



Year-end report
January - December 2015

Attendo AB (publ)

Year-end report January – December 2015

Summary of the fourth quarter 2015

- Net sales increased by 11 percent to SEK 2,564 (2,316), before and after adjustments for currency effects.
- Operating profit (EBITA) increased by 41 percent to SEK 215m (153), representing an operating margin of 8 percent (7).
- Adjusted profit for the period¹ amounted to SEK 114m (-27), which represents adjusted earnings per share² after dilution of SEK 0.71 (-0.17).
- Profit for the period amounted to SEK -9m (-27), which represents a profit margin of -0 percent (-1) and earnings per share² after dilution of SEK -0.06 (-0.17).
- Operating cash flow amounted to SEK 324m (312).

Summary of the period January - December 2015

- Net sales increased by 9 percent to SEK 9,831 (9,045). Adjusted for currency effects, growth was 7 percent.
- Operating profit (EBITA) increased by 14 percent to SEK 933m (822), representing an operating margin of 9 percent (9).
- Adjusted profit for the period¹ amounted to SEK 409m (263), which represents adjusted earnings per share² after dilution of SEK 2.56 (1.64).
- Profit for the period amounted to SEK 286m (263), which represents a profit margin of 3 percent (3) and earnings per share² after dilution of 1.79 (1.64).
- Operating cash flow amounted to SEK 765m (700).
- The Board proposes a dividend of SEK 0.54 per share for the year 2015.

SEKm	Q4 2015	Q4 2014	Change, %	Jan–Dec 2015	Jan–Dec 2014	Change, %
Net sales	2,564	2,316	11	9,831	9,045	9
Operating profit (EBITA)	215	153	41	933	822	14
<i>Operating margin (EBITA), %</i>	<i>8.4</i>	<i>6.6</i>	<i>-</i>	<i>9.5</i>	<i>9.1</i>	<i>-</i>
Profit for the period	-9	-27	67	286	263	9
Profit for the period adjusted ¹	114	-27	-	409	263	56
Earnings per share diluted ² , kr	-0.06	-0.17	65	1.79	1.64	9
Adjusted earnings per share, diluted ^{1,2} , kr	0.71	-0.17	-	2.56	1.64	56
Operating cash flow	324	312	4	765	700	9
Average number of employees	14,285	13,918	3	14,512	14,214	2

1. Profit adjusted for financial costs related to the refinancing of SEK 123m, net of tax.

2. Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 28.

Comments by Henrik Borelius, CEO

The fourth quarter showed a strong growth and strong profit driven by own operations, where there is a great demand for our homes. The quarter was one of Attendo's strongest in terms of new operations, where for example eight own homes opened, while construction of seven new units began. In summary it was a strong quarter and a good 2015, well in line with our long term goals. The need for new beds in care for older people in Sweden was highlighted during the quarter, which confirms the opportunities for continued growth. I look forward to a good development of Attendo as a listed company.

The full year and the fourth quarter were characterized by very strong performance in *Own operations*. Attendo's offerings are attractive which has generated strong organic growth. Occupancy in our own homes is good and we have worked in a structured way with planning and improved processes, which is reflected in the profit for the fourth quarter. As reported during the quarter, there is a shortage of nursing homes within care for older people and to meet this demand Attendo continues to invest. During 2015 Attendo opened around 700 nursing home beds for older people, and at year-end we had around 700 nursing home beds under construction.

In *Outsourcing operations* net sales increased slightly both on a full year as well as on a quarterly basis, mainly due to the start of new contracts in the beginning of 2015.

Staffing operations, which earlier this year had a weak sales trend, improved during the fourth quarter. Our assessment is however that both outsourcing and staffing will continue to be challenging markets.

Structured quality work and competence developments are high on the agenda of Attendo. During the fourth quarter the company's quality thermometer showed a good development, with an index of 85 percent compared with 78 percent at the end of 2014. In Attendo Academy nearly 140 000 hours of training were conducted in 2015 - an important investment in our employees and important in order to be able to offer high quality care services.

In Finland, the government has agreed on the content and structure of the new SOTE regions which as of January 1, 2019 are taking over the main responsibility for care and health care. Freedom of choice should be encouraged and private providers should be able to offer care and health care services. In Sweden, the current anti-profit inquiry got partly new directives. For example, it will no longer propose an abolition of freedom of choice within primary care.

During 2015 we celebrated Attendo's 30th anniversary. The highlight of the fourth quarter was the company's IPO which attracted great interest from institutions and the interest from private investors was one of the highest ever in Sweden. 30,000 private persons subscribed for shares and we are particularly satisfied that from them, approximately 800 were Attendo employees. We welcome the many new owners which through their participation in the listing show us their confidence and willingness to take part of Attendo's future development.

To summarize, Attendo is positive about 2016. Our market position is strong and prospects are good for continued stable growth with good quality and profitability.

Summary of the fourth quarter

Net sales and operating profit

Net sales increased 10.7 percent to SEK 2,564m (2,316) in the fourth quarter, before and after adjustments for currency effects. Adjusted for currency effects, net sales increased in all geographical markets.

The growth is explained by new units primarily in own operations, improved occupancy in own units which were under start-up during fourth quarter 2014, contractual price increases and acquisitions.

Net sales increased in own operations by 17.0 percent, in outsourcing operations by 3.7 percent, and in staffing operations 0.4 percent.

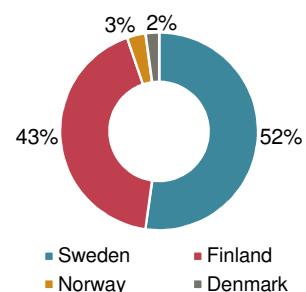
Operating profit (EBITA) increased by 40.5 percent to SEK 215m (153) and operating margin increased to 8.4 percent (6.6). The profit increase is explained by higher occupancy in own units which were under start-up during the fourth quarter 2014, and higher profitability in existing own units as a result of better planning and improved processes. New own units continue to perform well and contributed slightly to the profit. Ended contracts in outsourcing and staffing operations were almost fully compensated by new started contracts. The profit in the comparable quarter 2014 was low due to challenging start-ups and weaker profit in some operations.

