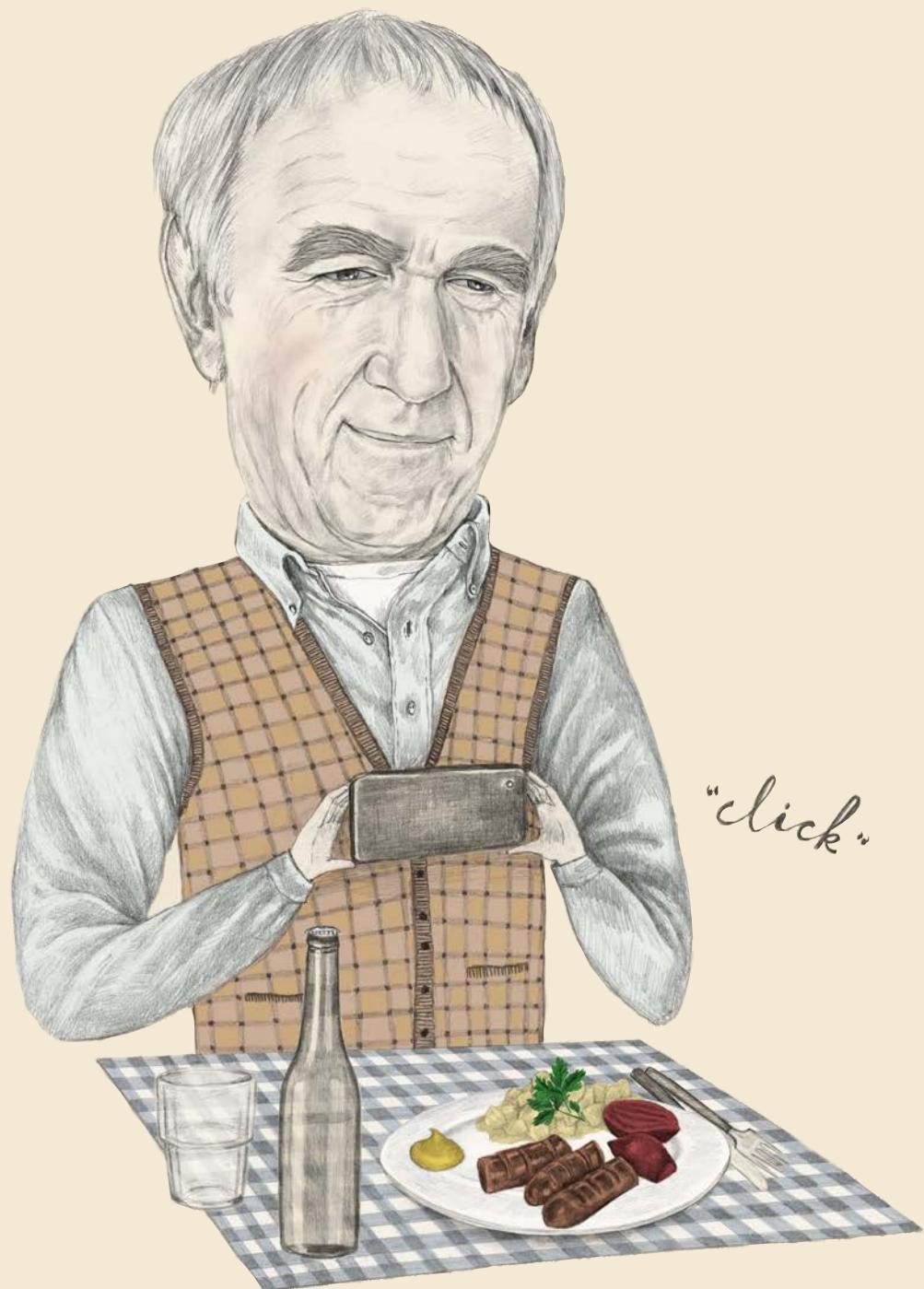


Attendo +○○



CARE YOUR WAY
– ANNUAL REPORT 2015 –

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This annual report is a translation of the Swedish original. If any differences exist the Swedish version is the official version and should prevail.





A long history of quality

Since start-up 30 years ago, Attendo has been a leader in quality, working to improve care and client experiences.

Much of what we take for granted in the Swedish care system today, such as social documentation, contact persons, and "own time" are the result of Attendo's development work. We are now engaged in developing the future homes for older people.

At Attendo, we're working for you to ensure that you get the care you need, the way you want.

Satisfied individuals

Every effort Attendo makes is based on the client's or patient's wishes and needs. Satisfied clients and patients are the evidence of our success, which we monitor through annual client satisfaction surveys.

Systematic improvements

Satisfied clients are important, but we also have to ensure that we comply with laws, regulations and guidelines.

We ensure this through regular internal audits, the local authorities follow-ups and external reviews of care, safety and environment.

Best available knowledge

Our work is based on evidence-based practice, i.e. the best available knowledge and proven experience. To our help we have clear guidelines, instructions and handbooks, which are continually updated by our quality department.

This is Attendo



The care leader in the Nordics

Attendo is the leading private care and health care provider in the Nordics. We are operating in Sweden, Finland, Norway and Denmark.

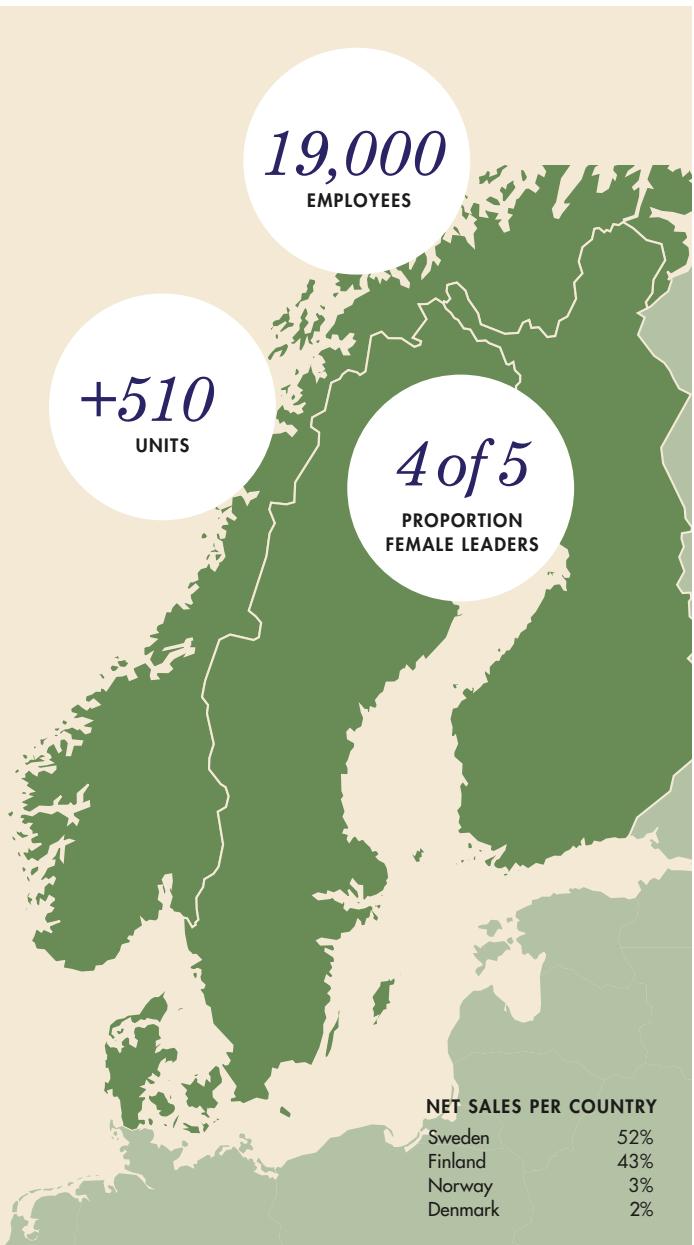
We have been leading the development of quality and new methods in our sector for 30 years. We are currently active in care for older people, care for people with disabilities, individual and family care, as well as health care.

Empowering the individual

Our vision is “empowering the individual” and our work is always based on the individual’s need and circumstances.

30 years of quality work – selected milestones

1990	1995	2000	
Attendo founded in 1985	Attendo is the first to introduce social documentation in the form of a home folder	Attendo develops the system of individual contact persons for every individual	Attendo implements its own central MAS (head nurse) to follow-up and evaluate activities
			Attendo implements central independent quality audits of all operations. Attendo digitalizes the analysis of quality data
			Attendo becomes the first company in Sweden to implement an independent quality department

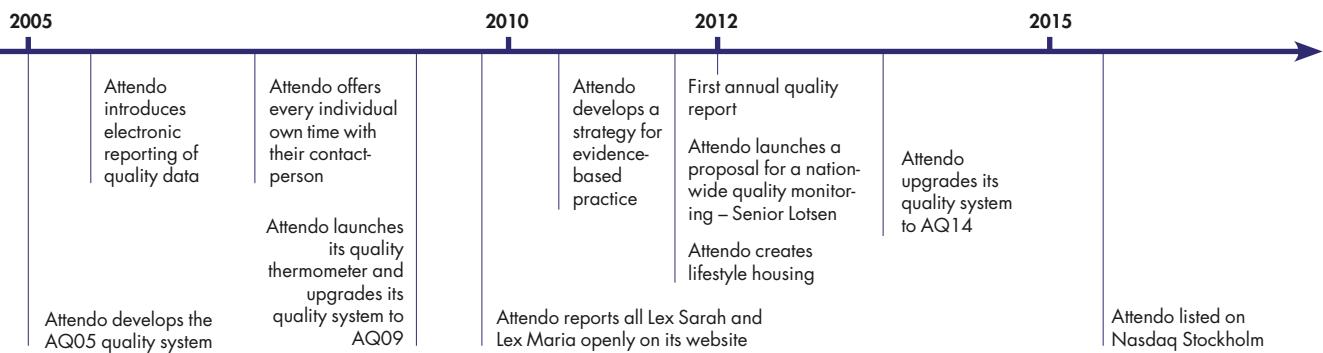


The year in brief

- Continued strong development in own operations with high growth.
- Net sales in outsourcing operations improved slightly due to new contracts starting at the beginning of the year.
- Staffing operations improved slightly in the fourth quarter after a poor start to the year.
- Attendo opened about 700 new nursing home beds in 2015. At year-end there were more than 700 beds in nursing homes and homes for people with disabilities under construction.
- Five companies were acquired during the year.
- Quality work and competence development are high on the agenda. Attendo's quality thermometer showed strong progress, with an index of 85 percent at year-end, compared to 79 percent in 2014.
- Attendo celebrated its 30th anniversary in 2015, which was noted at several occasions through the organization.
- Attendo's stock market listing attracted great interest from institutional investors and high interest from private investors.
- The Board of Directors is proposing a dividend of SEK 0.54 per share.

Three-year summary

SEK m	2015	2014	2013
Net sales	9,831	9,045	8,465
Operating profit (EBITA)	933	822	770
<i>Operating margin, (EBITA), %</i>	9	9	9
Net profit for the year	286	263	363
<i>Profit margin, %</i>	3	3	4
Operating cash flow	765	700	724





Care your way

2015 was an eventful and successful year for Attendo, with our stock market listing, 30-year anniversary, further quality enhancements, continued healthy growth and strong result. But these are not the first things that come to mind when I look back at the year. What I remember is the torrent of examples of how we improve the everyday lives of our clients and patients in the narrow and wider senses.

In Västerås, west of Stockholm, we distributed shoe treads and reduced the risk of fall accidents, a wine concept improved the quality of life in our nursing home in Hovinsaari in Finland and in Gävle, Sweden, we enabled a woman with autism to get her first independent home. For me, seeing how our solutions can make a great difference to individuals is a great source of energy and inspiration. The many examples of improvements I see also reflect our values: competence, commitment and care.

Attendo has always been characterized by an entrepreneurial spirit and the courage to try new things. To take advantage of the competence and commitment our employees show we give them an extensive own responsibility under our common structures and processes. This is a large part of the explanation to why we have been leading the development in our

industry for 30 years, and achieved a strong position as the leading private care provider in the Nordics. Our clear ambition is to keep developing and strengthening this position, and to keep growing in the Nordics, and in new markets. In 2015, we continued to report healthy growth and strong result. Net sales increased by 8.7 percent to SEK 9,831m (9,045), and operating profit were up by 13.5 percent to SEK 933m (822). Operating margin was 9.5 percent (9.1), which compares very favorably with the rest of the industry, and is explained mainly by good planning and effective processes, and secondly by us being careful not to sign contracts with unhealthy terms.

The positive development during the year was mainly driven by our own operations. Our own homes remained attractive to clients and customers, which gave high occupancy. During the year, we opened own nursing homes with

about 700 beds, including Attendo Vonsildshave, Kolding, the first nursing home in own operations in Denmark. Net sales in our outsourcing operations were up slightly thanks to two large contracts which started at the beginning of the year. However, the price pressure in the market continued in all countries. Attendo has a strong market position in its staffing business, with a strong offering. However, the market was challenging throughout the year with lower volumes.

A CONTINUED FOCUS ON QUALITY WORK

Our employees' competence, commitment and care are clearly crucial to Attendo's continued success and the number of everyday improvements for clients and patients. This also means we put a great emphasis on giving our employees time and resources to further their education and raise competence levels further. In 2015, we conducted nearly 140,000 training hours across the group. We continued to prioritize systematic quality work throughout the year and our quality index developed positively.

LARGE SHORTAGE OF CARE SERVICES

For the long term, all evidence indicates that the need for care services will grow. One fundamental explanation lies in demographic progress, which means that the population aged over 85 will increase steadily in the Nordic countries over the next 15 years. This is from a starting-point of there already being a shortage of beds in care for older people. Statistics from Boverket, the Swedish National Board of Housing, indicate that the share of local authorities reporting a shortage of beds in nursing homes increased from 27 percent in 2014 to 42 percent in 2015. We think an additional total of some 80,000 new nursing home beds will need to be built in Sweden and Finland until 2030. This is an investment level that the public sector will have difficulties meeting by itself, and accordingly, the contributions that Attendo and other private care providers can make to manage the capacity shortage are highly significant. Attendo estimates that in the coming years, private providers will represent about half of all new production of nursing homes in Sweden and Finland. In 2015, Attendo started building about 700 new beds in care for older peoples and care for peoples with disabilities in Sweden and Finland.

INCREASED POSSIBILITIES FOR PRIVATE PROVIDERS

Attendo's operations are significantly dependent on the framework set by the society. Finland is currently preparing what probably will be the most extensive care and health

care reform in Europe of the past 20 years. This reform, known as the SOTE-reform, will be introduced on January 1, 2019, and involve the creation of 18 regions with responsibility for care and health care. We take a positive view of the increased potential this will give private providers, by for example regions being liable for verifying the cost of delivering care and health care themselves, compared with outsourcing it to private entrepreneurs.

Sweden is simultaneously conducting an inquiry that would restrict freedom of choice and profit in care and health care. Its focus sends a negative signal to us and other private care providers, and is in contrast to the great interest and appreciation we encounter from local politicians. During the year, the Swedish Parliament took the initiative to give the inquiry new directives, which contributed to the Government first setting new directives for the inquiry, and second altering its previous directives. The new directives including more far-reaching assignments to propose quality-enhancing measures like extended permit requirement and ownership governance, as well as quality measures. We hope that the debate will be about how to develop and ensure higher care quality for the long term.

SUCCESSFUL STOCK MARKET LISTING

Our potential for continued development and expansion was further enhanced in the year through our listing in November. The listing attracted great interest from institutional investors, and the interest from private investors was one of the highest ever in Sweden with 30,000 people subscribing for shares, including 800 of my colleagues, which I'm delighted about. We welcome our new shareholders, who by taking up our offer, showed their trust and willingness to be part of developing Attendo for the future. We're encouraging more of our colleagues to become shareholders through a share savings program, which is the first of its kind for a care provider. This program is planned to be implemented in 2016 and all Attendo employees are eligible to participate. I'd like to take this opportunity to thank all Attendo's employees for a fantastic year.

