends in the corporate sector, which may become applicable when shareholders hold shares that are considered to be held for business purposes (Sw. *näringsbetingade andelar*). Nor does the summary cover the special rules which may be applicable to holdings in companies which are, or previously were, closely-held companies, or to shares acquired pursuant to so-called qualified shares in closely-held companies. Nor does the summary cover shares or other securities that are held in a so-called investment savings account and that are subject to special rules on standardised taxation. Special tax rules apply to certain types of taxpayers, e.g. investment companies and insurance companies. The taxation of each individual shareholder depends on his or her unique circumstances. Each holder of shares should therefore consult with a tax advisor in order to obtain information regarding the special consequences which may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

Individuals

Capital gains taxation

When listed shares or other equity-related securities are sold or otherwise disposed of, a taxable capital gain or a deductible capital loss may arise. Capital gains are taxed as income from capital at a rate of 30 per cent. The capital gain or the capital loss is normally calculated as the difference between the sales proceeds, less selling expenses, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method.

When selling listed shares, e.g. shares in the Company, the tax basis may alternatively be determined as 20 per cent of the sales

proceeds after deduction of selling expenses under the “notional rule”.

Capital losses on listed shares and other listed equity-related securities are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in securities funds or special funds that consist solely of Swedish receivables (“interest funds”). Capital losses on shares and other securities which cannot be set off in this way can be deducted with up to 70 per cent against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and state income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 per cent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

Dividend taxation

For individuals, dividends are taxed as income from capital at a rate of 30 per cent. A preliminary tax of 30 per cent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, in the case of nominee-registered shares, by the nominee.

Limited liability companies

Capital gains and dividend taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 22 per cent. Capital gains and capital losses are calculated in the same manner as described above with respect to individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on such securities. Provided certain conditions are fulfilled, such capital losses may also be deducted against capital gains in another company in the same group, provided the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss which cannot be utilised in a particular year may be carried forward and set off against taxable capital gains on shares and other equity-related securities in subsequent fiscal years, without limitation in time.

Specific tax issues for holders of shares who are not tax resident in Sweden

Withholding tax

Swedish withholding tax is normally imposed on dividends paid on shares in a Swedish limited liability company to shareholders who are not tax resident in Sweden. The tax rate is 30 per cent. However, the tax rate is generally reduced under tax treaties that Sweden has concluded with other countries for the avoidance of double taxation. Most of Sweden's tax treaties allow for reduction of the Swedish tax to the tax rate under the treaty directly in conjunction with the payment of dividends, provided necessary information is available regarding the party entitled to the dividend. Under the Treaty the tax rate is reduced to 5 per cent for U.S. resident companies owning shares representing at least 10 per cent of the total voting rights, and to 15 per cent in other cases. The tax rate for U.S. resident companies and pension funds may be further reduced to 0 per cent if certain requirements set out in the Treaty are fulfilled. In Sweden, deductions for withholding tax are normally made by Euroclear Sweden or, with respect to nominee-registered shares, by the nominee.

In those cases where 30 per cent withholding tax is withheld in conjunction with payment to a person who is entitled to be taxed at a lower tax rate, or where excessive withholding tax has otherwise been withheld, refund may be requested from the Swedish Tax Agency (Sw. *Skatteverket*) prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation

Holders of shares who are not tax resident in Sweden and whose holding is not attributable to a permanent establishment in Sweden are generally not subject to capital gains taxation in Sweden upon the disposal of such shares. The holders of shares may, however, be subject to taxation in their country of residence.

Under a specific tax rule, individual shareholders that are not tax resident in Sweden may, however, be subject to tax in Sweden upon the sale of certain securities if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties between Sweden and other countries. However, the period is not reduced under the Treaty.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of purchasing, owning and disposing of shares in Humana, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire shares in Humana. This discussion applies only to a U.S. Holder that holds shares in Humana as capital assets for tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences, the Medicare contribution tax, and tax

consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of
- tax accounting;
- persons holding shares in Humana as part of a hedging transaction, straddle,
- wash sale, conversion transaction or integrated transaction or persons
- entering into a constructive sale with respect to the shares in Humana;
- persons whose functional currency for U.S. federal income tax purposes
- is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own ten per cent or more of the
- Company's voting stock; or
- persons holding shares in connection with a trade or business conducted
- outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns shares in Humana, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning shares in Humana and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of shares in Humana.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Revenue Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the Treaty, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

A "U.S. Holder" is a shareholder who, for U.S. federal income tax purposes, is a beneficial owner of shares in Humana and is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or
- organized in or under the laws of the United States, any state therein
- or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal
- income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of shares in Humana in their particular circumstances.