Operating profit (EBITA) was impacted by one-time items in the fourth quarter 2015; consultancy costs related to the IPO of SEK -22m, and a curtailment gain from pension liabilities resulting in a reduction of personnel costs of SEK 25m. Changes in currency exchange rates had a negative effect on operating profit of SEK -1m compared to the same period prior year.

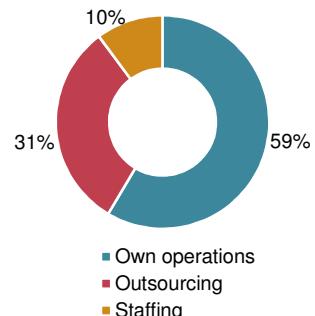
Operating profit (EBIT) increased to SEK 201m (140). Amortization on acquisition related intangible assets was SEK 1m higher compared to the fourth quarter 2014.

At the end of the fourth quarter, Attendo had 510 (480) units in operation, of which 354 own units. The number of beds in operation amounted to 12,596 (11,340), of which 8,612 in own units. Own units and beds under construction were 16 and 755 respectively.

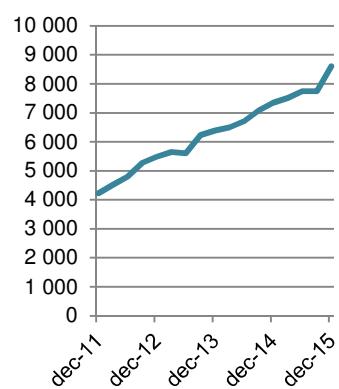
Net sales per country,
Q4 2015



Net sales per contract
model,
Q4 2015



Number of beds in own units
(Care for older people,
people with disabilities and
individuals and families)



Net financial items

Net financial items amounted to SEK -231m (-97) in the fourth quarter, whereof net interest amounted to SEK -62m (-92). The refinancing that was conducted related to the IPO entailed a write down of capitalized financing costs since the existing loans were replaced before maturity. These write down costs, together with costs for prepayment of loans, has negatively impacted the financial items by SEK 158m in the quarter. Net interest improved following decreased leverage and lower interest margins.

Income tax

The income tax for the quarter amounted to SEK 21m (-70).

Profit for the period

Profit for the period amounted to SEK -9m (-27), which represents an earnings per share² after dilution of SEK -0.06 (-0.17). Adjusted profit for the period¹ amounted to SEK 114m (-27), which represents an adjusted earnings per share^{1,2} after dilution of SEK 0.71 (-0.17).

1. Profit adjusted for financial costs related to the refinancing of SEK 123m, net of tax.

2. Earnings per share in the comparable period have been calculated based on the average number of shares after the listing. See definitions page 28.

Summary of January – December 2015

Net sales and operating profit

Net sales for the full year increased by 8.7 percent to SEK 9,831m (9,045). Adjusted for currency effects the increase was 7.5 percent. Adjusted for currency effects, net sales increased in all geographical markets except for Norway.

The growth is explained by new units primarily in own operations, improved occupancy in own units which were under start-up during 2014, contractual price increases and acquisitions.

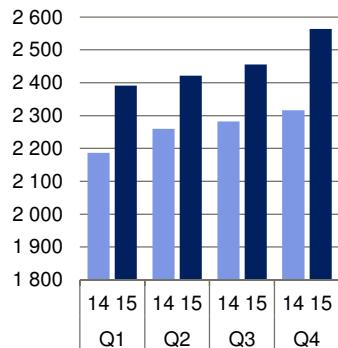
Net sales in own and outsourcing operations increased by 15.7 and 2.8 percent respectively, while net sales in staffing operations decreased by -5.7 percent.

Operating profit (EBITA) increased by 13.5 percent to SEK 933m (822) and the operating margin increased to 9.5 percent (9.1). The improved full year operating profit was explained by the same items as impacted the fourth quarter. Existing own units developed well, better planning and improved processes improved profitability and new own units in start-up phase contributed positively to the profit. Ended contracts in outsourcing and staffing operations were not fully compensated by new started contracts. The full year operating profit was affected by a capital gain of SEK 15m due to the sale of a real-estate in the third quarter 2015.

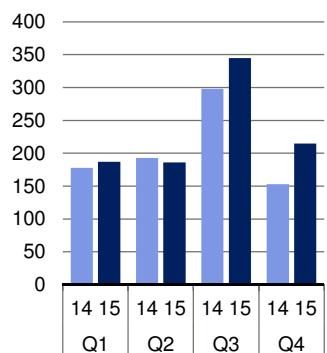
The operating profit (EBITA) was affected by one-time items; consultancy costs in connection with the IPO of SEK -28m, and curtailment gain from pension liabilities resulting in a reduction of personnel costs of SEK 25m. Changes in currency exchange rates had a positive effect on operating profit of SEK 12m.

The operating profit (EBIT) increased to SEK 887m (807). Amortization on acquisition related intangible assets was SEK 31m higher compared to 2014.

Net sales
SEKm



Operating profit
SEKm



Net financial items

Net financial items amounted to SEK -537m (-396) in the period, whereof net interest amounted to SEK -326m (-355). The negative financial net is mainly explained by the same factors as impacted the fourth quarter.

Income tax

Income tax amounted to SEK -64m (-148) representing a tax rate of 18.3 percent (36.0). The tax rate for 2015 is affected by non-taxable items at the end of the year.

Profit for the period

Profit for the period amounted to SEK 286m (263), which represents an earnings per share² after dilution of SEK 1.79 (1.64) Adjusted profit for the period¹ amounted to SEK 409m (263), which represents an earnings per share^{1,2} after dilution of SEK 2.56 (1.64).

1. Profit adjusted for financial costs related to the refinancing of SEK 123m, net of tax.

2. Earnings per share in the comparable period have been calculated based on the average number of shares after the listing. See definitions page 28.

Cash and cash equivalents and cash flow

Operating cash flow amounted to SEK 324m (312) during the quarter, whereof changes in working capital and other items was SEK 191m (209). The positive change in working capital is primarily explained by increased employee related liabilities during the quarter.