Danderyd, Sweden, March 2016



Henrik Borelius
CEO

BUSINESS ENVIRONMENT

+80,000

New nursing home beds needed in Sweden and Finland until 2030

42%
27%

2014 2015
Growing shortage of nursing home beds in Sweden

ATTENDO 2015

700

new nursing home beds in own operations

NET SALES

+9%

SEK 9,831 m
(SEK 9,045 m)

NET PROFIT

+9%

SEK 286 m
(SEK 263 m)

PROFIT MARGIN

3%

Attendo's vision and values

OUR VISION

*Attendo's vision is **empowering the individual**. For Attendo, this means that each individual feels involved and listened to, is treated with respect and warmth, feels supported to achieve increased independence, feels safe and secure and feels that the quality of life is affected positively.*

OUR VALUES

Attendo's values – competence, commitment and care – function as guidelines in the daily operations and together they support Attendo's vision.



COMPETENCE

For Attendo, competence includes seeing opportunities in every situation and to contribute to development through seeking solutions where others see problems. We shall understand each individual's needs and wishes, and be careful and attentive to details. We shall be proud to be leading in terms of quality and the results shall be transparent.

COMMITMENT

For Attendo, commitment means that employees are to be proud of what Attendo does and proud to be a part of Attendo. We shall be reliable and always keep what has been promised. We shall show drive and always try to exceed expectations.

CARE

For Attendo, care means to make people feel safe and secure and to listen to the individual and customise actions thereafter. We shall help the individual to help herself and offer help when the individual needs it. We shall operate as a team and support each other.

1

OUR STRATEGIC GOALS

2

Attendo is to be the most attractive choice and the most respected care and health care company in the Nordics.

Attendo is to be the largest private care provider in Europe in 2025.

OUR STRATEGY

*Attendo is dedicated to achieve our vision **empowering the individual**. The foundation to achieve this is created through sustainable and stable operations, customer proximity with a clear offering, proximity to the operations and continued international expansion.*

SUSTAINABLE AND STABLE OPERATIONS

With sustainable and stable operations, Attendo intends to create a stable growth and customer benefits. To establish a sustainable and stable operation, Attendo is eager to conduct the right operations, with the right quality and the right margins where Attendo benefits from its size. Specifically, this means prioritizing quality and margins over volume growth.

PROXIMITY TO CUSTOMERS WITH A CLEAR OFFERING

Proximity to the customers with a clear offering comprises, for Attendo, to be first with the latest service offering and creating an attractive brand from the perspective of Attendo's clients and patients. Specifically, this means that Attendo is to be an active partner to the paying customer in order to be able to sense their needs and be able to quickly adopt service offerings in relation thereto, to have a strong position among clients and customers to be an obvious choice for the end consumer and to have innovation as the distinguishing factor.

PROXIMITY TO OPERATIONS

With proximity to the operations, Attendo intends to ensure the best possible service offering in the industry. This is essentially about maintaining and developing the essence of the Attendo model. Specifically, this means a holistic perspective where the needs of the individual clients and patients are at the center, strong local managers that feel a strong ownership in all aspects of the operations, structure, routines and monitoring and a strong company culture based on shared values.

CONTINUED INTERNATIONAL EXPANSION

Attendo sees clear opportunities to create value with the Attendo model in new service areas and markets through strategic acquisitions. Examples of value creating opportunities are the implementation of the Attendo model, marketable benefits of scale and value creating bolt-on acquisitions.

OUR FINANCIAL TARGETS

GROWTH AND PROFITABILITY

7%

ANNUAL GROWTH

Long-term 7% annual growth through organic growth and bolt-on acquisitions

9%

EBITA MARGIN

Long-term, maintain the current EBITA margin of 9%

CAPITAL STRUCTURE

3.75 x

NET DEBT/EBITDA

Financial stability and the opportunity to execute long-term decisions

DIVIDEND POLICY

30%

OF NET PROFIT

Dividend based on investment opportunities and financial position

Attendo sees a link between high quality and stable margins. Attendo does not intend to grow at the expense of quality or profitability. Attendo should possess a strong financial position that ensure financial stability and creates the potential to execute long-term decisions, and dividends should be founded on Attendo's investment opportunities and financial position.

We empower the individual

Attendo provides care services for older people and people with disabilities, individual and family care, health care and dental care, and staffing. We are a long-term partner for customers, and together we address complex care and health care challenges.

OUR VISION PERMEATES OUR ENTIRE BUSINESS

Our vision is *empowering the individual*. People that need help and support of various kinds turn to Attendo. Often, they are in vulnerable situations. Attendo believes that all individuals, regardless of their life situation, want to be able to control their own lives. The common denominator for all Attendo's activities is that we proceed from every individual's abilities and needs.

Our three values – *competence, commitment and care* – serve as guidance for everything we do and how we relate to clients, patients, customers and each other.

WE CAN RELIEVE THE CAPACITY SHORTAGE

Attendo helps customers solve difficult problems. One long-term example is that the public sector is having increasing difficulty managing, by itself, the substantial investments necessary to satisfy the growing demand for care driven by the rising ageing population.

The capacity shortage is already substantial. For example, statistics from Boverket, the Swedish National Board of Housing, Building and Planning, indicate that the share of local authorities reporting a shortage of beds in nursing homes increased from 27 percent in 2014 to 42 percent in 2015. Attendo's assessment is that approximately 40,000 new nursing home beds need to be built in Sweden, and as many in Finland, until 2030. There are also reports indicating substantial overcrowding in hospitals around Sweden. In total, the Swedish National Board of Health & Welfare estimates that some 450,000 care days are being eliminated due to older people whose treatment is complete remain in hospital beds, instead of being offered beds in nursing homes. In 2015, Attendo started construction of some 700 new beds in care for older people and for people with disabilities in Sweden and Finland.

MANY BENEFITS FOR CUSTOMERS

Attendo is a partner that brings new ideas and drives development forward. For the customer, normally a local authority, partnering with Attendo offers a number of benefits and

opportunities. We have long-term experience and a high level of competence in structuring, operating and developing different care services. Attendo also offers the customer more flexibility to address long-term and temporarily altered needs for resources and competence. We offer a number of different care services:

CARE FOR OLDER PEOPLE

Attendo provides care for older people in nursing homes and home care in Sweden, Finland, Norway and Denmark. Nursing home clients live in their own apartments with access to shared spaces like dining rooms, living rooms, gardens and outdoor areas. The clients plan their days jointly with their contact person and the responsible nurse. The client decides how the care is structured, the timing of the care and the activities and trips he or she want to participate in. This is documented in an implementation plan, which is the foundation for the employees' work, and ensures that the care is structured the way the client wants it.

In home care, Attendo offers a complete undertaking covering everything from care and meal services to cleaning, laundry, evening and night-time services. Health care is also included in many assignments. In home care the need assessment from the local authority, determines the extent of Attendo's services and the implementation is planned together with the individual client.

PEOPLE WITH DISABILITIES

Attendo provides care services for people with disabilities in Sweden and Finland. We work to enable people with disabilities to live as active and independent lives as possible, structured according to their wishes. Attendo operates care homes for adults, homes for children with special needs and short-term accommodation for adults and children. We also provide daytime activities.

INDIVIDUAL AND FAMILY CARE

Attendo provides individual and family care that covers the major part of Sweden's social

care needs, such as consultant supported family homes, crisis and emergency homes, addiction care and neuropsychiatry for young people in various forms of supported housing. This range enables Attendo to coordinate and customize services based on the specific needs of each individual. Attendo has long experience of operating various types of homes for asylum seekers and people that have been granted residency in Sweden.

HEALTH CARE

Attendo provides primary care, specialist care and dental care services in Finland. Within primary care, we operate health centers and are responsible for specific units, such as emergency units. Specialist care comprises specialist doctor services and other health care services for public and private customers. Attendo also assumes complete responsibility for specific hospital departments. We also provide dental care and operate own dental clinics. Flexible solutions have enabled Attendo to improve accessibility, reduce waiting times and improve quality in the Finnish health care system.

STAFFING

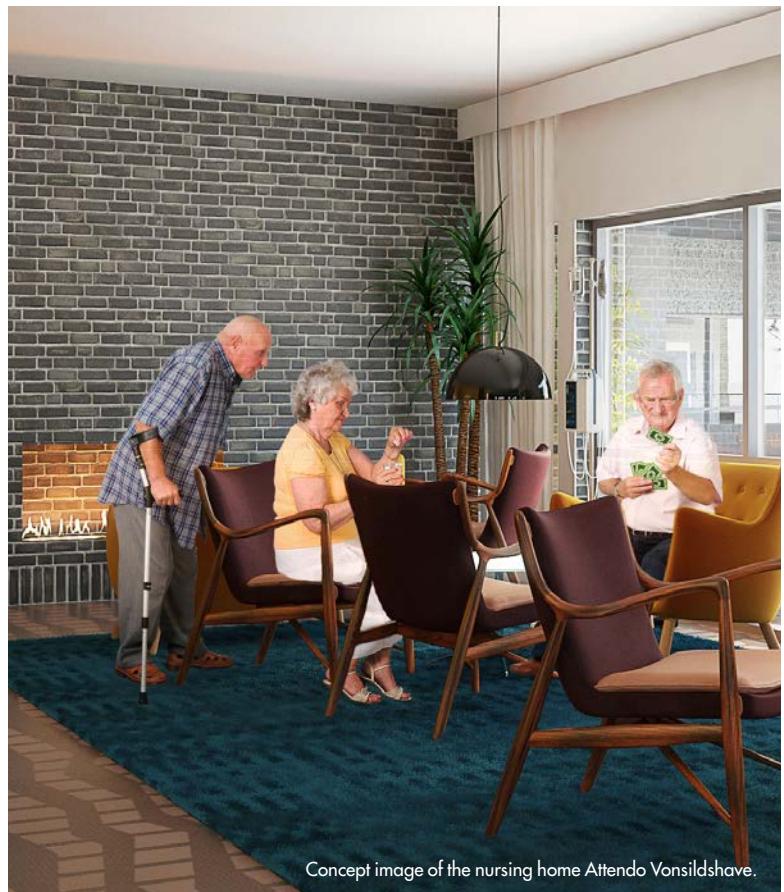
In Finland, Attendo provides medical professionals such as general practitioners, specialist doctors, dentists and nurses. Staffing operations span all service areas in health care, i.e. primary care, specialist care and dental care. Many Finnish local authorities are suffering from care staff shortages of physicians, nurses and dentists. We work actively on hiring and retaining medical professionals, which enables us to offer local authorities medical professionals, and thus improve health care accessibility.

DIFFERENT SOLUTIONS FOR DIFFERENT CUSTOMERS

Attendo operates more than 500 units. Typically, the customer is a local authority. The type and term of a contract varies, depending on contract model and service offering. Operations are divided into three different contract models (more information on pages 10–12):

- **Own operations** – where services are provided in Attendo's own homes or premises.
- **Outsourcing** – where services are provided in the local authority's home or premises.
- **Staffing** – where Attendo provides medical professionals such as general practitioners, specialists, dentists and nurses for primary and specialist care.

The choice of contract model is based on the priorities made by individual local authorities. Many Nordic local authorities have decided to open up publicly financed care and health care to greater freedom of choice and competition (more information on page 18).



Concept image of the nursing home Attendo Vonsildshave.

The first PPP-financed nursing home

In 2015, Attendo opened a new nursing home in the Vonsild district in Kolding, Denmark. Attendo Vonsildshave is the first public private partnership-funded (PPP) nursing home in the Nordics.

The project was exemplified by a project group, including Attendo, the architect firm, the construction company and the facility management company. Attendo signed a 20-year contract with the local authority to provide care and health care in the property. Peter Turell, Business Developer in Attendo comments: “the big advantage for the local authority is greater security and predictability in terms of costs. For us, a long contract makes it easier to focus on long-term measures that improve quality.”

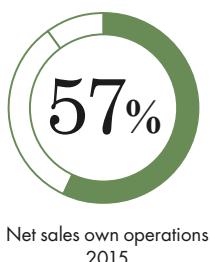
The demographic development will result in a strong increase of number of people aged over 85. Denmark has implemented a legislation on freedom of choice similar to the Swedish legislation, but with the important distinction that while in Sweden, the individual local authority decides whether it wishes to apply the legislation, the Danish legislation applies nationally. The combination of growing needs and greater freedom of choice is expected to improve the potential for private care providers.

Attendo Vonsildshave in Kolding utilizes new technology to further improve client safety, for example through features such as sensors embedded in floors that can detect and sound the alarm if a client falls or is sleepwalking. This enables earlier discovery of potential accidents.

Contract models

Attendo's operations are divided into three contract models: own operations, outsourcing and staffing.

Own operations



Own operations represent the largest share of Attendo's net sales (57 percent in 2015). This is also the contract model with the highest growth in recent years. At year-end 2015, Attendo's own operations covered a total of 354 units in Sweden, Finland, Norway and Denmark.

HOW IT WORKS

Attendo develops own homes in care for older people and people with disabilities and offers care beds to local authorities, and assumes complete responsibility to project, construct, equip and operate these homes. Projecting and construction is carried out together with construction and real estate companies, which also own the properties. Attendo signs lease contracts with real estate owners, normally for 10–15 years. Attendo also offers services in individual- and family care, dental care and home care in own operations.

BENEFITS FOR CLIENTS AND PATIENTS

In our operations Attendo has better possibilities to influence the care experience. Examples in this context include Attendo's lifestyle homes that offer unique concepts (Outdoor & Garden, Culture & Entertainment and Sport & Spa). This is about providing a stimulating environment offering the client the possibility to keep developing their personal interests and interact with neighbors who may share the same interests.

The initial assumption is that an active and more varied day makes us feel better. In Outdoor & Garden, Attendo has documented clear improvements for many clients that have moved from other types of homes, such as lower medication, better sleep and appetite.

BENEFITS FOR THE CUSTOMER

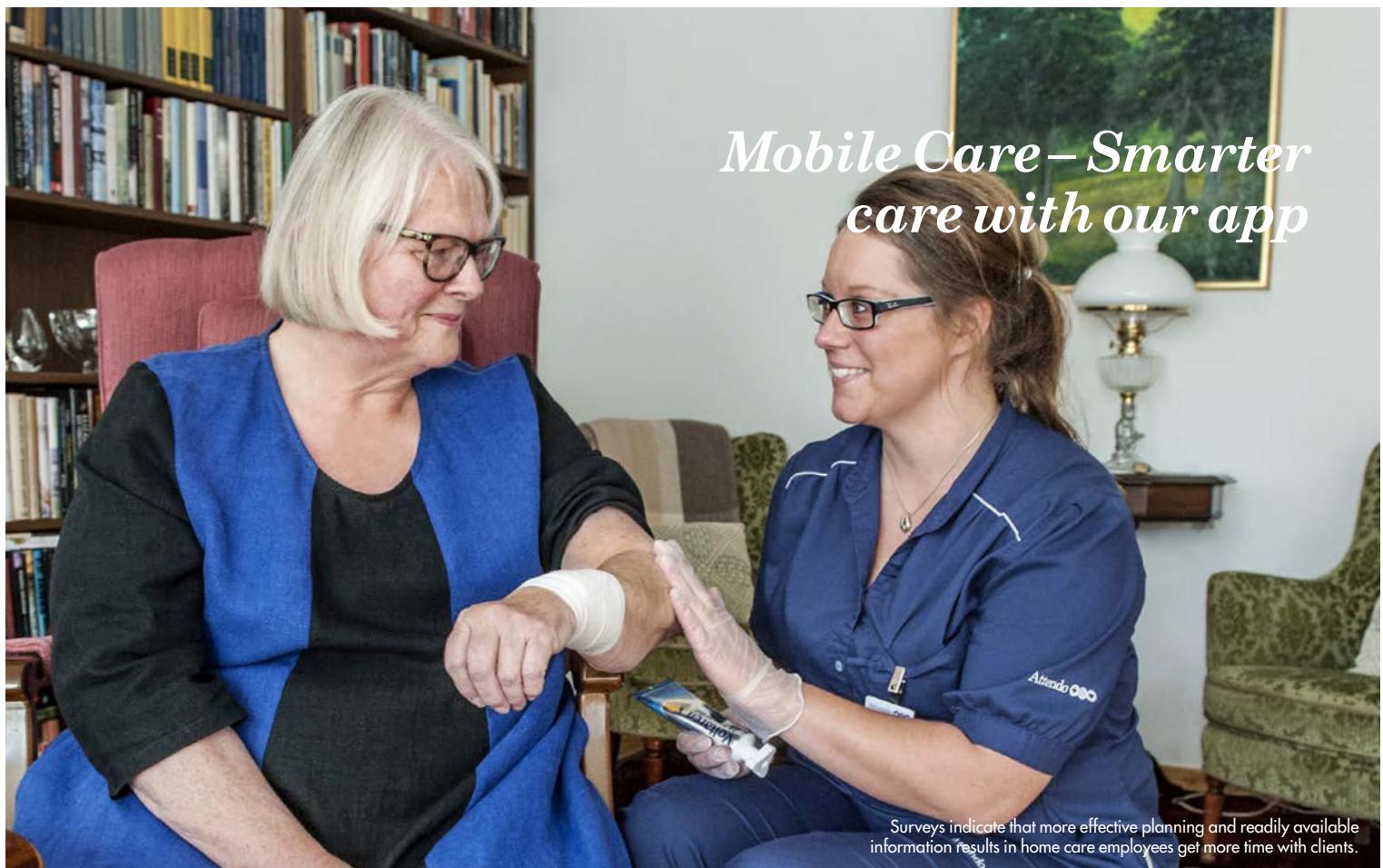
- **Long term commitment** – Own operations ensure long term cooperation between Attendo and the customer. It creates stability both for clients and employees.