THIS DISCUSSION ALSO ASSUMES THAT HUMANA IS NOT, AND WILL NOT BECOME, A PASSIVE FOREIGN INVESTMENT COMPANY, AS DESCRIBED BELOW.

Taxation of distributions

Distributions paid on shares in Humana, other than certain pro rata distributions of ordinary shares, will be treated as dividends to the extent paid out of Humana's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). It is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at favorable rates. The amount of a dividend will be treated as foreign-source dividend income, will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Revenue Code, and will include any amounts withheld by Humana in respect of Swedish taxes. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any dividend income paid in Swedish Krona will be the U.S. dollar amount calculated by reference to the spot rate of exchange in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on that date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Subject to applicable conditions and limitations (which may include holding period conditions), Swedish income taxes withheld from dividends on shares in Humana at a rate not exceeding any applicable Treaty rate will be creditable against the U.S. Holder's U.S. federal income tax liability. Swedish taxes withheld in excess of the rate applicable under the Treaty will not be eligible for credit against a U.S. Holder's federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other disposition of shares in Humana

For U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of shares in Humana will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the shares in Humana for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the shares in Humana disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of a capital loss is subject to limitations.

Passive foreign investment company rules

The Company does not expect to be classified as a "passive foreign investment company" (a "PFIC") for U.S. federal income tax purposes for its current taxable year or in the foreseeable future. However, because PFIC status depends on the composition of a company's income and assets and the market value of its assets from time to time, there can be no assurance that Humana will not be a PFIC for any taxable year, and neither the Company nor its legal counsel expresses any opinion on the Company's potential PFIC status currently or in the future.

If Humana is classified as a PFIC for any taxable year during which a U.S. Holder held shares in Humana, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the shares in Humana would be allocated ratably over the U.S. Holder's holding period for the shares in Humana. The amounts allocated to the taxable year of the sale or other disposition and to any year before Humana became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a U.S. Holder on its shares in Humana exceeds 125 per cent of the average of the annual distributions on the shares in Humana received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the shares in Humana. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances in the event the company is classified as a PFIC.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Transfer restrictions

The offer to acquire shares in Humana to persons resident or citizens in countries other than Sweden may be affected by legislation in such jurisdictions and may be subject to restrictions. Investors should engage professional advisers to assess whether regulatory approvals or other authorisations are required, and whether other formal requirements must be complied with, in order for the investors to be able to acquire shares in Humana. Measures in violation of the restrictions in this section may constitute a violation of applicable securities legislation.

GENERAL

Humana, Argan Capital and Managers have not taken and will not take any actions to permit a public offering of shares in Humana in any jurisdiction other than Sweden. The Offering is not made to persons resident in the United States (other than pursuant to the placement of shares in Humana to persons in the United States under and in compliance with the Placing Agreement (the “**U.S. Placement**”), Canada, Hong Kong, Japan, Australia, New Zealand, South Africa, Singapore or in any other jurisdiction where participation would require additional prospectuses, registration or measures other than those required by Swedish law. In such jurisdictions, the receipt of this Offering Memorandum should not be deemed to be an offering.

Unless otherwise is explicitly stated in this Offering Memorandum, the following shall apply:

- Shares in Humana may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States (other than pursuant to the U.S. Placement), Canada, Hong Kong, Japan, Australia, New Zealand, South Africa, Singapore or any other jurisdiction where an offering of the shares is not permitted or where such action would require additional prospectuses, registration or measures other than those required by Swedish law (“**Unauthorised Jurisdictions**”), and
- The Offering Memorandum may not be distributed to any person in an Unauthorised Jurisdiction (other than in the United States if acquiring shares in Humana pursuant to the U.S. Placement) (“**Unauthorised Persons**”).