Cash flow from net investments in tangible and intangible assets amounted to SEK -46m (-48) and cash flow from acquisitions amounted to SEK -16m (-17). Cash flow from financing activities was SEK -282m (-10), following the net of proceeds from the new share issue and repayment of loans related to the refinancing.

Total cash flow for the quarter amounted to SEK -180m (215).

Operating cash flow for the full year 2015 amounted to SEK 765m (700) and total cash flow amounted to SEK-278m (190)

Financial position

Consolidated equity as per December 31, 2015 amounted to SEK 4,219m (2,569), which represents a diluted equity per share of SEK 26.36 (16.06).

Net debt amounted to SEK 2,827m (4,143). Following the IPO on November 30, Attendo was refinanced - new loans were raised and existing loans repaid. In connection with the IPO Attendo completed a new share issue of SEK 1,200m which is the main explanation for the decreased net debt.

SEKm	Dec 31, 2015	Dec 31, 2014
Interest-bearing liabilities	3,580	5,285
Provisions for post-employment benefits	29	67
Liquid funds	-782	-1,209
Net debt	2,827	4,143

Interest-bearing liabilities, excluding provisions for post-employment benefits, as per 31 December 2015 amounted to SEK 3,580m (5,285).

Liquid funds as per 31 December 2015 amounted to SEK 782m (1,209) and unutilized committed credit facilities amounted to SEK 449m (600).

The annual impairment test on goodwill based on cash generating units did not indicate any need of write-down.

Number of shares

As per 31 December 2015 the number of shares outstanding amounted to 160,000,000. For change in number of shares, see table on page 14.

Number of employees

The average number of employees amounted to 14,285 (13,918) in the fourth quarter 2015.

Own operations

Net sales in own operations amounted to SEK 1,498m (1,280) in the fourth quarter. The increase was 17.0 percent, of which acquired growth was 3.4 percentage points. The increase was mainly explained by new homes and improved occupancy in the units that were under start-up during the fourth quarter 2014. The increase in net sales is mainly attributable to care for older people but also to individual and families as a result of high demand for integration homes in Sweden.

Many new units opened during the quarter and the number of beds in operation increased heavily. Eight homes for care for older people and people with disabilities were opened in Sweden and Finland. Several beds in integration were opened, for example one home with 300 beds, which was temporarily closed during the third quarter.

In Sweden, a daily activity unit with nearly 30 places for people with disabilities opened.

During the quarter, construction started of three own nursing homes in Sweden and two own nursing homes in Finland for older people with in total 150 and 120 beds respectively. Construction also started of a home with 6 beds for people with disabilities in Sweden and a home in Finland with 16 beds in social psychiatry.

More and more local authorities are reporting shortages of beds in care for older people. Attendo estimates that over the last years, private providers have accounted for around half of all newly built nursing homes in both Sweden and Finland.

Units, beds and home care clients as of 31 December 2015

Own units	Total	Sweden	Finland	Norway	Denmark
Units in operation*	354	180	161	2	11
Beds in operation**	8,612	4,119	4,349	84	60
Beds under construction**	755	335	420	-	-
Home care clients	10,550	7,750	-	130	2,670

* All own units - including nursing homes, care homes, home care units and other units.

** Own nursing homes (CoP) and own care homes (care for people with disabilities, social psychiatry and individuals and families).

*** Own nursing homes (CoP) and own care homes (care for people with disabilities and social psychiatry).

Own operations

59% of Net sales

Operations in Sweden, Finland, Norway and Denmark

Outsourcing operations

Net sales in outsourcing operations amounted to SEK 805m (776) in the fourth quarter. The increase in net sales is explained by contracts that started in the beginning of 2015.

During the quarter, Attendo won, still not started contracts, with estimated annual net sales of approximately SEK 20m but lost on-going contracts with estimated annual net sales of approximately SEK 150m.

Units, beds and home care clients as of 31 December 2015

Outsourcing	Total	Sweden	Finland	Norway	Denmark
Units in operations*	135	96	33	5	1
Beds in operations**	3,984	3,230	416	310	28
Home care clients	620	90	520	-	-

* All outsourced units including nursing homes, care homes and home care units and other units.

** Nursing homes (CoP) and care homes (care for people with disabilities, social psychiatry and individuals and families).

Outsourcing operations

31 % of Net sales

Operations in Sweden, Finland, Norway and Denmark

Staffing operations

Net sales in staffing operations amounted to SEK 261m (260) in the fourth quarter. The subsidiary Terveyden Tuottajat Oy (TT) was deconsolidated on December 31, 2015 and was thereby fully consolidated in the income statement during the full year 2015. For further information of the deconsolidation effect on the income statement and balance sheet, see page 24.

Staffing operations

10 % of Net sales

Operations in Finland.

Quality and employees

Quality

The National Board of Health and Welfare's (NBH) latest comparison of units in care for older people shows that private care providers surpasses public operations on a number of key quality parameters. For example on the proportion with up-to-date implementation plans and medication reviews, the client influence on living environments, access to activities and access to properly tested equipment. The national client survey shows that the satisfaction with various care providers has been high for a long time, with well over 8 out of 10 satisfied with the services. In the 2015 survey, Attendo shows an improvement in nursing homes (from 80 to 82 percent) but a slight decline in home care (from 89 to 87 percent). In total, Attendo performs in line with other providers with an overall satisfaction of 84 percent.

Attendo's internal quality thermometer has improved during 2015 and showed a weighted index of 85.1 percent in the fourth quarter compared to 78.7 percent at the end of 2014. The most significant change compared to 2014 is explained by improved quality work in Finland.

Employees

Delivering high quality care services requires motivated employees with practical as well as theoretical knowledge in their profession. Attendo therefore offers employees both time and resources to train and improve their competence.

Under the name Attendo Academy a variety of training programs are held within the Group, each year. In 2015 almost 140,000 hours of training were conducted, equivalent to about 18,000 training days. In addition there is also vocational training, where Attendo offers free course material and other benefits during the study period. Among the most popular courses are the national leadership training, social law, coordinator programs, and certified contact persons.