- **Substantial experience** – Attendo has extensive experience in planning, constructing and operating different care operations. This provides Attendo with valuable knowledge on how care homes are best designed to be functional.
- **Freedom of choice and plurality** – Clients are offered to choose between several homes and different concepts, for example a lifestyle home focusing on Outdoor & Garden.
- **Expertise and quality** – The customer gets a partner who has the expertise and experience to operate care homes and has a well developed quality system.
- **Low risk** – Attendo takes the entire financial risks involved when projecting, constructing and developing the care home.
- **Carefree** – Attendo takes care of the entire process, from finding a suitable site to manage the project, develop and equip the home as well as recruit employees.
- **Flexibility** – Attendo offers the local authorities an opportunity to meet changing needs and increased demand for care beds.
- **Innovation** – Attendo is committed to develop and use modern tools to increase security for the clients and enhance the quality of our services.

WHAT THIS MEANS FOR ATTENDO

Own operations are mainly procured through framework agreements without guaranteed volumes, which implies special demands on Attendo delivering high quality for clients and customers, and that our solutions for living reaches out in a positive manner. Understanding client wishes and needs is crucial, because it is client satisfaction that ultimately decides how successful Attendo is.

Mobile Care – Smarter care with our app



Surveys indicate that more effective planning and readily available information results in home care employees get more time with clients.



REHAN CHAUDHRY
Business Developer
at Attendo

Attendo's continuous development work always centers around the individual client. One example is the planning system in home care Mobil Omsorg ('Mobile Care'), which creates more time with clients.

With a user-friendly app in a smartphone, the employees have access to all documentation necessary during their work. The employees can easily see what to do at each client and share information from the nurse or physiotherapist. After the visit, notes can be entered into the mobile so that the employee that will do the following visit at the client knows what to do.

"The best thing about Mobil Omsorg is that everything's on my mobile, and it's easy to update when changes happen. We don't have to write anything on paper, as we did before, which does mean a risk of it getting lost or missing something out," commented assistant nurse Emma Nyholm at Attendo Home Care in Uppsala.

Surveys indicate that more effective planning and readily available information means that the home care employees can spend more time with clients. Additionally, their work has become less stressful because the travelling time between clients has reduced.

The app includes clients' contact and personal information and the phone numbers of all team members. It's also easy to find colleagues' locations.

"One of the advantages for clients is that we can easily answer questions about who's coming tomorrow, because we can see the complete work schedule on our phones. This brings a greater sense of security for clients as they know who's coming next time," adds Emma.

Employees can also use Mobil Omsorg for time registration. They use their phones to scan a label at the client's home to record when they arrive and leave, and what work they have done. Something that some local authorities set as a requirement.

The system consists of software managed by a coordinator and a mobile app that employees use when they are with the clients. From their computers, coordinators can easily schedule a unit's home care visits and staffing. The software makes changes easy, such as moving or adding visits, entering new clients or uploading information on special care requirements.

"Previously, coordinators did a lot of the planning in their heads, and team members had to-do lists on paper. Uploading confidential information about clients into smartphones is also much more secure than having it on printouts," says Rehan Chaudhry, Business Developer at Attendo.

"At the weekends when there's no coordinator available, it's also easier for team members to re-plan if someone's off sick for example, because we have all planned visits in our phones," concludes Emma.

Outsourcing



Net sales
Outsourcing operations
2015

Outsourcing operations represented 33 percent of net sales in 2015. At year-end 2015, Attendo provided outsourcing services in a total of 135 units across Sweden, Finland, Norway and Denmark. Attendo's health centers, emergency units and dental care units are responsible for providing health care to some 500,000 persons in Finland.

HOW IT WORKS

Attendo provides services based on outsourcing contracts. The service offering includes care for older people, care for people with disabilities or health care. Attendo employs the people working in outsourced units, while the local authority retains responsibility for the premises where services are provided. Our contract with the local authority normally has a three to five-year term, plus potential extension options. A new tendering process must then be conducted.

BENEFITS FOR CLIENTS AND PATIENTS

Attendo contributes to freedom of choice and quality development, which benefit clients and care. Clients also benefit from our operational

model with leadership, values and quality work, which are designed to *Empowering the individual* and create a better care experience.

BENEFITS FOR THE CUSTOMER

For local authorities, Attendo is a partner that brings new ideas and drive development forward. Local authorities face a challenging task in addressing a growing need for care and health care, while simultaneously saving taxpayers' money. We offer local authorities competence and organizational resources which enable the local authorities to focus on other prioritized areas.

WHAT THIS MEANS FOR ATTENDO

Outsourcing is mainly operated through contracts tendered in accordance with the public procurement act. In order to be competitive, Attendo needs to offer services with high quality and an attractive price. Attendo has long experience of taking over outsourced units, and has a systematic process to make the transition as smooth as possible for clients and employees.

Staffing operations



Net sales
Staffing operations
2015

Staffing operations are represented in the health care sector nationwide in Finland, and generated 10 percent of Attendo's net sales in 2015. In 2015, almost 2,000 physicians, medical students and dentists were on staffing assignments for Attendo.

HOW IT WORKS

Attendo provides medical professionals, general practitioners, specialists, dentists and nurses in primary and specialist care on longer or shorter-term assignments. We staff everything from psychiatry units to radiology departments at regional hospitals. One common staffing situation is when a customer has a temporary need for resources due to sickness absence, and needs to find a replacement with the right competence quickly.

BENEFITS FOR THE PATIENT

Attendo's staffing services contribute to reducing the number of cancellations, shortening patient waiting times and improve the

availability of care. We also provide qualified medical professionals to remote parts of Finland and thus contributing to reducing the physical distance between the patient and care delivery, which is of great importance for citizens.

BENEFITS FOR THE CUSTOMER

Attendo creates flexibility for care providers, solving temporary and structural needs for competence in health care. In partnership with Attendo, more local authorities can provide high-quality care for their citizens, and thus support regional and local development.

WHAT THIS MEANS FOR ATTENDO

Staffing operations are operated on contracts that are tendered according to the public procurement act, or direct tenders. Such contracts may either be framework agreements or specific contracts. Tendered contracts normally have terms of 2 to 4 years.

Attendo Hovinsaari – maintaining your own lifestyle



Erkki Kirves enjoys living at Attendo Hovinsaari.



SATU SIGG
Local Manager
Attendo Hovinsaari

In the nursing home Attendo Hovinsaari in Kotka, Finland the aim is that every client shall be able to maintain his or hers independent lifestyle on the basis of individual wishes and needs, founded on the company's vision empowering the individual.

Attendo Hovinsaari, on the south coast of Finland, offers high-quality living for older people. The fundamental idea of Attendo's nursing homes is to enable clients to maintain their independent lifestyle. The home is safe, with 24 hour care, and peace and quiet possible in private rooms.

"Clients should feel they are living in their own homes at Attendo Hovinsaari," commented Local Manager Satu Sigg.

Each department has one employee responsible for a varied weekly program of stimulating activities. Clients make their own suggestions, which are implemented as far as possible. A daytime dance is held once a week,

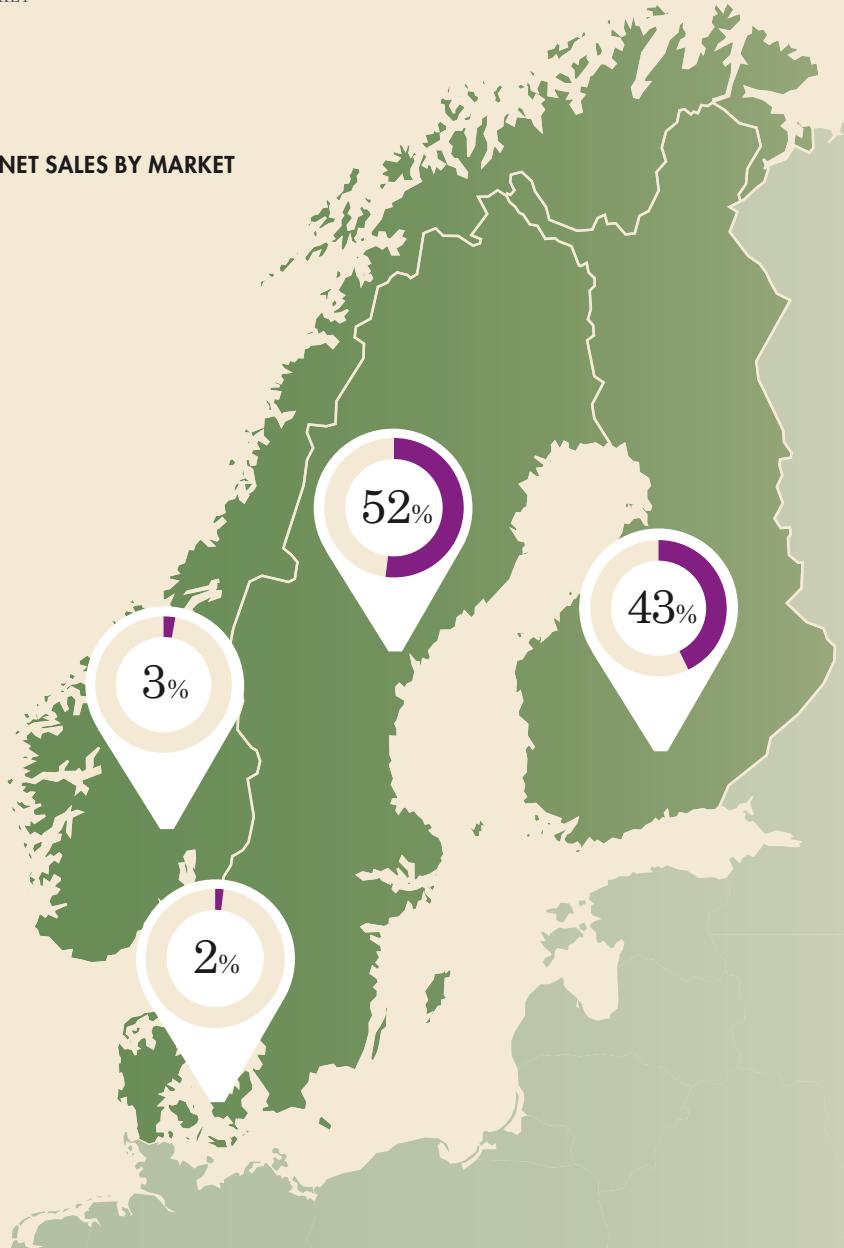
sometimes including quizzes on a musical theme. Sometimes dogs and cats are brought into the home for the residents to pet.

"I take part in the Wednesday dances, even if I don't dance so well any more. I've been dancing since I was 15. I love music, and used to play the accordion. The nursing home organizes concerts and entertainers that I like. They also arrange a lot of parties in the garden and indoors, serving regular and sparkling wine. I usually take a sauna with another client here once a week, and we always have a great chat," commented Erkki Kirves, who lives at Attendo Hovinsaari.

Once a year, he has a special mission.

"I always used to dress up as Santa Claus and knock on the doors of local families when I lived in Sweden, and I really enjoyed it. Now here at the nursing home, I do the same, and I give out presents that staff has wrapped. I always ask the clients if they've been good! This keeps everyone in a good mood and creates a great atmosphere," says Erkki.

NET SALES BY MARKET



NET SALES BY SERVICE OFFERING



CARE FOR OLDER PEOPLE
Nursing home
Home care



CARE
Care for people with disabilities
Social psychiatry
Individual and family care

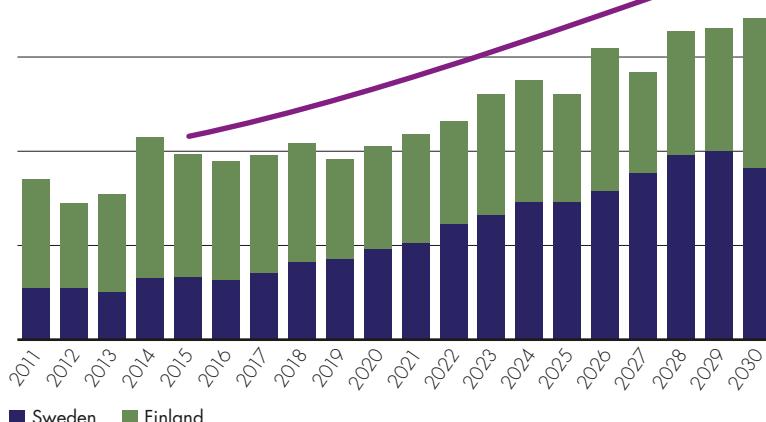
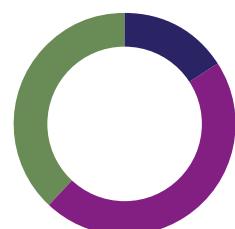


HEALTH CARE
Primary care and occupational health care
Dental care
Combination contracts
Staffing

ANTICIPATED NEED FOR NEW NURSING HOME BEDS
Sweden and Finland

New beds per year (thousands)

Sweden and Finland
need 80,000 new
nursing home beds
until 2030

ESTIMATED SHARE OF NEW CAPACITY
OF NURSING HOME BEDS 2015¹⁾
Sweden and Finland by provider

Attendo is contributing
to approximately 20%
of all new capacity.

■ Attendo
■ Other private providers
■ Public providers

¹⁾ Sweden: care for older people
Finland: care for older people and people with disabilities
Source: Attendo

Drivers on Attendo's markets

Attendo is active in the Nordic countries – Sweden, Finland, Norway and Denmark. The Nordics and much of Europe have the same primary drivers – an ageing population and a growing share of private providers.

AN AGING POPULATION INCREASES

THE DEMAND FOR CARE AND HEALTH CARE

The demographic development with an increasing number of older people in the population and a longer life expectancy entails that the demand and need for care and health care services in society will increase, especially the demand for nursing homes and home care.

CAPACITY SHORTAGE IN CARE FOR OLDER PEOPLE

The increase in the number of older people continues from a level where there is already a significant shortage of nursing home beds. Attendo estimates that some 80,000 new nursing home beds need to be built in Sweden and Finland until 2030. The public sector will have difficulties in coping with this investment need independently, and investments by private care providers will be of great importance.

AN INCREASED SHARE OF PRIVATE PROVIDERS

OF CARE AND HEALTH CARE

The private share of care and health care has historically been increasing. The share of private providers varies from country to country. In several European countries, the share of nursing homes which is operated by private providers exceeds the corresponding share in the Nordic countries. During the last five years the private providers' share has grown faster than the market as a whole in the Nordic countries, meaning that the private share of nursing homes has been increasing.

INCREASING CLIENT REQUIREMENTS

As living standards are improving, the behaviour of clients, patients and their relatives are changing. Today they are more active in their choices and evaluate more care options before making a decision.

INCREASED PREVALENCE OF MENTAL ILLNESS

AND NEURO-PSYCHIATRIC DIAGNOSES

The number of people in Sweden being diagnosed with mental illness and neuro-psychiatric diagnoses is increasing. Significantly more old people are affected by mental illness, disabilities and diseases than what is commonly

known. Improved diagnostics within for example schizophrenia lead to an increase in the number of people being diagnosed with these disabilities. Overall, the increasing number of people with mental illness and neuro-psychiatric diagnoses entails an increasing demand for care.