As a condition to any acquisition of shares under the Offering, each person acquiring shares in Humana will be deemed to have made the following representations and warranties that will be relied upon by Humana, Argan Capital and the Managers.

- the investor does not reside in any Unauthorised Jurisdiction (other than in the United States if acquiring shares in Humana pursuant to the U.S. Placement),
- the investor is not an Unauthorised Person,
- the investor does not act on behalf of, or for the benefit of, an Unauthorised Person,

- the investor – provided that such investor is not a QIB – resides outside of the United States and that potential persons that he is acting on behalf of, or for the benefit of, (on a non-discretionary basis) reside outside the United States and that the investor and such potential persons will reside outside the United States when carrying out a transaction in the shares,
- the investor understands that the shares in Humana neither have been nor will be registered under the Securities Act and that they may not be offered, pledged, sold, resold, delivered or otherwise transferred within the United States, nor on behalf of or for the benefit of persons residing in the United States, except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act, and
- the investor is lawfully entitled to be offered, acquire and receive the shares in Humana in the jurisdiction where the person concerned is domiciled or currently resides.

If a person acts on behalf of an investor (e.g. as a fiduciary, legal guardian or trustee), such person shall be deemed to have made or make the abovementioned representations and warranties to Humana, Argan Capital and the Managers in respect of the acquisition of shares in Humana on behalf of the holder. If such person cannot make or cannot make the above-mentioned representations and warranties, Humana, Argan Capital and the Managers are not obligated to execute any allotment of shares in Humana to such person or any person who is acting on behalf of such person.

Taking account of the specific restrictions that are presented below, investors, (including their fiduciary, legal guardian and trustee) who are resident outside of Sweden and wish to acquire shares in Humana, are responsible for compliance with applicable legislation in the relevant jurisdiction, including obtaining any required regulatory approvals or other authorisations, observing any other potential formalities as well as paying any taxes required in such jurisdictions.

With some exceptions, offers or subscriptions to acquire shares in Humana from any Unauthorised Jurisdiction will be considered invalid and shares in Humana will not be delivered to recipients in Unauthorised Jurisdictions. Humana, Argan Capital and the Managers reserve the right to disregard or declare null and void any subscriptions or offers to acquire shares in Humana that are made by order of persons who (i) have stated an address in an Unauthorised Jurisdiction, (ii) are unable to undertake or guarantee that they are not residing in an Unauthorised Jurisdiction and/or are not an Unauthorised Person, or (iii) Humana, Argan Capital or the Managers understand has signed his subscription or offer to acquire shares in Humana in, or sent it from, an Unauthorised Jurisdiction. Furthermore, Humana, Argan Capital and the Managers reserve the right to declare null and void a subscription or offer to acquire shares in Humana that seems to be executed or otherwise carried out in a way that may entail a violation or breach of laws or regulations of any jurisdiction.

Regardless of what is otherwise stated in this Offering Memorandum, Humana, Argan Capital and the Managers reserve the right to allow an investor to acquire shares in Humana if they consider the transaction in question to be exempt from, or not subject to, the laws and regulations that give rise to the relevant restrictions. The applicable exemptions in certain jurisdictions are described below. In these cases, Humana, Argan Capital and the Managers do not undertake any liability for any actions made by the investors nor for any consequences that the investor may suffer that may be caused by Humana, Argan Capital and the Managers allowing the investor's acquisition of shares.

Neither Humana, Argan Capital nor any of the Managers guarantee that an investment in shares in Humana is permitted under applicable legislation. Every investor should engage own advisers and complete an independent assessment of the legal, tax, commercial, financial and other implications that follow an acquisition of shares in Humana.

Certain risks apply to an investment in shares. See the section “*Risk factors*” for a report on certain risks that should be observed by potential investors prior to an investment in Humana.

UNITED STATES

This Offering is not a public offering (within the meaning of the Securities Act) of securities in the United States. The shares in Humana have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States, unless the shares in Humana are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. In the United States, the shares in Humana will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the Securities Act and applicable state securities laws. All offers and sales of the shares in Humana outside the United States will be made in compliance with Regulation S under the Securities Act and in accordance with applicable law.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offering or sale of shares in Humana within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

The offering of the shares in Humana is being made in the United States by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act.