An increasing proportion of the courses are web based, where employees are offered skill enhancement in areas such as dementia, diet and nutrition, working environment, ergonomics, hygiene, fire training, cardiovascular/pulmonary resuscitation and values in care for older people.

Attendo offers training in Practical leadership to managers in the company's 510 units. The program usually runs for a full year, where the content is adapted to the challenges that managers face in their roles. In 2015, 103 managers underwent such training.

Attendo's quality work

Attendo's quality model rests on three pillars: satisfied individuals, systematic improvements and best available knowledge. On-going development and monitoring of the necessary procedures, processes and documentation are of great importance for the quality of all health and social care. The work is conducted by local quality coaches with the support of central and independent quality departments. Recurring quality audits are conducted by Attendo, their customers and authorities.

Attendo's employees

As one of the leading social and health care companies, Attendo is a stable employer with collective agreements, contract insurance and good opportunities for personal development. Attendo values education and encourages higher education. At the same time other experiences and that the candidate shares our core values plays a big role in recruitment. To capture how satisfied the employees are with their work and their manager, regular employee surveys are conducted. The results provide important information about what works well and what needs to be improved.

Attendo's Quality reports are available on:
www.attendo.com/about-attendo

Market review

Sweden – strong demand for own operations

Attendo's own operations offering have had a strong demand during the quarter with a continued interest from the local authorities to increase capacity. On the outsourcing market few new contracts have been tendered. A few local authorities have chosen not to extend outsourcing contracts and instead insourced the operations. In individuals and families, a significant demand for integration solutions was noted.

During the quarter the government gave partially new directives to the ongoing profit inquiry, and the previous directives were reviewed. The inquiry will no longer propose an elimination of free choice in primary care. Among the supplementary directives there is an expanded mandate to propose ways to improve quality, including extended authorization and ownership assessment, and quality measures. The government also wants to see a proposal for open books on unit level for both public and private providers. The final report shall be presented no later than May 2, 2017.

Finland – strong demand within own operations

Attendo's own operations offering have had a continued strong demand during the quarter. The demand for combination contracts in outsourcing services continued to be good while the market for staffing services is perceived stronger than last quarter - however still challenging.

The Finnish government reached an agreement on the content and structure of the new SOTE regions to be introduced from January 1, 2019, taking over the main responsibility for social care and health care. The agreement includes proposals to give private providers greater opportunities to deliver welfare services and that a freedom of choice-model shall be introduced. The government also wants to improve transparency on financial performance and quality. A committee has been appointed to work out the details of the reform.

Denmark – increased demand within outsourcing

The demand for private care solutions in Denmark remained good. Several new outsourcing contracts have been tendered during the quarter, in home care as well as in nursing homes.

Norway – continued weak demand

No new outsourcing contracts have been tendered during the quarter. Following the elections to the local authorities in September, negotiations about new political majorities were completed. The result indicates that several major local authorities will be governed by parties less positive towards private care providers, including Oslo.

The Swedish social and health care market

The Swedish social and health care system is decentralized with local authorities (290 LAs) responsible for social care and regional authorities (20 RAs) providing primary and specialist health care. Attendo's customers in Sweden are LAs responsible for providing care for older people, disabled care and social care. LAs are also responsible for the financing.

The Finnish social and health care market

The Finnish health care system is decentralized with local authorities (320 LAs) providing primary health care and social care and hospital districts (20) providing specialist care to several municipalities. Attendo's customers in Finland are LAs providing primary health care and social care, and some additional private clients in dental care and occupational health care. LAs are largely responsible for public health care financing.

Other financial information

Listing of Attendo

On November 30, 2015 Attendo's shares were listed on Nasdaq Stockholm. The offering and the over-allotment option were fully subscribed which resulted in that the former main owner Augustus International S.A.R.L sold 61,934,483 shares and thereby reduced its holding to 18 percent. At the same time 24,000,000 new shares were issued. There was a great interest for the listing from institutions and the interest from private investors was one of the highest ever in Sweden. 30,000 private persons subscribed for shares whereof approximately 800 Attendo employees – which is a natural continuance on Attendo's long tradition of a broad shareholding amongst employees. Attendo received SEK 1,169m in the new share issue after deduction of issuing costs and tax. The IPO-price was set to SEK 50 per share and the total offering amounted to SEK 4,765m. Attendo's share is traded on the MidCap list under the trading symbol "ATT".

Share structure after the offering

Shareholder ¹	No. shares	Share of capital/votes
Board and Executive Management	34,398,825	21.50%
Augustus International S.A.R.L	29,290,636	18.31%
Nordstjernan AB	16,000,000	10.00%
Swedbank Robur Fonder	14,234,000	8.90%
Didner & Gerge Fonder Aktiebolag	12,072,330	7.55%
Carve Capital AB	10,000,000	6.25%
Elo Mutual Pension Insurance Company	6,000,000	3.75%
SEB Investment Management	3,103,927	1.94%
Handelsbanken fonder	2,567,876	1.60%
Verdipapirfond Odin Sverige	1,502,461	0.94%
Subtotal, 10 largest shareholders	129,170,055	80.73%
Other shareholders	30,829,945	19.27%
Total	160,000,000	100%

1. Refers to shareholders registered in Euroclear as per December 31, 2015

Related to the listing, Attendo AB (publ) acquired the former Attendo Group through a share issue in-kind of Attendo International AB (publ). A name change was made at the same time. After the issue in-kind, Attendo AB (publ) owned approximately 78 percent of the shares in Attendo International AB (publ) and thereby became the new parent company of Attendo Group.

The shares in Attendo International AB (publ) were contributed to a value of SEK 3,080m, corresponding to the book value of Attendo Group. The remaining 22 percent of the shares, owned by management among others, were transferred through a share exchange where shares in Attendo International AB (publ) were exchanged to shares in Attendo AB (publ) to a value of SEK 2,239m on the day of the listing.

Development of the share capital

The table below shows the development of the share capital during 2015.

To improve comparison all key data for prior periods have been recalculated with the current number of shares.