CARE IS TRANSFERRED FROM HOSPITALS AND INSTITUTIONS TO HOME CARE AND MODERN NURSING HOMES

There is an increasing understanding that hospitals and similar environments such as institutional care are not good environments for high quality care. In reality clients often receive care for several years. This is best conducted in the clients' home or in housing similar to the home. Furthermore, limited public financing is increasing the need for care and health care to be organised as efficiently as possible, and a hospital bed is more costly than a bed in a care home. For a company like Attendo, that operates homelike nursing and care homes, this shift from institutions to smaller units entails an increasing demand for the company's services.

INCREASED INTEREST IN FREEDOM OF CHOICE

Private providers and freedom of choice is a natural part of care for older people in several European countries. . The interest in being able to make a choice yourself has increased among older people in all Nordic countries. 90 percent of Swedish citizens consider it important to have a freedom of choice in terms of choosing their own nursing home, and correspondingly 81 percent for home care.

HIGHER QUALITY REQUIREMENTS AND

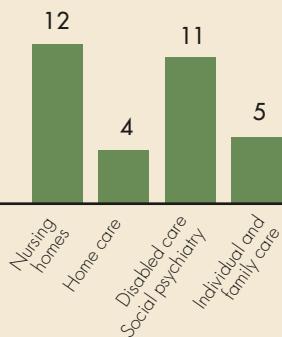
MORE FREQUENT MONITORING AND SUPERVISION

As the system for care and health care has changed, considerations regarding control and quality have become more important and more extensive. Meeting the increasing quality and authority requirements is difficult for smaller public and private providers. Larger providers such as Attendo may benefit from having well established quality routines, dedicated quality professionals and similar advantages that smaller local authorities and companies more often lack access to.

Comparison of geographical markets

SWEDEN

Sweden is Attendo's largest market with high growth for private providers over the past five years in most of the areas where Attendo is active.



ATTENDO'S COMPETITORS

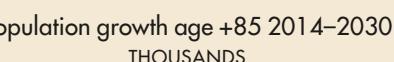
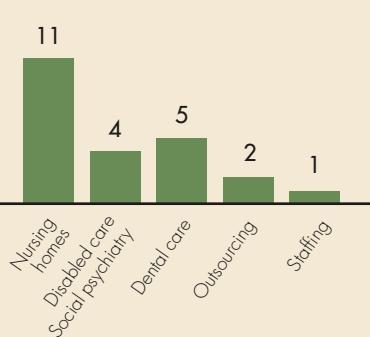
Vardaga, Aleris, Norlandia, Förenade Care, Humana, HSB Omsorg, Nytidia, Solhaga, Frösunda and municipal operations.

FINLAND

Finland is Attendo's second-largest market, with high growth for private providers over the past five years, and with a higher private share than in Sweden.



¹⁾ Annual growth is explained by large increase in combination contracts.



NORWAY

The Norwegian market has recently started to grow, with an increasing number of tenders. The result from elections to local authorities in the end of 2015 indicates a slowdown in the market.



DENMARK

The competitive environment has improved in Denmark, through means including legislation requiring all local authorities to sign agreements with at least one private provider in home care services.

Private market, size

SEK BILLION

ANNUAL GROWTH

+3% +3%



Private penetration nursing homes

PERCENT

17%

Population growth age +85 2014–2030

THOUSANDS

+78%



ATTENDO'S COMPETITORS

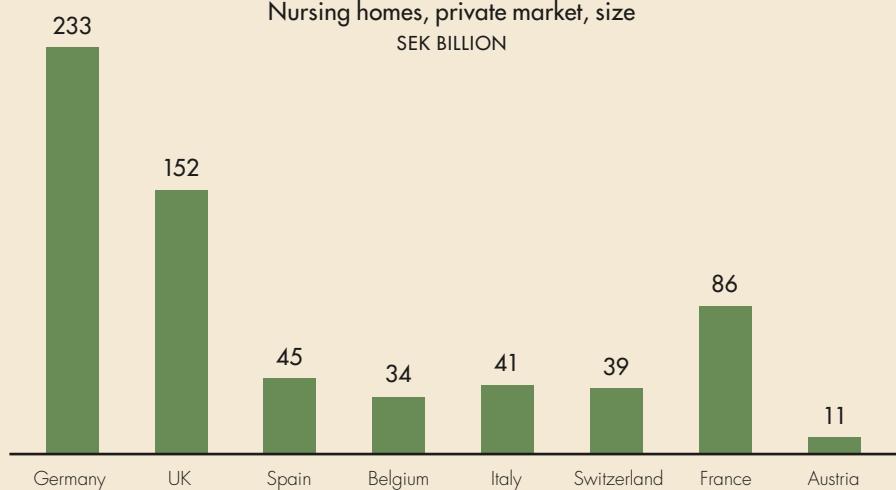
Aleris, Förenade Care and municipal operations.

EUROPE

All selected European markets have extensive private markets with a high share of private providers, and also expect significant growth in their +85 age group.

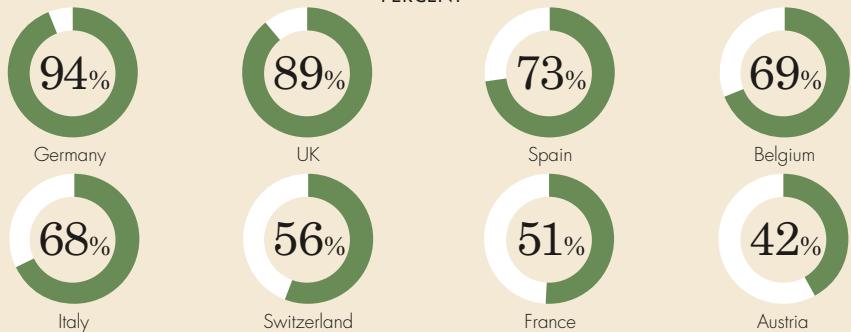
Nursing homes, private market, size

SEK BILLION



Private penetration nursing homes

PERCENT



Population growth age +85 2014–2030

THOUSANDS

 2014
 2030


ATTENDO'S COMPETITORS

KorianMedica, Orpea, BUPA, Ambea, Domus Vi, Barchester, Pro Seniore, Care UK, HCOne, Kursana, SAR Quavita.

The system for care and health care

The Nordic system for care and health care rests on public financing, local responsibility and extensive regulation governing public procurement and quality inspection. The system has gradually opened for alternative providers.

LOCAL RESPONSIBILITY FOR SOCIAL CARE

The responsibility for health care (health care facilities, dental care and hospitals etc.) often rests regionally with counties or hospital districts, while the responsibility for social care (care for older people, care for people with disabilities, care for individuals with drug addiction and asylum seekers etc.) usually lies with local authorities.

Unlike health care, where anyone can apply for care directly at a health care facility, social care is need based. This means that every care matter is examined and decided on an individual basis (sw: biståndsbeslut) in the local authority where the individual resides.

The system has gradually opened to other providers than public operators, as various reforms have been implemented to improve quality, availability and efficiency. Sweden and Finland have made the most progress in terms of freedom of choice within care and health care.

Attendo's services are mainly used by those individuals that have selected Attendo through their own care choice, or are covered by health care or social care where the local authority has selected Attendo through a tendering process.

THE SWEDISH CARE SYSTEM

In Sweden, 290 local authorities are responsible for social services and care for older people, and 20 counties for health care, as well as dental care. Attendo's main customers in Sweden are local authorities. In Sweden, there are primarily two acts which regulate procurement of private welfare services; the Public Procurement Act and the Act on System of Choice. The Public Procurement Act regulates the majority of the public procurements in Sweden and are applied in both own operations as well as outsourcing operations. The decision criteria may be either price or quality according to the customer's requirements, or a

combination of both. The Act on System of Choice was implemented in 2009 and established a framework for public procurement where the client or patient themselves may select their provider among those that the customer (local authority) has approved. The Act aims to open up parts of the local authority's operations for competition by letting the client choose between providers in the system of choice and each local authority can decide if and how the Act on System of Choice shall be implemented and procured.

An inquiry is currently ongoing in Sweden regarding potential limitations of freedom of choice and profit in care and health care. Additional directives, with more focus on quality, were added in the year, and the inquiry period was extended until May 2017, with partial conclusions presented in November 2016.

THE FINNISH CARE SYSTEM

The Finnish care system is decentralized to 317 local authorities responsible for primary care, social services and care for older people, and 20 hospital districts delivering specialist care to several local authorities. Attendo's primary customers in Finland are local authorities and hospital districts that provide care for older people, care for people with disabilities, primary care, occupational health care and dental care. In Finland, there are mainly two models for procurement of private welfare services; the Public Procurement Act and the Act on Service Vouchers in Social Welfare and Health Care Services. The Public Procurement Act aims to enable more efficient use of public funds, promote high quality procurement and guarantee equal opportunities for private companies to offer goods and services in public procurement processes. The Act on Service Vouchers was introduced with the aim to increase the freedom of choice for

clients and patients. With the service voucher the client or patient can choose to seek care and health care from private providers that have been approved by the local authorities.

The Finnish welfare system will undergo very extensive transformation when a planned reform, the so called SOTE-reform, becomes effective on 1 January 2019. This will involve the creation of a new administrative level of 18 regions with responsibility for care and health care. These regions will have obligations including verifying the costs of providing care and health care in public operations compared to outsource the services. The details of the reform have not yet been completed, but Attendo's overall assessment is that this reform will increase the potential for private providers in Finland by opening a larger share of care and health care for competition.

THE NORWEGIAN AND DANISH CARE SYSTEMS

The care systems in Norway with 428 local authorities and Denmark with 98 local authorities are decentralized, with local responsibility for primary care, social services and care for older people. Attendo's customers in Norway and Denmark are mainly local authorities and Attendo provides care for older people in the form of nursing homes and home care. Both Norway and Denmark have procurement acts relevant for Attendo.

Denmark has a freedom of choice system for home care, with a right of free incorporation for private providers that fulfill specific quality requirements. The volume of new contracts out for tender has increased in recent years.

Norway has no clear rules and incentives to increase the private component of social care, and only a minority of care for older people is subject to a freedom of choice system.

Weight loss program in Finland



Our mobile model for group support in Puolanka achieved an average weight loss of 5 percent in three months.

7%

Percentage of total health care costs in Finland attributable to overweight and obesity

Attendo is helping people lose weight by combining methods from traditional weight loss groups with digital technology.

Obesity and being overweight are major health issues in Finland. Over half of the adult population is overweight ($BMI \geq 25$) and 20 percent are obese ($BMI \geq 30$). Obesity increases the risk of a number of diseases like Type II diabetes, cardiovascular disease, muscular and skeletal disease, dementia, depression and various types of cancer.

The direct and indirect costs related to being overweight or obese make up an estimated 7 percent of Finland's total health care expenditure.

This is the background of Attendo's weight loss initiative in Finland. Group meetings and weight loss clubs have proved an effective way to help people lose weight, but it has been difficult to offer personal support in an efficient and scalable manner within primary care. In 2015, Attendo conducted a three-month pilot project in primary care, which combines traditional group support with virtual behavioral therapy and achieved promising results.

“Our mobile group support model in Puolanka achieved an average weight loss of 5 percent in three months,” commented Antti Raimovaara, Regional Director of Attendo's care and health care operation in Puolanka.

Participants use aids including a MealLogger app developed by Finnish company

Wellness Foundry. MealLogger is an image-based food diary, where participants upload pictures of their meals and share them with other members, care staff and dieticians. Participants also receive images of care staff meals, creating an informative and engaging overall experience.

“When I started, I felt taking images of everything I ate was terrible,” admitted Maarit Tolonen, a participant in Puolanka.

“First I stopped eating snacks, which I didn't really need, because quite simply, I couldn't take that many pictures. Then I progressively stopped eating unhealthy food and switched to more fruit and vegetables. It's been interesting to see that I already knew what was healthy, but didn't act accordingly. But I do now.”

Digital technology offers a range of benefits, for example making conventional weight loss programs more effective by care staff also getting support from dieticians. The virtual support from other participants in the program also increased the group's cohesion and helped participants achieve their objectives. It was also possible to influence group dynamics in different ways and monitor the participants motivation, which enables questions arising to be addressed immediately. The project in Puolanka will continue in 2016, and similar programs are being started up at several locations in Finland.

Sustainability



Attendo endeavors for an industry leading position in sustainability, and to meet the challenging standards applying to its operations. We divide our sustainability responsibility into four areas: social, ethical, economic and environmental.

Social responsibility

Satisfied clients, patients and customers are the core of Attendo's operations. This is achieved by offering the best possible care and health care, with security and quality of life. We address complex care and health care challenges, contribute to decrease the prevailing capacity shortage and continuously strive to develop and enhance the quality in care.

Attendo has over 19,000 employees. We are convinced that active and committed colleagues are the foundation of an optimal working environment, and encourage our employees to take initiatives and contribute to their personal and professional development.

Ethical responsibility

We work continuously to integrate our core values – competence, commitment and care – into our day-to-day operations. Attendo has adopted a Code of Conduct stating guidelines extending from the day-to-day work and dealing with each other and our customers, to business ethics and media relations. Committed employees with good knowledge of our core values reinforce our offering, and mean we have proud employees. We regularly remind all our employees of the importance of compliance with our code of conduct and our values.

Economic responsibility

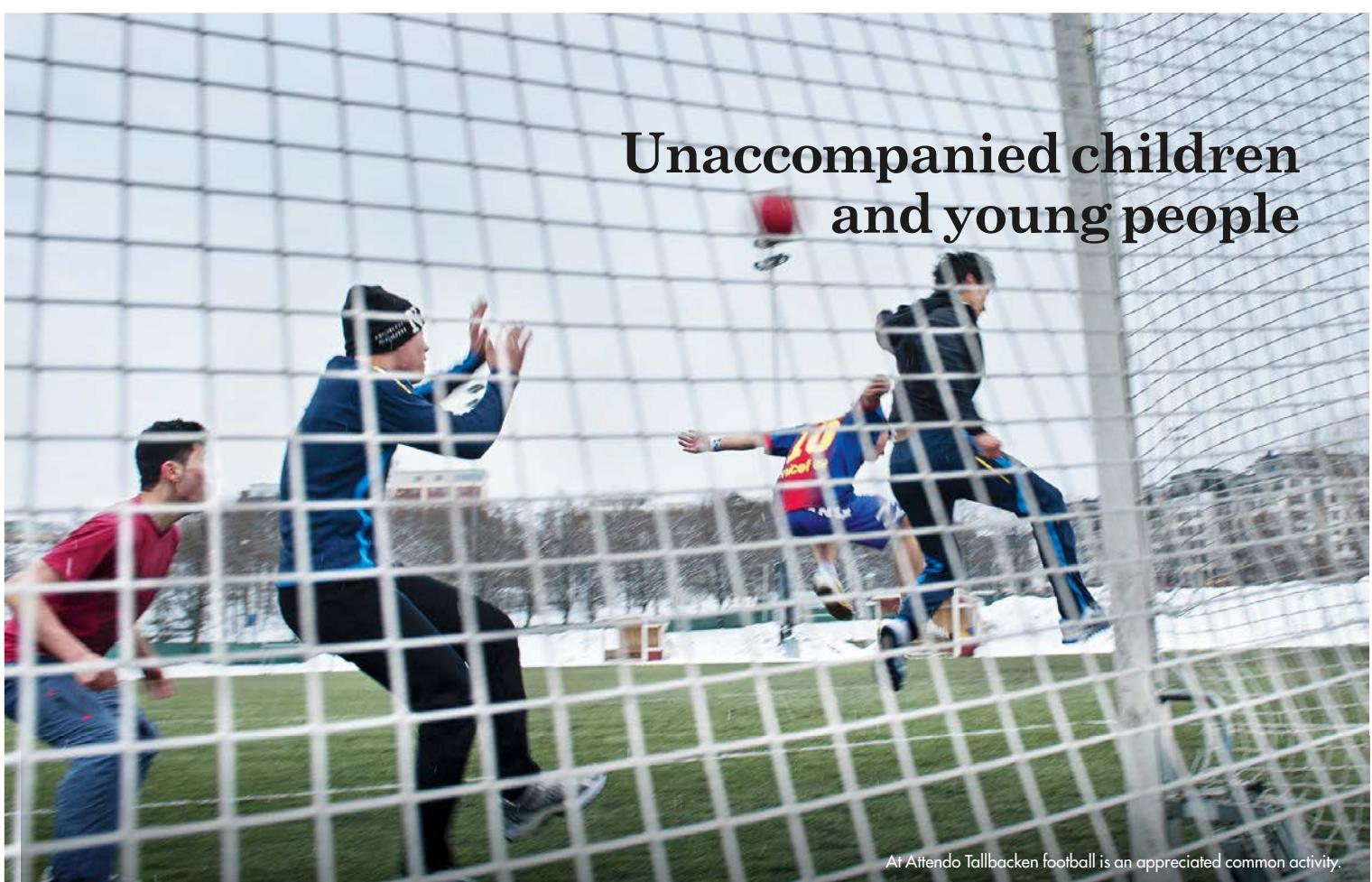
Care and health care is the single largest public expenditure item in all the Nordic countries. Social infrastructure has a substantial impact on the wider society, and on clients, patients, customers, relatives and employees. Society demands that every individual should be offered the best possible knowledge, security and quality of life.