Humana is a Swedish limited liability company. All of the Company's board members and management are resident outside the United States. A substantial portion of Humana's assets and the assets of such persons' are located outside the United States. As a result, it may not be possible for investors to effect service of a lawsuit against Humana or such persons, or by a U.S. court enforce a U.S. judgment against Humana or the management of Humana. U.S. judgments or enforcement decisions, relating to the civil liability provisions of the federal or state securities laws in the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than for arbitration awards. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit the final judgment that has been rendered in the United States to a Swedish court. Even though a judgment by a federal or state court in the United States against the Company or the Group will neither be recognized nor enforced by a Swedish court, such judgment may serve as evidence in a similar action in a Swedish court.

Notice to U.S. investors

Each purchaser of shares in Humana within the United States will be deemed to have represented and agreed that:

- A. the purchaser is authorized to consummate the purchase of the shares in Humana in compliance with all applicable laws and regulations;
- B. the purchaser understands and acknowledges that the shares in Humana have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state of the United States, that sellers of the shares in Humana may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A thereunder and that the shares in Humana may not be offered, sold, pledged or otherwise transferred, directly or indirectly, other than in accordance with paragraph (F) below;
- C. such purchaser (i) is, and the time of its purchase of any shares in Humana will be, a QIB, and (ii) is acquiring the shares in Humana for its own account or for the accounts of one or more QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgments, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any such shares in Humana;
- D. the purchaser understands and agrees that the shares in Humana are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the Securities Act or which is exempt from the registration requirements of the Securities Act;
- E. the shares in Humana are “restricted securities” within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such shares;
- F. if, in the future, such purchaser or any such other QIB for which it is acting, as described in paragraph C above, or any other fiduciary or agent representing such investor decides to offer, resell, deliver, hypothecate, pledge or otherwise transfer such shares in Humana, such shares in Humana may be offered, sold, delivered, hypothecated, pledged or otherwise transferred only (i) pursuant to an effective registration statement under the Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an “offshore transaction” pursuant to Rule 903 or Rule 904 of Regulation S (and not in a pre-arranged transaction resulting in the resale of such shares in Humana into the United States), or (iv) in accordance with Rule 144 under the Securities Act, and, in each case, in accordance with all applicable securities laws of the United States or any other jurisdiction. The purchaser understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of the Shares;
- G. the purchaser understands that for so long as the shares in Humana are “restricted securities” within the meaning of the U.S. federal securities laws, no such shares in Humana may be deposited into any American depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, and that such shares in Humana will not settle or trade through the facilities of the Depositary Trust Company or any other U.S. clearing system;
- H. (the purchaser has received a copy of this Offering Memorandum and has had access to such financial and other information concerning Humana as it deems necessary in connection with making its own investment decision to purchase shares in Humana. The purchaser acknowledges that none of the Company, the Managers or any of their respective representatives has made any representation to it with respect to the Company or the allocation, offering or sale of any shares in Humana other than as set forth in this Offering Memorandum, which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the shares in Humana. The purchaser also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the shares in Humana. The purchaser has held and will hold any offering materials, including this Offering Memorandum, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it;
- I. the purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers, and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. The purchaser irrevocably authorizes the Company and the Managers to produce this Offering Memorandum to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein;
- J. the purchaser undertakes promptly to notify the Company and the Managers if, at any time prior to the purchase of the shares in Humana, any of the foregoing ceases to be true;
- K. Humana will not recognize any offer, sale, pledge, delivery, hypothecation or other transfer of the shares in Humana made other than in compliance with the above-stated restrictions; and that
- L. the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Notice to Regulation S investors

Each purchaser of the shares in Humana pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