Date	Transaction	Change	Total no. shares	Change share capital (SEK)	Total share capital (SEK)
Sep 17, 2015	Incorporation	50,000	50,000	50,000	50,000
Oct 23, 2015	Issue in kind	500,000	500,000	500,000	550,000
Oct 23, 2015	Redemption	50,000	50,000	-50,000	500,000
Oct 23, 2015	Reverse share split	-499,999	1	0	500,000
Nov 9, 2015	Share split	91,225,118	91,225,119	0	500,000
Nov 30, 2015	Issue in kind	44,774,881	136,000,000	245,409	745,409
Nov 30, 2015	New issue	24,000,000	160,000,000	131,543	876,951

Costs related to the IPO amounted to SEK 68m whereof SEK 40 refers to the new share issue accounted for through equity. The remaining SEK 28m is accounted for in the income statement.

Financing

Related to the listing Attendo was refinanced with new borrowings and the previous loans were repaid. After repayment of the previous loans all pledged assets related to those were released which decreased Attendo's total assets pledged with SEK 6,432m.

In connection with the refinancing capitalized costs on previous loans were written down since the loans were repaid before maturity. The costs for write-down, together with early redemption costs, have had a negative impact on profit, of SEK 158m in the fourth quarter.

Attendo's incentive program to leaders and employees

At the extra general meeting held on November 16, 2015 the shareholders decided to introduce two long term incentive programs, one directed to Executive Management and one directed to other leaders and employees. In accordance with the decision the Executive Management was invited to participate in a warrant program comprising of a total of 5,280,030 warrants entitling to subscription of the same number of Attendo shares. From the total number of warrants the ordinary members of Executive Management subscribed for 4,080,998 warrants, corresponding to a market value of SEK 12m before tax. If the total number of warrants are utilized it entails a dilution of 3.3 percent of Attendo's total number of shares. The share save plan available for other leaders and employees will be introduced during 2016.

Acquisition in the fourth quarter

- On November 2, 2015 assets and liabilities related to Kärkölän Vanhustenkotiyhdistys Oy, operating homes for care for older people in Kärkölä, Finland, was acquired.

Transactions with related parties

Attendo has transactions with three related parties, which in all material respects refer to property leases from companies in which those persons are shareholders. The transactions in 2015 amounted to SEK 12m. All related party transactions are based on market conditions. For further details, see Attendo's Combined Financial report.

Redemption of shares in Attendo subsidiary

At the extra general meeting in Attendo International AB (publ) held on October 23, 2015 the shareholders decided to redeem part of Attendo's shares in the indirectly owned subsidiary Tervyden Tuottajat Oy (TT) as per December 31, 2015. After redemption, Attendo's share of TT will be lower than 50 percent of both capital and votes, which implies that Attendo will no longer have control over TT. As a consequence TT has been deconsolidated and is from December 31, 2015 accounted for as an associated company according to the equity method. The effect on Attendo's financial reports is shown on page 24.

Conversion of minority shareholders option liability

Related to the acquisition of MedOne Group Oy (now Attendo Finland Oy) in 2007, options were issued to the former management in the acquired company. The options gave the former management a right to convert shares in Attendo Finland Oy to shares in Attendo International Oy (publ). On October 16, the Board of Directors in Attendo International AB (publ) decided to convert these options to shares in Attendo International AB through a share exchange, where Attendo International AB (publ) issues new shares to the former management. The share exchange implied that Attendo's ownership in Attendo Finland Oy increases from 94.8 percent to 100 percent. The share issue was approved by an extra general meeting on October 23, 2015.

Parent Company, Attendo AB (publ)

Attendo AB (publ) main operation refers to invoiced management services and management of shares in subsidiaries. Attendo AB's expenses are mainly holding costs including expenses for Attendo's Executive Management, Board of Directors and external consultancy fees.

Attendo AB (publ) was incorporated on September 17, 2015 and became the ultimate parent company in the Group on October 23, 2015. The company has not conducted any operation prior to the acquisition of Attendo Group and thus lacks history and income statement and balance sheet for the comparable periods in this year-end report.

Net sales for the parent company amounted to SEK 3m which refer to consultancy fees to subsidiaries. Result after financial items amounted to SEK -34m. Cash and cash equivalents amounted to SEK 0m, shares in subsidiaries SEK 6,494m and unrestricted equity amounted to SEK 6,471m at the end of the year.

Seasonal variations

Attendo's profitability is subject to seasonal variations, weekend and holiday effects. For Attendo, public holidays as well as weekends and other 'red' calendar days have negative effects on profitability mainly as an effect of wage compensation for inconvenient working hours. For example, profitability in the first and second quarters is affected by the Easter holiday, depending on in which quarter it occurs, and the fourth quarter is affected by Christmas holidays.

Significant events after the balance sheet date

On February 5, 2016 a working group for the Finnish Government announced the intention to present a proposal for a temporary legislation as part of the upcoming social and health care reform (SOTE) in Finland. The proposal aims to limit the ability for municipalities to sign so called combination contracts for amongst other prevent municipalities from entering contracts that is assumed to interfere with the implementation of the SOTE-reform.

At present, Attendo has six combination contracts with Finnish municipalities. These contracts are not affected by the new legislation. Attendo's existing combination contracts, as well as the main part of Attendo's operations in Finland, such as own nursing homes in care for older people, medical staffing, medical contracts and dental, are not affected by the proposal. All details in the proposal are still not revealed, but are only expected to have a marginal impact on Attendo's Finnish operation, if implemented.

Risks and risk management

Risks are inherent in Attendo's business and it is part of the daily work to manage these risks, to prevent damage and to limit the damage that does occur.

Attendo operates within the care and health care sector in competition with a number of major and several smaller operators, which entails risk both related to price development and growth. This requires that Attendo continuously develops its business in order to offer the clients best possible care and health care from a quality perspective to a for the customers competitive price.