Growth should never be prioritized above quality or margins. A sustainable care and health care shall maintain high quality for our clients and patients, and simultaneously generate stable margins. Attendo strives to secure a lasting perception as the most attractive and respected care provider in the Nordics, with high-quality services and cost-efficient operations.

Environmental responsibility

Attendo strives to achieve greater environmental consideration and a reduced environmental footprint across its operations, in accordance with the company's environmental policy. All managers are responsible for the operation to comply with applicable environmental legislation and to consider environmental aspects for products and services, buildings, transportation, energy and water consumption, as well as waste management.

Unaccompanied children and young people



At Attendo Tallbacken football is an appreciated common activity.



ZEINEB MAHMOOD
Local Manager
Tallbacken Asyl och PUT

Attendo has long experience of operating homes for unaccompanied children and young people. Participation, language skills and a quality system involving rigorous follow-ups on each individual are the key to successful integration.

The care Attendo provides for unaccompanied children and young people centers around the individual needs. These needs cover a series of aspects like health, social relationships, security, family contact, housing, schools, active leisure time and the capacity for independence. One guiding principle is the collective responsibility for both Attendo and its clients to create a good home, and accordingly, Attendo puts great emphasis on the client's own opinions.

"Participation and language are two critical factors for good integration. That's why we put such great emphasis on young people being involved in decision-making, and we're also careful to speak Swedish only," comments Zeineb Mahmood, Local Manager at Attendo Tallbacken Asyl och PUT in Solna, near Stockholm. Zeineb operates a home for young people that come to Sweden without guardians and need somewhere to live during the asylum seeking process or once they have received permanent resident permit.

Every young person has individual activities in addition to the regular shared activities that also are arranged. At Attendo Tallbacken, these activities include football, movies, go-karting, karate and thai boxing.

Individual activities span everything from dancing to additional courses in English and the employees offer assistance on homework every evening. Attendo Tallbacken is in collaboration with external bodies like the Red Cross, the Save the Children Fund, and other organizations.

"As an example, the City of Solna recently organized a basketball training session with a National team trainer," added Zeineb Mahmood. One central component of this system is actively capturing all deviations, which might be very straightforward matters like the client missing a football training session. In each of these cases, the underlying causes are analyzed, and any required action is then taken. In this example, this could be arranging a talk between the client and the football trainer.

"We're very careful about following up these deviations, capturing problems and finding solutions early. Additionally, our client satisfaction surveys are very important for ensuring that we're working on the right things," commented Martin von Schoultz, Assistant Regional Director of Attendo.

Every client gets two contact persons to have full responsibility for the young person's care and development. These contacts ensure that Attendo is satisfying all relevant legislative and regulatory standards, and in turn, the Local Manager follows up to ensure the contacts are fulfilling their commitments and plans. Attendo has operated homes for unaccompanied children since 2006.

Attendo's sustainability work

Society demands that every individual should be offered the best possible care and health care, with security and quality of life. We address complex care and health care challenges, contribute to reducing the prevailing capacity shortage, and continuously strive to develop and improve the quality in care.

SOCIAL RESPONSIBILITY

GREAT SIGNIFICANCE TO SOCIETY

Care and health care is the single largest public expenditure item in all the Nordic countries. This reflects a social infrastructure that is highly significant to society, not only for clients and patients but also for relatives and employees. Society demands that every individual should be offered the best possible care, with security and quality of life.

EXTERNAL REVIEWS AND INTERNAL AUDITS

In order to conduct private care operations in the Nordics, it is always required to have a contract with the local authority, and often a permit. The permit assessment considers whether the relevant operation has the potential to deliver care with good quality and safety. Every country has a framework of legislations and regulations from various authorities that regulates care and health care providers in terms of for example care and health care services, occupational health and safety, disease protection, food production and fire safety. As the care and health system evolves, monitoring and quality questions have become more important. The local authority has a legislative responsibility for ensuring that care maintains high quality regardless of whether delivered on a private or public basis, and regularly conducts quality reviews of private providers' operations.

We also follow up on ourselves, and continuously evaluate individual client service and our operations in general. We continuously strive to develop and improve the quality in care and health care.

WE ADDRESS COMPLEX CARE AND HEALTH CARE CHALLENGES

One of Attendo's primary strengths is its ability to address complex care and health care challenges. Our services include among other things care and health care for individuals with multiple disabilities, such as autism, or especially complex diagnoses, such as Huntington's disease and Parkinson's disease. Within individual and family care, our assis-

tance includes for example helping local authorities create a good life for unaccompanied refugee children. In Finland, we provide local health care at small, remote locations.

WE ARE INVESTING TO ADDRESS THE CAPACITY SHORTAGE

Attendo is investing in new nursing homes and homes for people with disabilities. The number of people aged over 85 will increase steadily across the Nordic countries over the next 15 years. There is already a shortage of beds in care for older people, and a large need to build new homes and renovate those that currently exist. The public sector encounters increasing difficulties in managing the significant investments necessary to satisfy the growing demand.

Attendo's investment in new homes has made, and will continue to make, a substantial contribution to manage the capacity shortage. In 2010-2015, Attendo started construction of approximately 4,100 new beds in nursing homes and homes for people with disabilities in Sweden and Finland, which is estimated to approximately 40 percent of all private providers' new production. Accordingly, Attendo is the private provider making the single largest addition of new beds. By designing the homes ourselves, we increase the potential to develop the operations and make investments that improves quality and enhance the care experience.

WE CREATE FREEDOM OF CHOICE AND DEVELOP QUALITY

Attendo contributes to create more alternatives in care and health care, offering clients and patients the opportunity to choose the provider they want themselves. Attendo has over 19,000 employees across the Nordics, and is one of the largest employers in Sweden. This contributes to greater potential for development and more alternatives for employees within the care and health care sector. The ability to select a private employer as an alternative to a public, is now a natural choice. For Attendo, this means better possibilities to hire

highly skilled and motivated employees, who want to develop together with us, and contribute to further develop care and health care in the Nordic region. Attendo has a clear structure for its quality work, which permeates all parts of the company. A growing number of local authorities are choosing to cooperate with Attendo and other private care providers because this contributes to freedom of choice and the development of quality in care, simultaneous with generating transparency of the local authority's costs, and thus more efficient usage of tax revenues.

ETHICAL RESPONSIBILITY

CODE OF CONDUCT AND COLLECTIVE VALUES

Attendo's operations are based on a strong foundation of common values, local leadership and a good structure. Attendo operates on a regulated market and is subject to obligations, ultimately according to various legislation, which amongst other set standards on quality systems, internal reviews and continuous regulatory reporting. Attendo's Code of Conduct sets additional guidelines and offers support relating to the challenges that may arise in the daily operations with customers, employees, business partners and other stakeholders. The Code covers business ethics in the widest sense, but also areas like human rights and discrimination, as well as whistle blower, employment conditions, health and safety. All Attendo employees are informed annually of their obligation to understand and comply with the Code.

ECONOMIC RESPONSIBILITY

A SUSTAINABLE AND STABLE OPERATION

With its sustainable and stable operations, Attendo intends to create stable growth and customer benefit. Accordingly, we are committed to do the right sort of business, at the right quality and with the right margins. This means among other things that quality and margins are prioritized above growth, and that Attendo does not intend to grow at the expense of quality or margins.

We monitor variations in quality and profitability closely, and prioritize investment accordingly, as well as taking a structured approach to expansion in new markets and geographies.

We strive to ensure that all services are delivered cost-efficiently and create value for the customer.

ENVIRONMENTAL RESPONSIBILITY

ATTENDO'S ENVIRONMENTAL WORK

Attendo strives to be a role model from an environmental perspective by working actively for greater environmental consideration. Attendo's Environmental Policy is the starting-point for the company conducting its operations with respect and care for the environment, and how our employees, partners and suppliers should act. Our long-term ambition is to continuously develop our environmental work by working actively, mainly in the following areas:

- **Procurement:** Environmental aspects should be considered when selecting purchased products and services.
- **Transportation:** Attendo considers environmental aspects relating to transport, deliveries and business travel. Environmentally friendly/fuel-efficient alternatives should be considered in decisions regarding the vehicles used in our operations.
- **Energy and water:** Attendo will strive to reduce energy and water consumption.
- **Waste:** Attendo shall ensure that waste, including environmentally hazardous waste, is managed appropriately, to reduce negative environmental impact.

Examples of focus areas on the environmental area during the year included the development and implementation of environmental management systems, more widespread usage of the latest IT tools for meetings to reduce travel, using renewable power, more purchasing of organic food.

“

My suggestions and ideas to develop the units get adopted, and that's great.

THERESE VIKNER,
OCCUPATIONAL THERAPIST

“

Seeing happiness on clients' faces when we have activities, and a glint in the eye of older people, especially those unable to communicate verbally, is an amazing experience. It also really makes our team happy.

ANDERS EKLUND,
TRAINER FOR OLDER PEOPLE

“

We really want to make a difference for clients. They should feel warmth from the people that work here. Our workplace is their home.

NICLAS DAHLBÄCK,
NURSING ASSISTANT
AND VALUE COACH

Quality work

Attendo's quality work permeates all parts of the company, from local initiatives that involve all employees, to overall work conducted centrally.

MORE STRINGENT LEGISLATION IN FINLAND

On 1 January 2016, Finland implemented reporting liability for employees within social care if they discover abuse in care. The contents of this reporting obligation are similar to that specified in legislation in Sweden known as Lex Sarah. This legislation prescribes that each employee should ensure that clients receive good treatment, and that if abuse is discovered, it should be immediately reported to the local authority's social care department.

HIGH QUALITY STANDARDS

Since start-up 30 years ago, Attendo has been the industry leader in developing quality and creating better care for clients. Firstly, operations are governed by laws and regulations, and secondly, by contracts with customers. The external standards are stringent, more so for private than public providers. But in Attendo, we apply even higher standards to ourselves. Our quality work goes beyond the standard that legislators or customers apply. This means that we can provide market-leading quality in care, and drive development in the care industry. Much of what we take for granted in the Swedish care system today, such as social documentation, a contact person, and "own time" are the result of Attendo's development work.

ATTENDO'S TAKE ON QUALITY

To be able to fulfil our commitments and continuously improve, we take a rigorous view of defining and working on quality. Attendo's quality model builds on a definition of quality that has three components:

Satisfied individuals (client and patient satisfaction): All tasks are based on client or patient wishes and needs. Attendo has been monitoring the satisfaction amongst clients, patients and their relatives for a long time and sees positive trend over time.

Systematic improvements: Systematical and carefully prepared work with planning, execution, monitoring and development is essential to Attendo's operations. The systematic quality improvements are to function well and cover all that Attendo does. It ensures that Attendo complies with laws and regulations and that we at all times identifies and utilises opportunities for improvement in the operations.

Best available knowledge: Attendo's work is based on evidence based practice, i.e. the best available knowledge and proven experience. Attendo has a strategy and a working method for spreading evidence-based practices in the entire organisation. Attendo compares the different units on several different parameters to identify and spread optimal work practices. Attendo has developed market leading and shared tools within, among



85%

At the end of 2015, Attendo's quality thermometer was at its highest-ever level, an average of 85 percent.

others, lifestyle nursing homes, food experiences and other projects and activities.

SYSTEMATIC QUALITY DEVELOPMENT

Attendo has developed a quality system, AQ16, which defines, measures and follows up processes and activities on a monthly basis. Reporting non-compliance and monthly follow-ups, which are led by the local quality coordinator of each unit are the core of the local work. This work is documented and above managing deviations also local development projects are being managed.

Central quality departments are responsible for designing and developing the system. They also conduct regular and extensive self-assessments and audits, and support and train local quality coordinators. In many cases, systematic quality work is now a legislated requirement, and therefore Attendo is also subject to regular reviews by customers and regulatory authorities.

Attendo's own quality index, the *Quality thermometer*, consists of nine components and is based on local work, internal and external audits, and patient and client satisfaction surveys. Results at unit, regional and group level enable us to compare operations and regions, but also monitor Attendo's quality work generally. Local Managers, Regional Directors and Executive Management thus get a good overview of how well quality processes are functioning, and what needs to be done to improve quality still further.

ADVANCES IN 2015

During 2015 Attendo commenced a partnership with Magnea regarding movement sensors that measure older people's movement patterns. The purpose of this initiative is to identify those clients that need to move more, and thus be able to create the right motivation. In Attendo's operations for people with disabilities, one region has been working on a new survey tool for those clients that due to their disability, have difficulties communicating with the current method. The new survey tool enabled the region to succeed in achieving a 100 percent response rate in its client satisfaction survey. Attendo is now working to introduce this on a Scandinavian basis, at those units where it is appropriate.

AQ16



ATTENDO ADD – ATTENDO'S IT SYSTEM FOR QUALITY WORK

Attendo always wants to get better. To realize this objective, we need an organization that is continuously learning. In turn, this requires us to continuously follow up on our work, so that we know what the next step in the development process is. Attendo's AQ 16 quality system is updated continuously on the basis of legislation, social progress, and what we learn from our ongoing work, and – no less important – the quality system should also work hand in hand with our work with values. The outcome of the systematic quality work and values generates good care for the clients. Since 2014, Attendo has been working with a group-wide digital solution for quality work Attendo Add.

Attendo Add documents all processes so that Attendo's quality functions can monitor the progress of every case. Every employee can submit an event report when something does not go as planned. The system then alerts the Local Manager, who conducts an assessment based on

cause and extent. The event reports are summarized in an analysis tool which notifies users of how many events that have occurred in each category. The report also enables us to see at what time of day the events occurred, and the relevant cause. This analysis tool is the basis of our operational monthly quality meetings.

The aim is to correct any faults and shortcomings systematically, and identify other risks in this context. In this way, no actions fall between the cracks, and no case can be closed before the Regional Director judges that everything that should be done has been done. It is obviously crucial that employees participate, and these reports now give all the employees of an operation the opportunity to track results monthly. For Attendo, this new system has given activities a real boost, providing the operations with complete insight and control over their quality work. And the most important thing of all is that it means greater safety for clients.

99%

of clients of Attendo's Swedish nursing homes have an up-to-date implementation plan.

95%

are satisfied with the employees' treatment in Attendo's Swedish nursing homes and home care.

88%

of the clients of our Swedish special homes for people with disabilities stated that they feel secure or very secure.

100%

of all audits conducted by Valvira (Finland) had no serious criticisms.

Read more about Attendo's quality work at attendo.se

Employees

Our employees' competence, commitment and care are decisive for our clients always being able to feel secure, safe and independent.

ATTENDO'S VALUES:

Competence – for Attendo, competence means seeing the opportunities of every situation and contributing to progress by searching for solutions where other people see problems. We should understand each individuals wishes and needs, be thorough and pay attention to details. We should be proud of being quality leaders and our results should be transparent.

Commitment – for Attendo, commitment means we should be proud of what Attendo does and being part of Attendo. We should be reliable and always keep our promises. We should demonstrate a can-do attitude, and always attempt to exceed expectations.

Care – for Attendo, care means getting people to feel secure and safe, and listening to the individual, adapting actions accordingly. We help individuals to help themselves, and offer help when individuals need it. We work as a team and support each other.