- A. the purchaser is authorized to consummate the purchase of the shares in Humana in compliance with all applicable laws and regulations;
- B. the shares in Humana have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States;
- C. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the shares in Humana, was located outside the United States at the time the buy order for the shares in Humana was originated and continues to be located outside the United States and has not purchased the shares in Humana for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the shares in Humana or any economic interest therein to any person in the United States;
- D. the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;
- E. the shares in Humana have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- F. the purchaser is aware of the restrictions on the offer and sale of the shares in Humana pursuant to Regulation S described in this Offering Memorandum;
- G. Humana shall not recognize any offer, sale, pledge, delivery, hypothecation or other transfer of the shares in Humana made other than in compliance with the above-stated restrictions;
- H. if it is acquiring any of the shares in Humana as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account; and
- I. the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

AGREEMENT ON CONFIDENTIALITY

Recipients of this document outside of Sweden are hereby informed that this document is provided on a confidential basis and may not, under any circumstances, be reproduced, forwarded or otherwise further distributed, neither in whole nor in part. Furthermore, the recipient is only permitted to use this document for the purpose of considering an acquisition of shares in Humana and may not disclose the content of this document or use any information herein for any other purpose. This document is personal for every recipient and does not constitute an offering to acquire shares to any person or to the public in any jurisdiction outside Sweden. Recipients of this document will be deemed to have agreed to the above by receiving this document.

ENFORCEMENT OF CIVIL LIABILITIES

Humana is a Swedish limited liability company. All of the Company’s board members and management are resident outside the United States. A substantial portion of Humana’s assets and the assets of such persons’ are located outside the United States. As a result, it may not be possible for investors to effect service of a lawsuit against Humana or such persons, or by a U.S. court enforce a U.S. judgment against Humana or the management of Humana. U.S. judgments or enforcement decisions, relating to the civil liability provisions of the federal or state securities laws in the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than for arbitration awards. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit the final judgment that has been rendered in the United States to a Swedish court. Even though a judgment by a federal or state court in the United States against the Company or the Group will neither be recognized nor enforced by a Swedish court, such judgment may serve as evidence in a similar action in a Swedish court.

EEA

No public offering of shares in Humana is made to any other countries within the European Economic Area (the “**EEA**”) other than Sweden. In other member states of the EEA, which have implemented the Prospectus Directive, such offer may be made only to “qualified investors” in accordance with the definition under article 2.1 e) of the Prospectus Directive or under any other circumstances that do not require Humana, Argan Capital or the Managers to announce a prospectus in the relevant member state under article 3 of the Prospectus Directive. Each recipient of this Offering Memorandum will be deemed to have committed and guaranteed that they neither have nor will make a public offering in any member state of the EEA.

The expression “an offering to the public” refers to the definition as set forth in article 2.1 d) of the Prospectus Directive. The expression “**Prospectus Directive**” refers to Directive 2003/71/EC of the European Parliament and of the Council and includes any relevant implementing measure in each relevant member state (including implementing measures of Directive 2010/73/EU of the European Parliament and of the Council amending the Prospectus Directive etc.).

UNITED KINGDOM

In the United Kingdom, this Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with, “qualified investors” (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). Persons who are not relevant persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

OTHER JURISDICTIONS

The shares in Humana have not been registered and will not be registered in Canada, Hong Kong, Japan, Australia, New Zealand, South Africa, Singapore or any jurisdiction outside of Sweden and may therefore not be offered or sold in or to any such jurisdiction other than in certain exempt cases where a prospectus would not be required under applicable laws and regulations in such jurisdiction and otherwise would comply with the applicable securities legislation in such jurisdiction.

Historical financial information

Financial information for the financial years 2015, 2014 and 2013	Page
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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, 20	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	
	K17					
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%-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 9 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 sale-and-leaseback. Humana conducted a sale and leaseback transaction involving properties 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 major part of the economic life of the properties and the present value of the minimum lease fees in all material respects do not amount to substantially all of 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 foster 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 psychologic and psychiatric care, and foster homes and sheltered housing for children and adolescents.

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% 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 accommodation 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% 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 Assistans 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)

- Foster home in the Stockholm area.

Other acquisitions

Salboheds Gruppboende, July 2015 (I & F)

- Group home for students in need of special support.

Ramlösa Social Utveckling, November 2015 (I & F)

- Foster 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 305 (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 foster home operations and outpatient care.