The majority of the care and health care conducted on the market where Attendo operates are provided by local authorities. The choice of production model is dependent on political decisions, which means that opportunities for future growth are controlled by politicians' view of how care and health care should be provided. Political decisions resulting in a change in legislation can have a significant impact on Attendo's business. The legislative process in the countries where Attendo operates is transparent and changes are well known prior to implementation. The public inquiry initiated by the Swedish government aiming to investigate potential options to restrict freedom of choice and dividend in private welfare creates a significant uncertainty about the conditions for investment in the Swedish welfare. It is difficult to assess the conclusions from the inquiry and support potential proposals will have in the Parliament.

Quality and safety requirements within care and health care are demanded by various stakeholders, in particular clients, relatives and customers. In addition to external requirements Attendo has very high internal quality requirements on its operations. Constant work with quality and safety improvements for clients and patients is crucial for Attendo's success and is a key area within the Group's strategic activities.

A large number of Attendo's customer contracts extend over several years why the pricing of these contracts are deemed as a financial risk. The own units operations are conducted in own homes and premises which means that Attendo enters the long rental agreements. If the demand for Attendo's services is low the long rental agreements are deemed as a financial risk. Attendo uses internally developed proven models and processes aiming to minimize risk both for pricing errors and that Attendo enter rental agreements in regions with unfavorable demand.

Attendo is in its operations exposed to various financial risks, including the effects of changes in prices on the credit and capital markets and currency risks. Financial risks are managed by a central finance department.

For a full summary of Attendo's risks see Attendo AB's 556932-5342 annual report 2014. For further details see Attendo's prospectus page 11.

Accounting principles

Attendo applies International Financial Reporting Standards (IFRS) IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU) and with RFR 1 "Supplementary Accounting Policies for Groups", associated interpretations issued by the Swedish Financial Reporting Board (Sw. Rådet för finansiell rapportering) as well as the Swedish Annual Accounts Act. This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and shall be read together with the combined financial reports. The applied accounting principles are found on page 6 in the combined financial statements.

The Parent Company's financial report has been prepared in accordance with RFR 2, accounting for legal entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act, chapter 9.

Attendo AB (publ) is a new established entity with no previous operation and thus lacks income statement and balance sheet for the comparable period.

New standards and interpretation not yet adopted

In January 2016, IASB issued a new lease standard that will replace IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet. The standard is effective for annual periods beginning on or after 1 January 2019. EU has not yet adopted the standard. Attendo has not yet assessed what impact IFRS 16 will have on the Group's financial reports .

Outlook

Attendo does not report any forecast.

Attendo's year-end report has not been reviewed by the auditors.

Danderyd, February 24, 2016

Henrik Borelius

CEO

Attendo's combined financial reports are available on www.attendo.com

This is a translation of the Swedish interim report. In the event of differences the Swedish interim report shall prevail.

Consolidated Income Statement

SEKm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Net sales	2,564	2,316	9,831	9,045
Other operating income	5	0	39	14
Total revenue	2,569	2,316	9,870	9,059
Personnel costs	-1,660	-1,580	-6,552	-6,199
Other external costs	-656	-548	-2,241	-1,900
Amortization, depreciation and impairment of tangible and intangible assets	-38	-35	-144	-138
Operating profit (EBITA)	215	153	933	822
Operating margin (EBITA) %	8.4	6.6	9.5	9.1
Amortization and impairment of acquisition related intangible assets	-14	-13	-46	-15
Operating profit (EBIT)	201	140	887	807
Operating margin (EBIT), %	7.8	6.0	9.0	8.9
Net financial items	-231	-97	-537	-396
Profit before tax	-30	43	350	411
Income tax	21	-70	-64	-148
Profit for the period	-9	-27	286	263
Profit margin %	-0.4	-1.2	2.9	2.9
Profit for the period attributable to the Parent company shareholders	-9	-27	286	263
Basic earnings per share ¹ , SEK	-0.06	-0.17	1.79	1.64
Diluted earnings per share ¹ , SEK	-0.06	-0.17	1.79	1.64
Basic average number of shares ¹ , thousands	160,000	160,000	160,000	160,000
Diluted average number of shares ¹ , thousands	160,330	160,000	160,083	160,000

Statement of Consolidated Comprehensive Income

SEKm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Profit for the period	-9	-27	286	263
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans, net of tax	1	-7	10	-18
Items that may be reclassified to profit or loss				
Cash flow hedges, net of tax	2	2	15	-5
Exchange rate differences on translating foreign operations	-33	30	-44	58
Other comprehensive income for the period	-30	25	-19	35
Total comprehensive income for the period	-39	-2	267	298
Total comprehensive income attributable to the Parent company shareholders	-39	-2	267	298

1. Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 28.

Consolidated Balance Sheet

SEKm	Dec 31, 2015	Dec 31, 2014
ASSETS		
Non-current assets		
Goodwill	6,472	6,549
Other intangible assets	304	238
Property, Plant and Equipment	382	440
Other non-current assets	89	87
Total non-current assets	7,247	7,314
Current assets		
Trade receivables	901	873
Other current assets	357	485
<u>Cash and cash equivalents</u>	<u>782</u>	<u>1 084</u>
Total current assets	2,040	2,442
Total assets	9,287	9,756
EQUITY AND LIABILITIES		
Equity		
Non-current liabilities		
Liabilities to credit institutions	3,554	5,012
Provisions for post-employment benefits	29	67
Other provisions	9	10
<u>Other non-current liabilities</u>	<u>62</u>	<u>319</u>
Total non-current liabilities	3,654	5,408
Current liabilities		
Liabilities to credit institutions	26	253
Trade payables	205	161
Other current liabilities	1,183	1,365
Total current liabilities	1,414	1,779
Total equity and liabilities	9,287	9,756
Assets pledged as collateral	141	6,572
Contingent liabilities	-	-