WE ARE ATTENDO

Attendo is made up of people that work for and with other people. We have over 19,000 employees in care and health care units across Sweden, Finland, Norway and Denmark. High quality within care and health care places demands on our collaborative skills and team spirit, where multiple professional groups collaborate in the care process. Assistant nurses, nurses, physicians and social workers play important roles within Attendo. Attendo works consciously to reinforce the interaction between its working teams.

Our experience is that closeness to clients and customers is a success factor.

Attendo works systematically to search, select and develop the best leaders. Many of our leaders have care and health care backgrounds, which creates good potential for high quality within Attendo's operations. Local Managers bear substantial individual responsibility for their operations, and work systematically on delegating responsibility so that employees feel a sense of participation.

OUR VALUES SHOW US THE WAY

Our clients should always feel secure, safe and independent. We put the needs of the individual first, and deal with everyone respectfully and warmly. This is the foundation of Attendo's vision: *Empowering the individual*.

Our values of *competence, commitment and care* serve as guidance in everyday work to ensure that we constantly realize our vision. Since Attendo consists of many independent operations across several countries, our values are also important tools for creating solidarity and quality.

In 2015, Attendo continued the process of disseminating and securing its values throughout the organization. Our work on values is being conducted with the help of 650 local value coaches, combined with a central induction program and supporting information on our vision and values. Our coaches help us to ensure that our vision and values are secured within the organization, creating better potential for everyone to work towards the same goal.

COMPETENT EMPLOYEES

Our employees' competence, commitment and care are decisive to clients, patients and their relatives being satisfied with our efforts. We offer all our employees a basic introduction including guided shifts and sponsorships. Our annual appraisal interviews include discussions of the company's and employee's objectives, and how they fit together. All competence development is based on individual plans. To keep driving development and ensure high quality, Attendo offers training to all employees. We also advocate continuous learning and encourage job rotation.

Attendo operates in an environment where change is common and often extensive. Accordingly, it is necessary that the employees that work for Attendo are adaptable, want to learn new things and share their knowledge with others.

HIGH SCORES ON EMPLOYEE SATISFACTION SURVEYS

We conduct regular employee satisfaction surveys as a complement to appraisal interviews and maintain a daily dialogue. Twice yearly, we 'take the temperature' of our employees' job situations, and how satisfied they are with their jobs and workplace. The results of these surveys are consistently very positive and stable.





Values Work in Finland



MIRJA KOIVISTO
Local Manager
Attendo Tapalankallio



SATU OJALA
Value coach

Employees at Attendo Tapalankallio in Finland use a well-known Finnish hit to remind themselves about Attendo's values and the importance of collaboration.

Attendo's values of *competence, commitment* and *care* are important tools for creating solidarity and quality amongst our many different units in several countries. The work to spread and anchor the values across the group continued in 2015. This was achieved by 650 local value coaches. At Attendo Tapalankallio in Finland, values work is managed by Values Coach Satu Ojala, and Local Manager Mirja Koivisto.

"We bring our values up at monthly meetings, distributing a brochure to all new employees and students. I address the topic of values with my employees and obviously also ask about their own values. This is our method for initiating our work on values," explains Mirja.

One important event during the year was the seminar that brought all employees together to discuss Attendo's values and other important issues.

In care, collaboration is the key to success. When we are facing difficulties, we look for solutions and examine whether there is anything in our values that can help us in the relevant case. I had the idea that we could use Kuningasidea's hit *Enemman duoo ku sooloo* ("more duo than solo") as our slogan, because it reminds us about our values and the importance of collaboration," adds Satu.

There is also an important relationship between values and satisfied employees. If values permeate our work, clients and their relatives are satisfied and provide positive feedback, which in turn, helps produce satisfied employees. The values work at Attendo Tapalankallio is continuing in 2016.

"Our workplace is a fairly new start-up and because new employees are progressively joining our operation, we have to continue to spread and anchor the values in our operation continuously," concludes Mirja.

ATTENDO'S TRAININGS IN 2015

Attendo Academy — a total of approx. 140,000 training hours, or 18,000 full training days. The most popular trainings were nationwide leadership training, social law, coordinator training and certified contact persons.

Web training — new web-based training tools for advanced remote training in dementia, food and nutrition, occupational health & safety, ergonomics, hygiene routines, fire safety, resuscitation and the values of care for older people.

Practical leadership — a one-year leadership program with situation-based training in practical leadership. A total of 103 leaders from Attendo's 510 units participated in 2015.

LEADERS THAT MAKE A DIFFERENCE

Leadership at Attendo is about responsibility, visibility and availability. Leaders should be open and clear, and simultaneously be responsive to other people's ideas. Leadership should promote employees' potential to take responsibility themselves, participate actively in decision-making and develop professionally and personally. Collaboration with the organizations that represent our employees is a natural part of our development and improvements.

Attendo's organization is flexible and decentralized, which makes every Local Manager highly significant to our employees, clients and the unit's other stakeholders. Attendo looks for leaders that want to make a difference.

Attendo utilizes a well-considered management and leadership supply process. Local Managers should preferably have previous experience of care and health care, good knowledge of finance and marketing, and a strong drive to build and develop good customer relationships. We invest to increase our Local Managers' competence, primarily through extensive internal basic training. We offer all new managers in Sweden practical leadership and coaching training, a package which 103 managers took in 2015.

A SECURE WORKING ENVIRONMENT

Attendo works actively, systematically and preventatively to reduce risk and contribute to the employees health and safety at the workplace. We train managers and employees in evaluating risks and acting in a manner that results in safe and secure workplaces, and prevent risk of threats or violence.

Attendo monitors absence due to sickness to help its employees get back to work as quickly as possible. Local Managers are responsible for making contact on the first sick day, we hold rehabilitation interviews regularly, and manage long-term sickness absence on a structured basis.

Occupational health and safety is one focus of our competence initiatives. We regularly train all managers and safety representatives.

THE IMPORTANCE OF DIVERSITY

People in different stages of life, with different nationalities and needs receive care and health care from Attendo every day. This is why diversity among our employees is so important, not least in terms of cultural background. Cultural and language skills from other countries are often an advantage in Attendo's operations.

All employees should be treated with respect and given the same opportunity to develop. It is fundamental that everyone at Attendo to have equivalent terms of employment and working conditions. Employment should be suitable for women and men, and should be able to combine with personal and family lives. Attendo should have proud employees that stand up for everybody having equal value, and make a difference to care every day. We actively counter all forms of discrimination.

In 2015, Attendo intensified its work on LGBTQ issues. This resulted in several operations gaining RFSL certification, and we also commenced certification work at Attendo Bunkeflogården, which will be our first LGBTQ-certified nursing home. Attendo is also in partnership with the organization My Dream Now — which works to help young people in vulnerable areas create dreams for their futures. As a partner to My Dream Now, Attendo employees are engaged as class coaches in various schools, helping young people understand the labor market, how to apply for work, and share other experiences outside school. This has become an important and natural step for Attendo's work on diversity, and to give our committed, competent employees the opportunity to demonstrate that working in care is a job for the future in Sweden, while they will serve as important role models for young people.

EMPLOYEES THAT BECOME SHAREHOLDERS

Attendo has a long history of broad share ownership, and after our stock market listing, our employee base includes about 800 shareholders. To continue promoting broader share ownership among our employees, Attendo is introducing a share savings program from 2016, that all leaders and other employees are eligible for. This program is the first of its kind for a care provider, and is briefly based on that employees that save Attendo shares will receive a number of shares free of charge once the program closes after about three years.

A GREATER NEED FOR RECRUITMENT

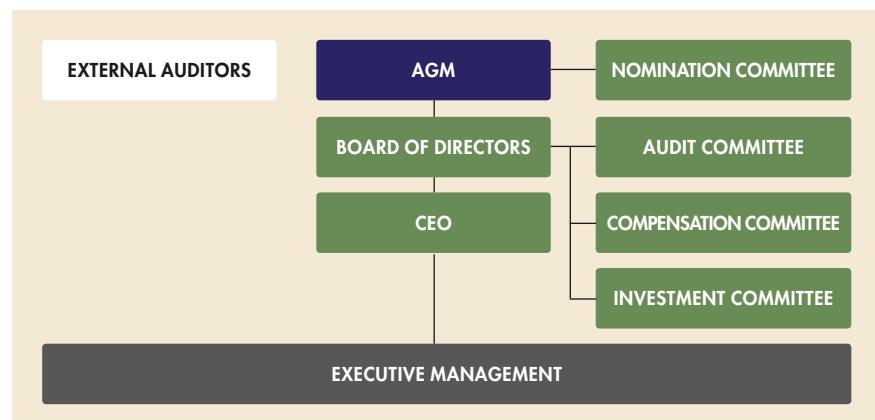
As Attendo grows and the demand in several areas increases, we expect our need to recruit employees to increase. Generally, Attendo has stable employee turnover. However, there is a shortage of nurses in the Nordic countries, and employee turnover in this group is above the average of Attendo's other job categories. We want to hire more nurses, and in addition we want them to stay with us longer.

Corporate Governance Report

Attendo AB (publ) is a Swedish public limited company with corporate identity number 559026-7885, whose shares were listed on Nasdaq Stockholm on 30 November 2015. Attendo's registered office is in Danderyd, near Stockholm, Sweden and the address of its head office is Vendevägen 85, 182 91 Danderyd.

Good corporate governance is important for supporting Attendo's vision, long-term strategic objective and corporate culture. Attendo's corporate governance creates a clear division of responsibility between company bodies and is founded on external and internal regulations. The primary objective of Attendo's corporate governance is to set a framework of rules, areas of responsibility, processes and routines, which effectively protect the shareholders and other stakeholders interests by minimizing risks and creating potential for a secure expansion of Attendo's business. Attendo's Corporate Governance Report has been prepared for the work conducted in the former parent company Attendo International AB (publ) and current parent company Attendo AB (publ) and accordingly covers the full year 2015. However, Attendo's compliance with Nasdaq Stockholm Stockholm's Rules for Issuers and the Swedish Code for Corporate Governance (the Code) is effective from the date of the stock market listing, 30 November 2015.

Attendo's corporate governance is based on the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm Stockholm's Rules for Issuers and the Code, as well as other applicable Swedish and foreign laws and regulations. The Code states a norm for generally accepted corporate governance, and is based on the principle of comply or explain. Attendo has applied the Code from the date of its stock market listing, and the only instance of non-compliance reported relates to the long-term incentive plan for senior executives. The company is entitled to deviate from the Code if it considers that there is an alternative solution that better suits the circumstances of the company and openly discloses and explains these deviations in the Corporate Governance Report. Attendo deviates from point 9.7 of the Code, where warrants to Executive Management can be exercised to acquire shares for a period of two, three and



four years. The assessment is that having several exercise points is more consistent with Attendo's strategy and goals, and provides a better incentive for Management to endeavor to create value for Attendo's shareholders for a total period of four years.

SHARES AND SHAREHOLDERS

Attendo was listed on Nasdaq Stockholm Stockholm on 30 November 2015, and has been trading on the Mid-Cap list since that date. Attendo had 160,000,000 shares as of 31 December 2015 and at the time of listing its shareholder base included both institutional shareholders and a large number of private investors. Each share corresponds to one vote at the Annual General Meeting (AGM) and equal right to the company's assets and profit.

The largest owners are Executive Management and Board with 21.5 percent of the shares, Augustus International S.A.R.L with 18 percent, Nordstjernan AB with 10 percent, Swedbank Robur Fonder with 9 percent and Didner & Gerge Fonder with 8 percent. The ten largest shareholders including the Management and Board hold about 80 percent of the share capital and votes.

ANNUAL GENERAL MEETING

The AGM which is the group's highest decision-making body is the forum where shareholders can exercise their influence. The AGM can resolve on

every issue of the company that does not lie within any other company body's exclusive competence. All shareholders that are recorded in the share register and have reported their participation on time are entitled to participate at the AGM and vote for their total holdings of shares. Shareholders that cannot participate at the AGM personally are entitled to appoint proxies if they notify the company in time prior to the AGM. Individual shareholders that wish to have a matter considered at a general meeting must notify Attendo's Board of Directors thereof in good time at the address stated on Attendo's website.

The AGM must be held within six months from the year end close. The AGM resolves on for example the Articles of Association and elects the Board of Directors, Chairman of the Board and auditors, and resolves on their fees. The AGM also adopts the Income Statement and Balance Sheet, and resolves on the appropriation of profit and discharge of the Board of Directors and CEO from liability. The AGM also considers remuneration and employment terms of the CEO and Executive Management by approving the principles for remuneration to senior executives.

AGM 2015

The AGM 2015 was held on 15 May 2015 in Danderyd, Sweden, and resolved on the following:

- Adoption of the Income Statement and Balance Sheet and resolution to carry forward unappropriated retained earnings of SEK 2,180,134,628.
- The Board of Directors and the CEO were discharged from liability for the financial year 2014.
- Re-election of Board Members Erik Lautmann, Helena Stjernholm, Ulf Lundahl, Jan Frykhammar, Mona Boström, Christopher Masek, Anssi Soila and Henrik Borelius. Christoffer Zilliacus was re-elected as Deputy Board Member. In addition to members elected by the AGM, the Swedish Municipal Workers' Union appointed Arja Pohjamäki as an employee representative and Elisabeth Paller as deputy.
- Erik Lautmann was re-elected as Chairman of the Board.
- Remuneration to the Chairman of the Board of SEK 500,000, to Board Members elected by the AGM SEK 250,000 and to the Deputy Board Member SEK 100,000.
- Remuneration for committee work of SEK 150,000 to the Chairman of the Audit Committee and Investment Committee, and SEK 75,000 to each Committee Member, SEK 100,000 of fees to the Chairman of the Compensation Committee and SEK 50,000 to each Committee Member.
- Re-election of PwC as auditors with audit fee paid upon approval of their invoices.

The AGM 2016 will be held on 17 May 2016 in Danderyd, Sweden. See information on page 38.

EXTRAORDINARY GENERAL MEETINGS IN 2015

Several Extraordinary General Meetings (EGMs) were held due to Attendo's stock market listing in the autumn 2015. The major resolutions from these meetings are as follows:

- Christoffer Zilliacus was elected as a Board Member. The meeting noted that Helena Stjernholm resigned voluntarily as a Board Member.
- Remuneration was increased to SEK 700,000 for the Chairman of the Board and SEK 300,000 for Board Members. Fees to the Board's committees were unchanged.
- The implementation of two incentive programs – a warrant pro-

- gram to senior executives and a share savings program for all other leaders and employees in Attendo.
- The General Meeting also resolved on a new share issue related to the stock market listing and instructions for the Nomination Committee.

NOMINATION COMMITTEE

The EGM held on 16 November 2015 resolved to establish a Nomination Committee and adopt instructions for the Nomination Committee. According to the instructions for the Nomination Committee, the main rule is that the Nomination Committee should have five members and represent the largest shareholders of Attendo as of 31 August the year prior to the AGM, and that wish to participate in the work of the Nomination Committee. For the AGM 2016, this date will be on 31 December 2015. In addition to these five members, the Chairman of the Board shall be co-opted in the Nomination Committee. The instructions for the Nomination Committee comply with the Code in terms of the appointment of the members of the Nomination Committee. Due to the stock market listing in autumn 2015, the members of the Nomination Committee for the AGM 2016 were announced via a press release on 11 January 2016. The Nomination Committee shall meet as often as necessary to be able to fulfil its duties and responsibilities. Planning of meetings will consider the timing of the AGM. The members of the Nomination Committee should perform their duties in accordance with the Code. The Nomination Committee's main duties are to nominate candidates for positions such as Chairman and other members of the Board, and submit proposals regarding fees and other compensation to each of the Board Members. The Nomination Committee should also nominate candidates for the position of auditor, and submit proposals for their fees. The Nomination Committee shall protect all shareholders' collective interests on questions that are within the responsibilities of the Nomination Committee.