TUA/TG, September 2014 (Norway)

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

Other acquisitions**Ungdomshemmet Hajstorp, 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 Gård, 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:**Dauidsbo 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 Englands 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 Dauidsbo and HVB Lappetorp include contingent consideration clauses:

Dauidsbo: 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	Dauidsbo	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

* Calculated according to RedR 1 Annual Report, that is, the number of hours worked relative to normal annual working hours.

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 paid 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 per cent. If Alecta's collective funding ratio falls below 125 per cent or exceeds 155 per cent, 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% (143% 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 small number 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 after tax	Discount rate before 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% (6.9%) after tax and 10.4% (8.8%) 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% for years 1-5 and then 1.2%. If the operating margin would have been 0.6-1.1% in years 1-5 and then 1.1%, the carrying amount would have been equal to the recoverable amount.

Note G13 Other intangible assets

2015	Systems 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 and 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

	Within 1 year	Between 1 and 5 years	After 5 years	Total	Present value
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% 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
Amount due 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. Humana uses derivatives in the form of interest rate swaps, where Humana receives a floating interest rate and pays fixed interest to the swap counterparties to hedge interest rate risk on borrowings. In accordance with IFRS, derivatives are valued at market value at each reporting date with changes in value in the income statement as net financial items. Under the existing loan agreement, Humana must hedge the interest for half of the credit facilities under the loan agreement. As at 31 December 2015, Humana had hedged the interest for SEK 907 million of the Company's loans up to 24 April 2017. In addition, Humana signed a so-called interest rate cap that limits the interest payments for a portion of the Company's loans by offering a rate cap. The derivative covers SEK 800 million of the Company's loans and is valid from 24 April 2017 until 28 December 2018. As at 31 December 2015, the total carrying amount for all derivatives amounted to SEK -38 million. 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% 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% 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:

	Income statement	
	Increase	Decrease
Additional consideration		
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% 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 Försäkringskassan's (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% 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%
Baggium 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 Barnevernscenter 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%
Davidsbo Fastigheter AB, 556787-3327	1,000	Norberg	100%
Davidsbo Invest AB, 556806-2698	500	Norberg	100%
Davidsbågård AB, 556709-4296	1,000	Norberg	100%
Ekonomibyårn i Wermland 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 Assistanse AS, 914 597 811	3,956	Stjordal, 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%
Istria AB, 559020-2452	1,000	Lund	100%
JOWE AB, 556644-6281	100	Stockholm	100%
KBT Mälardalen AB, 556718-7025	1,000	Stockholm	100%
K-rehab AB, 556766-2720	6,000	Sandviken	100%
Lunna Gård AB, 556586-2371	1,000	Stockholm	100%
Läft 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%
Norrbärke 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%
Wikmansgården 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

P1 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.

P2 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 interest 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.

Auditor's report on historical financial information

To the Board of Directors of Humana AB, Corporate Id.No. 556760-8475

We have audited the financial statements for Humana AB on pages F-2 to F-22 which comprise the consolidated balance sheets at 31 December 2015, 2014 and 2013 and the consolidated statement of income and other comprehensive income, cash flows and changes in equity for each of the years during the three-year period ending on 31 December 2015, and a summary of significant accounting policies and other explanatory notes.

The Board of Directors' and the Chief Executive Officer's responsibility for the financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the financial statements to provide a fair view of the financial position, financial performance, changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the preparation and fair presentation of the financial statements in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the Swedish Institute of Authorized Public Accountants, FAR, recommendation RevR 5, Examination of Financial Information in Prospectuses. This recommendation requires that we comply with the Swedish Institute of Authorized Public Accountants' ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

An audit in accordance with FAR's recommendation RevR 5, Examination of Financial Information in Prospectuses, involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on our assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those 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 accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Chief Executive Officer and evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU of the consolidated financial position of Humana AB as of 31 December 2015, 2014 and 2013 and its consolidated financial performance, statement of changes in equity and cash flows for each of the years during the three-year period ending on 31 December 2015.

Stockholm 9 March 2016

KPMG AB

Petra Lindström

Authorized Public Accountant



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Everyone is entitled
to a good life.
Yes, everyone.



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