Consolidated Cash Flow Statement

Operational cash flow, SEKm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Operating profit (EBITA)	215	153	933	822
Depreciation and amortization of tangible and intangible assets	38	35	144	138
Changes in working capital and other items	191	209	-4	-15
Paid tax	-35	-40	-86	-78
Other non-cash items	-39	3	-57	-3
Cash flow after change in working capital	370	360	930	864
Investments in tangible and intangible assets	-53	-67	-212	-231
Divestment of tangible and intangible assets	7	19	47	67
Operating cash flow	324	312	765	700
Interest received/paid	-74	-70	-292	-292
Free cash flow	250	242	473	408
Acquisition of operations	-16	-17	-128	-89
Divestment of operations	7	-	15	-
Share redemption TT (cash and cash equivalents)	-139	-	-139	-
New share issue	1,160	-	1,160	-
Warrants	12	-	12	-
Repayment of loans	-4,985	-10	-5,202	-129
New borrowings	3,531	-	3,531	-
Total cash flow	-180	215	-278	190
Cash and cash equivalents at the beginning of the period	977	847	1084	856
Exchange rate differences related to cash and cash equivalents	-14	22	-24	38
Cash and cash equivalents at the end of the period	782	1,084	782	1,084
Cash flow, SEKm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Cash flow from operations	296	290	638	572
Cash flow from investing activities	-194	-65	-417	-253
Cash flow from financing activities	-282	-10	-499	-129
Total cash flow	-180	215	-278	190

Consolidated Statement of Changes in Equity

SEKm	Jan-Dec 2015	Jan-Dec 2014
Opening balance	2,569	2,308
Total comprehensive income	267	298
Transaction with owners		
New share issue	1,169	-
Warrants	9	-
Total, transaction with owners	1,178	-
Transactions with non-controlling interests¹	205	-37
Closing balance	4,219	2,569

1. For further information regarding the option liability to non-controlling interest, see Attendo's combined financial reports, page 21.

Investments

SEKm	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Investments				
Investments in intangible assets	10	18	34	38
Investments in tangible assets	43	49	178	193
Divestments of tangible and intangible assets	-7	-19	-47	-67
Total net investments	46	48	165	164
Intangible assets acquired through business combination				
Goodwill	1	-75	17	27
Customer relations	5	126	109	126
Total intangible assets acquired through business combination	6	51	126	153

For further information regarding acquisitions, see page 15.

Financial assets and liabilities

SEKm	Level	Dec 31, 2015	Dec 31, 2014
ASSETS			
Financial assets at fair value through profit or loss			
Derivatives (currency swap)	2	-	125
Loans and receivables			
Trade receivables		901	873
Cash and cash equivalents		782	1 084
Total financial assets		1,683	2,082
LIABILITIES			
Derivatives used for hedge-accounting			
Derivatives (interest swap)	2	-	21
Financial liabilities at fair value through profit or loss			
Option liability	3	-	210
Contingent considerations	3	43	74
Other financial liabilities			
Borrowings		3,580	5,265
Trade payables		205	161
Total financial liabilities		3,828	5,731

The table shows the Group's significant financial assets and liabilities. Asset and liabilities accounted for as loans and receivables, and other financial liabilities are carried at amortized cost. Fair value for all financial assets and liabilities are equal to the carrying value. For complete table and further information see Attendo's combined financial reports, note 23.

Valuation technique

Level 2: The fair value of interest rate and currency swaps is determined by discounting the estimated cash flows. Discounting is based on quoted market rates on comparable instruments at the balance sheet date.

Level 3: The fair value of option liability is determined by the valuation principles established by the European Venture Capital Association (EVCA). The option liability was settled in connection to the listing. Fair value of contingent considerations are based on estimated outcome from the contractual clauses in the share purchase agreement.

Key Data

		Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Net sales	SEKm	2,564	2,316	9,831	9,045
Organic growth	%	8.8	1.2	5.6	2.8
Acquired growth	%	1.9	1.9	1.9	1.9
Changes in currencies	%	0.0	2.1	1.2	2.2
Operating profit	SEKm	215	153	933	822
<i>Operating margin</i>	%	8.4	6.6	9.5	9.1
Profit for the period	SEKm	-9	-27	286	263
<i>Profit margin</i>	%	-0.4	-1.2	2.9	2.9
Working capital	SEKm	-	-	-130	-293
Return on capital employed	%	-	-	13.4	12.1
Net debt. ratio	times	-	-	0.7	1.6
Equity/asset. ratio	%	-	-	45	26
Operating cash flow	SEKm	324	312	765	700
Net investments	SEKm	46	48	165	164
Average number of employees		14,285	13,918	14,512	14,214
Key data per share					
Earnings per share ¹ , basic	SEK	-0.06	-0.17	1.79	1.64
Earnings per share ¹ , diluted	SEK	-0.06	-0.17	1.79	1.64
Equity per share ¹ , basic	SEK	-	-	26.37	16.06
Equity per share ¹ , diluted	SEK	-	-	26.36	16.06
Average number of outstanding shares ¹ , basic	thousands	160,000	160,000	160,000	160,000
Average number of outstanding shares ¹ , diluted	thousands	160,330	160,000	160,083	160,000
Number of outstanding shares ¹ at end of the period	thousands	160,000	160,000	160,000	160,000

Quarterly Data

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Total net sales	2,187	2,260	2,282	2,316	2,391	2,421	2,455	2,564
- Net sales, own operations	1,144	1,188	1,217	1,280	1,322	1,354	1,415	1,498
- Net sales, outsourcing	779	792	802	776	818	803	810	805
- Net sales, staffing	264	280	263	260	251	264	230	261
SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Total net sales	2,187	2,260	2,282	2,316	2,391	2,421	2,455	2,564
- Net sales Sweden	1,198	1,214	1,225	1,238	1,248	1,257	1,282	1,339
- Net sales Finland	894	938	933	972	1,037	1,049	1,051	1,088
- Net sales Norway	73	76	83	60	60	61	65	78
- Net sales Denmark	22	32	41	46	46	54	57	59
Operating profit	178	193	298	153	187	186	345	215
<i>Operating margin. %</i>	8.1	8.5	13.1	6.6	7.8	7.7	14.1	8.4
Profit for the period	61	67	163	-27	57	56	182	-9
<i>Profit margin. %</i>	2.8	3.0	7.1	-1.2	2.4	2.3	7.4	-0.4
Earnings per share ¹ basic, SEK	0.38	0.42	1.02	-0.17	0.36	0.35	1.14	-0.06
Earnings per share ¹ , diluted, SEK	0.38	0.42	1.02	-0.17	0.36	0.35	1.14	-0.06
Average number of employees	13,557	14,243	15,137	13,918	14,097	14,378	15,294	14,285

1. Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 28.