BOARD OF DIRECTORS

The Board of Directors, which is the highest governing body after the AGM, bears ultimate responsibility

for Attendo's organization and administration. The main duty of the Board of Directors is, by creating an efficient organization and good administration of operations, to create long-term value for shareholders and other stakeholders. The work of the Board of Directors is subject to regulation by the Swedish Companies Act, the Articles of Association, the Code and the Rules of Procedure of the Board of Directors. According to Attendo's Articles of Association, the Board should have a minimum of three and a maximum of ten members. In addition to members elected by shareholders' meetings, the trade unions appoint one member and one deputy member. The Board of Directors is elected yearly at the AGM for the period until the end of the following year's AGM. None of the Board Members elected by the shareholders' meetings apart from the CEO are employed by Attendo. In the year, Attendo's Board of Directors had eight members elected by shareholders' meetings including the CEO, one deputy during the period 1 January – 4 September, and one member and one deputy appointed by the trade unions. Leaders and employees participate when necessary. All Board Members have experience of business activities and other areas relevant to Attendo's operations. The Board Members are presented on page 32.

The Board of Directors has established three committees preparing certain matters for the Board: the Audit, Compensation and Investment Committee.

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The Board of Directors has established rules of procedure that contain rules for the division of responsibilities between Board Members, the obligations of the Chairman of the Board and a plan for those matters that the Board of Directors should deal with. The rules of procedure are adopted annually. The Board has prepared separate rules of procedure for the work of Board Committees.

THE WORK OF THE BOARD OF DIRECTORS IN 2015

The Board of Directors had 24 meetings in 2015, eleven scheduled meetings, including the meeting following election, and 13 extra board meetings. The reason for the large number

of extra board meetings in 2015 was to take various decisions related to Attendo's stock market listing. Attendo's auditors attend the Board meeting related to the annual financial close. The agenda of the Board meetings is approved in advance by the Chairman, and sent out with the relevant documentation on each agenda item to all Board Members one week prior to the Board meeting.

At each scheduled Board meeting, the Board deals with matters regarding the company's progress in the following areas: quality and development, finance, customers and growth, as well as leaders and employees. In addition, the Board of Directors considers and decides on significant investments and acquisitions, financing and other matters outside the CEO's authority. In the autumn, the Board of Directors decides on Attendo's strategic plan and the coming year's budget. Other matters considered by the Board are: the Audit Committee's reporting of the company's progress in risk management and internal control, as well as financial reporting and auditing, the Compensation Committee's proposal for remunerating senior executives and Attendo's quality work and following up on clients and employee satisfaction. The Board of Directors also met without participants from Management, individually and with the company's auditors.

BOARD EVALUATION

The Board of Directors regularly evaluates the work of the CEO, and conducts a yearly evaluation of the Board of

Directors where all members and deputy members evaluate the work of the Board in the year. The Board evaluation includes areas such as the composition of the Board of Directors, reporting, governance and working methods.

CHAIRMAN OF THE BOARD

The Chairman of the Board is responsible for leading and dividing work and responsibilities so that the work of the Board is well organized and decisions are executed. The Chairman continuously follows up the operations through regular contact with the CEO, and is responsible for all Board Members receiving the information and documentation they require.

BOARD COMMITTEES

The Board has established three committees: the Audit, Compensation and Investment Committee. After each Committee meeting, the Committee Chairman presents a report to the Board. All minutes are distributed to the Board and to the auditor.

AUDIT COMMITTEE

The Audit Committee has three members that are independent of the company and its management: Ulf Lundahl (Chairman of the Audit Committee), Erik Lautmann and Christoffer Ziliacus. The CEO, CFO, Head of Corporate Control and IR-manager attend Audit Committee meetings, and where necessary, the company's auditors.

The Audit Committee prepares matters relating to Attendo's risk management and internal controls, as well as accounting, financial

reporting and auditing. The Audit Committee had six meetings in 2015.

COMPENSATION COMMITTEE

Attendo's Compensation Committee consists of three members that are independent of the company's management: Erik Lautmann (Chairman of the Compensation Committee), Jan Frykhammar and Christopher Masek. The company's CEO also attends the Compensation Committee's meetings, apart from when decisions are taken directly affecting the CEO's own remuneration. The Compensation Committee prepares matters relating to employment and remuneration to Attendo's Executive Management. In 2015, the Compensation Committee also worked on Attendo's long-term incentive program. The Compensation Committee had four meetings in 2015.

INVESTMENT COMMITTEE

Attendo's Investment Committee has three members: Christoffer Ziliacus (Chairman of the Investment Committee) Jan Frykhammar and Erik Lautmann. The company's CEO and CFO also attend Investment Committee meetings. The Investment Committee prepares matters relating to investments and acquisitions. The Investment Committee has 14 meetings in 2015.

AUDITOR

The AGM 2015 elected Pricewaterhouse Coopers AB (PwC) as Attendo's auditor for a period of one year, with Patrik Adolfson as Auditor in Charge.

Board of Directors: composition and meeting attendance in 2015

Name	Independent of shareholders/ Company	Attendance		
		Board (24)	Audit Committee(6)	Compensation Committee(4)
Erik Lautmann	Chairman	No/Yes	23/24	5/6
Mona Boström	Board Member	Yes/Yes	21/24	4/4
Jan Frykhammar	Committee Member	Yes/Yes	18/24	4/4
Ulf Lundahl	Committee Chairman	Yes/Yes	20/24	6/6
Christopher Masek	Committee Member	No/Yes	21/24	2/2
Anssi Soila	Board Member	No/Yes	22/24	
Helena Stjernholm ¹⁾	Committee Chairman	No/Yes	13/13	4/4
Christoffer Ziliacus ²⁾	Committee Chairman	No/Yes	24/24	2/2
Henrik Borelius	Board Member	Yes/No	24/24	
Arja Pohjamäki	Employee representative	–	15/24	
Elizabeth Paller	Employee representative, deputy	–	9/24	

¹⁾ Resigned on 31 August 2015. ²⁾ Elected as a Board Member and ordinary member of the Committee on 4 September 2015. Former Board deputy.

Board of Directors and auditors



Erik Lautmann

Chairman of the Board, Chairman of the Compensation Committee, Member of the Audit Committee and Investment Committee.

Born: 1950. Master of Science in Business and Economics, Stockholm School of Economics.

Elected to the Board: 2013.

Positions and directorships: Chairman of Actic AB, Paxxo AB and Office Management AB. Board Member of Cavotec SA and of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous positions: CEO Jetpak Group AB 2002–2011, CEO DHL AB (Northern Europe) 1991–2000, CEO Catella AB 1987–1991.

Attendo holdings: 39,008 shares.



Mona Boström

Board Member.

Born: 1952. Degree in social studies, Örebro University.

Elected to the Board: 2014.

Positions and directorships: Consultant within development and change. Board Member of Textilia AB and Forte (the Swedish health, working life and welfare research council).

Previous positions: National Swedish Coordinator for the development of quality register 2011–2012, County Council Director, Stockholm County Council 2007–2011, CEO of Swedish national public transport provider (Svenska Lokaltrafikföreningen) 2006–2007, County Council Director, Halland County Council 2002–2006, Mayor of the Local Authority of Nacka 1991–2000.

Attendo holdings: 3,000 shares.



Jan Frykhammar

Board Member, Member of the Compensation Committee and Investment Committee.

Born: 1965. Bachelor in Business Administration and Economics, Uppsala University.

Elected to the Board: 2014.

Positions and directorships: Executive Vice President and CFO, Telefonaktiebolaget LM Ericsson. Board Member of the Confederation of Swedish Enterprise, the Swedish International Chamber of Commerce and Teknikföretagen.

Previous positions: Senior Vice President and Head of Business Unit Global Services, Ericsson. Various positions within Ericsson including Sales and Business Control in Business Unit Global Services, CFO in North America and Vice President Finance and Commercial within the Global Customer Account Vodafone.

Attendo holdings: 3,000 shares.



Ulf Lundahl

Board Member, Chairman of the Audit Committee.

Born: 1952. Master of Laws, Lunds University and a Bachelor in Business Administration, Lunds University.

Elected to the Board: 2014.

Positions and directorships: Chairman of Fidelio Capital AB and Ramirent Oy, Board Member of Holmen AB, Indutrade AB, Eltel AB and Handelsbanken Stockholm region.

Previous positions: Executive Vice President and Deputy CEO of L.E. Lundbergsföretagen 2004–2014, CEO Danske Securities 2001–2003, CEO Östgöta Enskilda Bank/Danske Bank Sweden 1992–2001.

Attendo holdings: –



Christopher Masek

Board Member, Member of the Compensation Committee.

Born: 1964. Bachelor in Economics, Sciences Po Paris and Master of International Economics, Yale University.

Elected to the Board: 2013.

Positions and directorships: Partner of IK Investment Partners, Board Member Solina Group S.A, Veritas Petroleum Services B.V. Colosseum Dental AS, Hansen Protection AS and Trigo SAS.

Previous positions: Auditor and Consultant, KPMG 1990–2000.

Attendo holdings: –



Anssi Soila

Board Member.

Born: 1949. M.Sc., Helsinki University of Technology and Bachelor in Economics, Helsinki School of Economics.

Elected to the Board: 2007.

Positions and directorships: Advisor IK Investment Partners, Board Member of Normet Oy and Evac Group Oy.

Previous positions: CEO Kone Corporation Oy 1995–1999, other senior positions within Kone Corporation Oy 1973–1995.

Attendo holdings: 1,255,455 shares.



Christoffer Ziliacus

Board Member, Chairman of the Investment Committee and Member of the Audit Committee.

Born: 1981. Master of Economics, Hanken School of Economics in Helsinki.

Elected to the Board: 2013 as a Deputy – ordinary Board Member since 2015.

Positions and directorships: Director of IK Investment Partners, Board Member of Ramudden AB and Deputy Board Member Evac Oy.

Previous positions: Management Consultant Booz Allen Hamilton 2005–2006.

Attendo holdings: –



Henrik Borelius

CEO, Board Member.

Born: 1971. Master of Science in Business and Economics, Stockholm School of Economics.

Elected to the Board: 2003.

Positions and directorships: CEO President of Attendo, Board Member of the Swedish Association of Private Care Providers, Academic Work AB and AniCura AB.

Previous positions: Business Area Director Attendo Scandinavia 2000–2003, Head of Marketing and Business Development Kunskapskolan 1999–2000, Management Consultant McKinsey & Co 1996–1999.

Attendo holdings: 6,540,293 shares, 1,138,830 warrants.



Arja Pohjamäki

Employee Representative from the Swedish Municipal Workers' Union.

Born: 1958.

Attendo holdings: –



Elizabeth Paller

Employee Representative from the Swedish Municipal Workers' Union, deputy.

Born: 1956.

Attendo holdings: –

Auditors

PricewaterhouseCoopers AB

Patrik Adolfson

Auditor in Charge

Born: 1973. Authorized Public Accountant and member of FAR SRS, The Institute for the Accounting Profession in Sweden.

Other audit assignments: Catella AB, Loomis AB and Nordstjernan Investment AB.

Innehav i Attendo: –

Executive Management



Henrik Borelius

CEO.

Born: 1971. Master of Science in Business and Economics, Stockholm School of Economics.

Employee since: 2000.

Member of Executive Management since: 2001.

Previous positions: Business Area Director Attendo Scandinavia 2000–2003 Head of Marketing and Business Development Kunskapskolan 1999–2000, Management Consultant McKinsey & Co 1996–1999.

Attendo holdings: 6,540,293 shares, 1,138,830 warrants.



Ammy Wehlin

Business Area Director, Attendo Scandinavia Care for Older People.

Born: 1962. Degree in social work, Malmö University.

Employee since: 2000.

Member of Executive Management since: 2003.

Previous positions: Regional Director, Attendo 2000–2003, Assessor Director in the Local authority of Malmö, 1998–2000.

Attendo holdings: 1,737,729 shares, 517,650 warrants.



Margareta Nyström

Business Area Director, Attendo Scandinavia Care for Older People.

Born: 1971. Licenced nurse, Mälardalen University.

Employee since: 1993.

Member of Executive Management since: 2003.

Previous positions: Marketing & Development Director, Attendo 2002–2003, Regional Director Attendo 2000–2001.

Attendo holdings: 1,158,190 shares, 517,650 warrants.



Cecilia Addamhill

Business Area Director, Attendo Scandinavia Care.

Born: 1965. Degree in social care, Malmö University.

Employee since: 2000.

Member of Executive Management since: 2014.

Previous positions: Regional Director Attendo 2006–2013, Assistant Regional Director, Attendo 2003–2006, Local Manager, Attendo 2001–2002.

Attendo holdings: 192,160 shares, 352,778 warrants.



Pertti Karjalainen

Business Area Director, Attendo Finland Care.

Born: 1969. Ph.D. in radiology, Helsinki University.

Employee since: 2007.

Member of Executive Management since: 2007.

Previous positions: CEO and founder of MedOne Oy 2000–2007, worked as a physician in 1996–2000.

Attendo holdings: 17,944,134 shares, 517,650 warrants.



Antti Ylikorkala

Business Area Director, Attendo Finland Health Care.

Born: 1974. Ph.D. in biomedicine, Helsinki University.

Employee since: 2007.

Member of Executive Management since: 2007.

Previous positions: Executive Vice President, MedOne 2002–2007, worked as a physician in 2000–2002.

Attendo holdings: 5,293,694 shares, 517,650 warrants.



Tomas Björksiöö

CFO.

Born: 1969. Master of Science in Business and Economics, Uppsala University.

Member of Executive Management since: 2007.

Previous positions: CFO Attendo Scandinavia 2006–2007, Group Controller, Attendo 2001–2006, Scandinavian Controller GE Capital 1998–2001, Auditor EY 1995–1998.

Attendo holdings: 122,677 shares, 345,860 warrants.



Fredrik Mossberg

Business Development Director.

Born: 1977. Master of Science in Business and Economics, Stockholm School of Economics.

Employee since: 2006.

Member of Executive Management since: 2007.

Previous positions: Business Developer Attendo 2006–2007, Consultant Bain & Company 2001–2006.

Attendo holdings: 108,885 shares, 172,930 warrants.



Ingallill Östman

IR Manager (interim).

Born: 1956. M.Sc. in Mechanical Engineering, Luleå University.

Employee since: 2015 as consultant.

Member of Executive Management since: 2015.

Previous positions: Senior Vice President Group Communications and Government Relations SKF Group, 2008–2014, Senior Vice President Communications ABB, 2003–2007, various managerial positions in ABB Sweden and North Europe, 1982–2002.

Attendo holdings: 600 shares.

Organization and internal controls

A strong common culture but with local responsibility

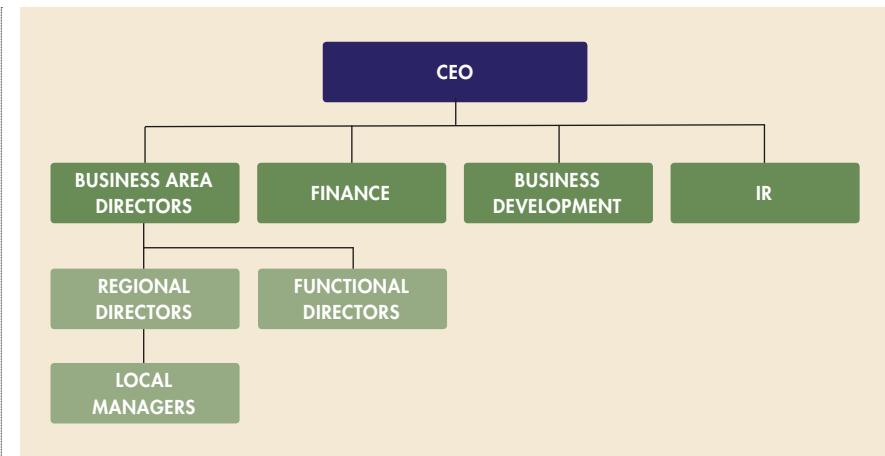
Attendo's organization is founded on a common vision and strong values, but with decentralized responsibility for retaining an entrepreneurial spirit and local anchoring. Attendo has five Business Areas managed by individual Business Area Directors, with the division of responsibility based on geographical regions and service offerings. All Business Area Directors report to the CEO.

In addition, there are two group wide functions: Finance, and Business Development, which both report directly to the CEO. In late-2015, the company's IR-Manager was co-opted as a member of Executive Management.

Executive Management meets each month to deal with matters such as the company's results, financial position, and the group's quality work, employee and organizational matters.

BUSINESS AREAS

The Business Area Directors are responsible for the operational and financial follow-up of each Business Area. This is reported monthly to the CEO and group functions. The character of services and customers, as well as the processes and routines for delivering services, are similar. Accordingly, the division between Business Areas is primary to create local ownership of Attendo's operations.