Redemption of shares in the subsidiary Terveyden Tuottajat Oy

The subsidiary Terveyden Tuottajat Oy (TT) was deconsolidated as of 31 December 2015, which means that TT is included in the Group's income statement during the full year 2015, but not in the balance sheet as of 31 December 2015. As a result of the deconsolidation, TT will no longer be included in the Group's income statement going forward. Net sales from TT are fully recognized in the contract model: Staffing. The table below shows the impact on key measures with TT fully consolidated and deconsolidated.

SEKm	Q4 2015		Q4 2014		Jan-Dec 2015	
	Excl. TT	Incl. TT	Excl. TT	Incl. TT	Excl. TT	Incl. TT
Net sales	2,486	2,564	2,244	2,316	9,546	9,831
Operating profit before depreciation and amortization (EBITDA)	244	253	179	188	1,044	1,077
Operating profit (EBITA)	214	215	152	153	931	933
<i>Operating margin, % (EBITA)</i>	<i>8.6</i>	<i>8.4</i>	<i>6.8</i>	<i>6.6</i>	<i>9.8</i>	<i>9.5</i>
Operating profit (EBIT)	201	201	138	140	885	887
Profit for the period	-9	-9	-27	-27	286	286
Net debt	2,827	2,756	4,183	4,143	2,827	2,756
Working capital	-130	-270	-168	-293	-130	-270
Net investments	43	45	49	48	152	165

Parent Company Income Statement

SEKm	17 Sep- 31 Dec 2015
Net sales	3
Employee costs	-5
Other external costs	-32
Operating profit	-34
Finance net	-
Profit before tax	-34
Tax on profit for the period	7
Profit for the period	-27

Parent Company Balance Sheet

SEKm	Dec 31, 2015
ASSETS	
Non-current assets	
Shares in subsidiaries	6,494
Deferred tax asset	16
Total non-current assets	6,510
Current assets	
Other receivables	7
Cash and cash equivalents	0
Total current assets	7
Total assets	6,517
EQUITY AND LIABILITIES	
Equity	6,472
Current liabilities	
Liabilities to group companies	23
Other liabilities	22
Total current liabilities	45
Total equity and liability	6,517

Calendar and contacts

Calendar

- 15 April 2016, Annual report 2015
- 12 May 2016, Interim report January- March 2016
- 17 May 2016, Annual General Meeting
- 28 July 2016, Interim report January- June 2016
- 11 November 2016, Interim report January- September 2016

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Disclosure on publication

The information in this report is what Attendo is required to disclose under Sweden's Securities Market Act and/or the Financial Instruments Trading Act.

Forward-looking information

This report contains forward-looking information based on the current expectation of the Attendo's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared to what is stated in the forward-looking information, due to such factors as changed market conditions for Attendo's services and more general conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuation in exchange rates.

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Introduction to Attendo

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland, Norway and Denmark.

Attendo is the largest private provider of care for older people in Sweden and Finland, and outsourced health care in Finland. Attendo is a locally based company and has about 510 units in operation, in more than 200 municipalities. With the vision of empowering the individual Attendo provides services within care for older people, care for people with disabilities, individual and families and health care.

Attendo provides care and health care through three contract models:

- Own operations, where Attendo provides services in own controlled units/premises or provides services in customer choice models. Attendo has own units within care for older people, people with disabilities, individuals and families, as well as dental care and occupational health care.
- Outsourcing operations, where Attendo provides services in publicly controlled units/premises or provides home care services based on outsourcing contract model. Attendo has outsourced units for care for older people, people with disabilities, individuals and families and health care.
- Staffing, where Attendo provides temporary staffing of general practitioners, specialists, dentists and nurses for health care.

Local authorities (mainly municipalities) are Attendo's customer for a large majority of the service offerings, but contract types and duration of contracts vary depending on service model and service offering. Own operations are based on framework agreements and outsourcing operations are based on outsourcing contracts, following a tender process. The customer contract period is typically 2-5 years. Staffing operations are normally based on framework agreements or direct contracts with durations of up to 4 years.

Definitions

Explanations to financial measures

Acquired growth	Increase in net sales due to acquired companies or units.
Capital employed	Total assets less non-interest bearing liabilities.
Earnings per share	Profit for the period in relation to the average number of shares.
Equity/asset ratio	Equity as a percentage of total assets.
Equity per share	Equity in relation to the average number of shares.
Liquid funds	Cash/cash equivalents, short term investments and derivatives with a positive fair value.
Net debt	Interest bearing liabilities and provisions for post-employment benefits less liquid funds.
Net debt ratio	Net debt as a percentage of total equity.
Net investments	Net of investments and disposals of intangible and tangible assets excluding acquisition related assets.
Number of shares	Shares outstanding as of 31 December 2015. In order to facilitate comparisons, all key measures in the comparable periods has been calculated based on the number of shares after the listing.
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales.
Operating margin (EBITA)	Operating profit (EBITA) as a percentage of net sales.
Operating profit (EBIT)	Profit before net financial items and income tax.
Operating profit (EBITA)	Profit before amortization of acquisition related intangible assets, net financial items and income tax.
Operating profit adjusted (EBITA)	
Organic growth	Increase of net sales excluding acquisitions and changes in currencies.
Profit for the period	Profit/loss for the period attributable to parent company shareholders.
Profit for the period adjusted	Profit/loss for the period adjusted for one-time items net after tax.
Profit margin	Profit for the period as a percentage of net sales.
Return on equity	Profit for the period (LTM) in relation to average equity.
Return on capital employed	Operating profit (EBITA) as a percentage of average capital employed.
Working capital	Current assets less liquid funds and interest bearing assets, less short term liabilities and non- interest bearing provisions.

Explanations to operational measures

Home care client	An individual that receives planned and unplanned support such as service and personal care connected to the everyday life and health care at home.
New unit	Unit in operation <12 months.
Existing unit	Unit in operation >12 months.
LA	Local Authority
CoP	Care for Older People