The Scandinavian operation is divided into three Business Areas, two responsible for care for older people and one responsible for care for people with disabilities and individual and families. The Finnish operation is divided into two Business Areas, one with a focus on care and one with responsibility for operations in health care and staffing.

Attendo's Business Areas consist of a number of regions, which in turn, are divided into local units. Currently, Attendo has over 500 units around the Nordic region. There are a number of support functions for them, such as Finance, Quality, Marketing and HR.

ATTENDO'S GROUP-WIDE FUNCTIONS

Group-wide functions are responsible for all group-wide matters within Attendo, such as preparation of policies, guidelines and group-wide processes. The group-wide function should also support the CEO and Executive Management with expertise in their respective area of competence. These areas include business development, accounting, controlling and reporting, risk management, internal controls, finance, insurance, legal matters, external communication and investor relations.

Attendo's internal committees

ATTENDO'S QUALITY COMMITTEE

The purpose of Attendo's Quality Committee is to govern and monitor the quality work within Attendo. The Committee Members are the Business Development Director and Quality Directors of each Business Area. The Committee is intended to manage Attendo's quality system and follow up on quality work, and strive to

achieve collective decisions and development of quality work between Attendo's Business Areas.

ATTENDO'S INVESTMENT COMMITTEE

Attendo's internal Investment Committee shall evaluate and decide on investments within the Investment Committee's authority. The Investment Committee also prepares mat-

ters for investments and acquisitions for final decision made by the Board of Directors' Investment Committee and the Board of Directors. The members of Attendo's internal Investment Committee are the CEO and CFO.

Internal controls over financial reporting

Internal control over financial reporting is intended to provide reasonable assurance of the accuracy of financial reporting, and to ensure that external financial reporting complies with applicable laws and accounting standards. The Board of Directors has the ultimate responsibility for internal control, and continuously evaluates Attendo's risk management and internal control through the Audit Committee. Further information on risks and risk management can be found on pages 48–49. Attendo's internal control are based on principles established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

AREAS OF RESPONSIBILITY

Attendo has a function that is responsible for risk management and internal controls, which supports the Business Areas in their internal control work. This function works on continuously developing and improving internal control over financial reporting, through preventative work and annual audits. The internal control function reports regularly to the Audit Committee on risk management, control activities and follow up on financial reporting. The internal control function works in accordance with an annual plan approved by the Audit Committee. Based on the work of the internal control function together with the external audit, Attendo assesses that its financial reporting has achieved sufficient accuracy without the need for an independent internal audit function. Attendo's Management regularly evaluates the need for an internal audit function.

CONTROL ENVIRONMENT

Attendo's vision and values are the foundation of Attendo's culture and control environment. Attendo's Board of Directors has the overall responsibility for the group's internal control, which are executed through written instructions and working plans, which define the Board of Directors' responsibilities and how the responsibilities are divided between Board

Members, the Board's Committees and the CEO. The internal control is built through the group's policies, guidelines and instructions, which are communicated within the group together with the structure of responsibility and authority, which have been implemented. The group's corporate governance and policy documents are described in Attendo's Finance Manual, which contains all important internal policies and guidelines.

The Audit Committee has dedicated responsibility for representing the Board of Directors on matters regarding consolidated accounts, taxation, risk management and internal control, as well as external reporting and auditing. The Committee should also continuously monitor the auditor's independence and impartiality, and support the AGM when electing auditors. The responsibility for establishing good internal control is delegated to the CEO.

RISK ASSESSMENT

Attendo's risk management process is monitored by Attendo's Audit Committee, and implemented by the internal control function. Risk assessment proceeds from the degree of risk, i.e. the impact on financial reporting, and how likely misstatements are to occur. Consideration is also given to the control measures Attendo has implemented to manage risk. The risk assessment is updated yearly, and the results are reported to the Audit Committee. For further information on Attendo's risks and risk management process see pages 48–49.

CONTROL ACTIVITIES

Attendo's Business Area Directors and their respective organization are responsible for internal control in each Business Area. Attendo has based its control environment on those risks that were identified during the risk assessment process. To ensure a consistent control environment, the internal control function has created a number of common controls for critical processes. The

Business Areas are in turn responsible for implementing these controls.

Attendo has several activities to follow up on financial reporting and ensure that potential misstatements are discovered and rectified. This is achieved through a robust reporting structure, which begins at operational level when individual regions monitor each unit's results of operations and financial position monthly. Additionally, the region is then monitored by the Business Area Director, who in turn reports monthly to the CEO. To assist the CEO, Business Area Director and Regional Director a controller team continuously monitors operations and ensures that reporting is complete and accurate in accordance with Attendo's guidelines.

INFORMATION AND COMMUNICATION

Attendo's framework and policies are made available for all employees via Attendo's intranet and other appropriate communication channels. Other information, such as guidelines and financial reporting, are described in Attendo's Finance Manual and Accounting Manual, which are communicated to the employees concerned.

Attendo's Group Accounting function is responsible for legal accounting and for implementing and communicating group-wide accounting policies. Communication with the Audit Committee is through the Internal Control function and CFO.

MONITORING

The group's internal control function verifies compliance with the group's control activities based on the internal control plan which is approved for the Audit Committee each year. Attendo has several tools to ensure that the internal control satisfy the group's standards, such as self-assessments, internal reviews and together with the company's external auditors.

Danderyd, April 11, 2016
Attendo AB (publ)
Board of Directors

Auditors' Statement on the Corporate Governance Report

To the annual meeting of the shareholders of Attendo AB (publ), corporate identity number 559026-7885

It is the Board of Directors who is responsible for the Corporate Governance Statement¹⁾ for the year 2015 on pages 29–37 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in

accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, April 11, 2016
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

¹⁾ Attendos Corporate Governance Statement has been prepared based on the work and procedures that have been conducted by both the predecessor parent company Attendo International AB (publ) and the present parent company Attendo AB (publ) and thus cover the full year 2015.

Annual General Meeting

Attendo's AGM will be held at 5 p.m. on Tuesday, 17 May 2016 at Viktor Rydbergs samskola, Viktor Rydbergs väg 2, Danderyd, Sweden.

PARTICIPATION:

Shareholders that wish to participate in the AGM should be entered in the share register maintained by Euroclear Sweden AB by Wednesday, 11 May 2016 and secondly notify the company by no later than Wednesday, 11 May 2016.

NOTIFICATION:

Notification to the AGM is possible via:

- Attendo's website:
attendo.com/annual-general-meeting-2016
- Telephone: +46 (0)771 24 64 00
- Mail: Computershare AB "Attendo AB's annual general meeting", Box 610, 182 16 Danderyd, Sweden.

In their notifications, shareholders must state their name, personal or corporate identity number, address, phone number, and any assistants. If participation is via proxy, this should be submitted in good time prior to the Meeting.

Proxy forms are available in Swedish and English on the group's website:
attendo.com/annual-general-meeting-2016

NOMINEE-REGISTERED SHARES

In order to participate at the Meeting, in addition to notifying the company of their participation in the Meeting, shareholders with nominee-registered holdings must temporarily register in the share register in their own names (known as voting right registration). In order for this registration process to be complete on 11 May 2016, shareholders should contact their bank or nominee in good time prior to this date.

DIVIDENDS

Attendo's dividend policy is to pay dividends of 30 percent of net profit.

The Board of Directors proposes a dividend of SEK 0.54 per share for the financial year 2015, which corresponds to approximately 30 percent of net profit. The proposed record date for dividends is Thursday 19 May 2016. The dividend is scheduled for payment on Tuesday 24 May 2016.

FINANCIAL CALENDAR 2016

- | | |
|-------|-------------------------------|
| 12/5 | Interim Report Januay–March |
| 17/5 | Annual General Meeting |
| 28/7 | Interim Report April–June |
| 11/11 | Interim Report July–September |

CONTACTS

- CEO Henrik Borelius, telephone +46 (0)8 586 252 00
CFO Tomas Björksiö, telephone +46 (0)8 586 252 00
IR Ingallill Östman, telephone +46 (0)8 586 252 00

The Attendo share

The Attendo share is quoted on Nasdaq Stockholm in the Mid Cap segment with ticker ATT.

OWNERSHIP (EUROCLEAR)

As of 31 December, the company had 160,000,000 shares, and the holdings of the 10 largest shareholders was over 80 percent.

SHARE PRICE

In 2015, the share price increased by 41 percent, based on the introduction price of SEK 50. At year-end, market capitalization of the total number of shares was SEK 11,3 bn, based on a share price of SEK 70.5. The share is traded exclusively on Nasdaq Stockholm. Total share turnover on Nasdaq Stockholm since the initial public offering in November 2015 is 19,631,731 shares.

INITIAL PUBLIC OFFERING

On 17 November 2015, Attendo announced its decision to execute an initial public offering (IPO) on Nasdaq Stockholm. Trading in the Attendo share commenced on 30 November with the ticker ATT, and the first settlement date was 2 December 2015. The IPO price was SEK 50 per share, corresponding to market capitalization of the total number of shares after the listing was completed of SEK 8.0 billion. The total number of shares of the company will be 160,000,000.

DIVIDENDS

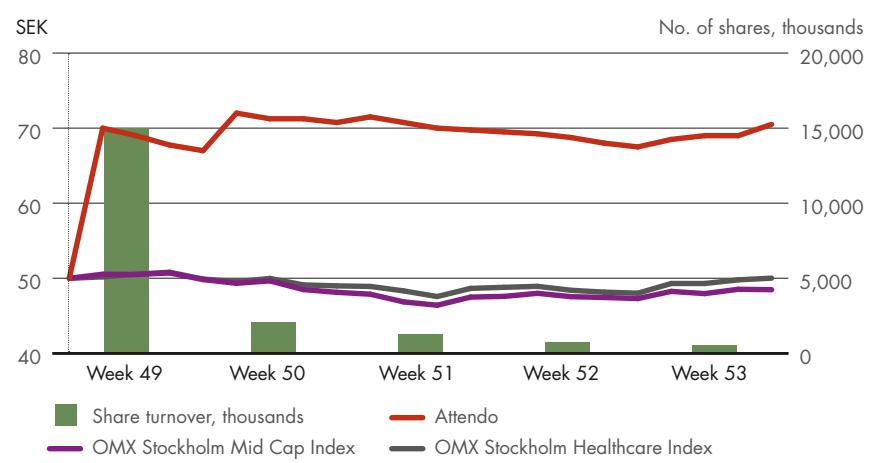
Decisions on dividends should be based on Attendo's investment potential and financial position. The company's dividend policy was adopted by the Board of Directors on 21 August 2015. The dividend policy is to distribute 30 percent of net profit.

SHAREHOLDER

	No. of shares	% of shares and votes
Board and Executive Management	34,398,825	21.5
Augustus International S.A.R.L	29,290,636	18.3
Nordstjernan AB	16,000,000	10.0
Swedbank Robur Fonder	14,234,000	8.9
Didner & Gerge Fonder Aktiebolag	12,072,330	7.6
Carve Capital AB	10,000,000	6.3
Elo Mutual Pension Insurance Company	6,000,000	3.8
SEB Investment Management	3,103,927	1.9
Handelsbanken Fonder	2,567,876	1.6
Verdipapirfond Odin Sverige	1,502,461	0.9
Total, 10 largest shareholders	129,170,055	80.7
Other shareholders	30,829,945	19.3
Total shares issued and outstanding	160,000,000	100.0

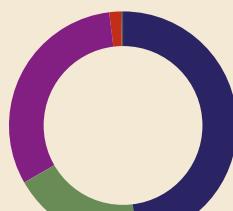
Source: Euroclear Sweden AB as of 30 December 2015

SHARE PRICE 2015**



* Introduction Price 30 November ** Source: Six and Fidessa

SHAREHOLDERS BY GEOGRAPHY



Five-year summary

	2011 ¹⁾	2012	2013	2014	2015
Total net sales	7,289	7,891	8,465	9,045	9,831
– Net sales Sweden	4,481	4,686	4,760	4,875	5,126
– Net sales Finland	2,444	2,824	3,332	3,737	4,225
– Net sales Norway	312	319	300	292	264
– Net sales Denmark	52	62	73	141	216
Operating profit (EBITA)	689	727	770	822	933
Operating margin (EBITA), %	9.4	9.1	9.2	9.1	9.5
Operating profit (EBIT)	558	596	738	807	887
Operating margin (EBIT), %	7.7	7.6	8.7	8.9	9.0
Profit for the year	-203	159	363	263	286
Profit margin, %	-2.8	2.0	4.3	2.9	2.9
Return on capital employed, %	7.6	8.6	11.1	12.1	13.4
Capital employed	7,429	7,317	7,362	7,855	7,808
Operating cash flow	434	551	723	700	765
Earnings per share, basic, SEK ²⁾	-1.30	0.99	2.27	1.64	1.79
Earnings per share, diluted, SEK ²⁾	-1.30	0.99	2.27	1.64	1.79
Average no. of employees	12,491	12,834	13,575	14,214	14,512
Total net sales	7,289	7,891	8,465	9,045	9,831
– own operations	2,785	3,489	4,103	4,829	5,589
– outsourcing operations	3,533	3,393	3,288	3,149	3,236
– staffing operations	971	1,010	1,074	1,067	1,006

¹⁾ The figures for 2011 are from the annual report from 2013 in the former parent company Attendo AB (publ), corporate ID no. 556932-5342 (current Attendo International AB (publ)) and are consequently not recalculated according to the combined financial statements in the current parent company Attendo AB (publ) corporate ID no. 559026-7885.

Key figures that can't be found in the annual report have been calculated from the company's internal accounting and reporting system.

²⁾ See page 83 for the definition of average number of shares in the calculation of Earnings per share. The number of shares in the reference period has been converted.

Quarterly summary

Amounts in SEK m	Q1,2014	Q2,2014	Q3,2014	Q4,2014	Q1,2015	Q2,2015	Q3,2015	Q4,2015
Net sales	2,187	2,260	2,282	2,316	2,391	2,421	2,455	2,564
Other operating income	7	6	1	0	3	8	23	5
Total revenue	2,194	2,266	2,283	2,316	2,394	2,429	2,478	2,569
OPERATING COSTS								
Personnel costs	-1,548	-1,584	-1,487	-1,580	-1,639	-1,676	-1,577	-1,660
Other external costs	-437	-450	-465	-548	-533	-532	-520	-656
Amortization, depreciation and impairment of tangible and intangible assets	-31	-39	-33	-35	-35	-35	-36	-38
Operating profit (EBITA)	178	193	298	153	187	186	345	215
Operating profit (EBITA margin)	8.1	8.5	13.1	6.6	7.8	7.7	14.1	8.4
Amortization and impairment of acquisition-related intangible assets	-1	0	-1	-13	-9	-11	-12	-14
Operating profit (EBIT)	177	193	297	140	178	175	333	201
Operating margin (EBIT margin)	8.1	8.5	13.0	6.0	7.4	7.2	13.6	7.8
Net financial items	-99	-104	-96	-97	-104	-104	-98	-231
Profit before tax	78	89	201	43	74	71	235	-30
Tax	-18	-22	-38	-70	-17	-15	-53	21
Profit for the period	60	67	163	-27	57	56	182	-9
Profit margin, %	2.7	3.0	7.1	-1.2	2.4	2.3	7.4	-0.4
Tax rate, %	-22.8	-24.7	-18.9	-162.8	-23.0	-21.1	-22.6	-70.0
Earnings per share, basic, SEK ¹⁾	0.38	0.42	1.02	-0.17	0.36	0.35	1.14	-0.06
Earnings per share, diluted, SEK ¹⁾	0.38	0.42	1.02	-0.17	0.36	0.35	1.14	-0.06
Average number of shares, basic ¹⁾ , thousands	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Average number of shares, diluted ¹⁾ , thousands	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,330
Net sales per contract model								
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
Net sales by country								
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
Own operations								
Units in operations	276	280	294	316	328	334	337	354
Beds in operations	6,527	6,709	7,084	7,348	7,509	7,745	7,751	8,612
Beds under construction	654	887	922	855	918	827	861	755
Home care clients	9,070	9,910	10,810	10,970	10,670	10,340	10,370	10,550
Outsourcing								
Units in operations	152	156	146	143	140	134	132	135
Beds in operations	4,280	4,212	4,325	3,992	3,995	3,937	3,967	3,984
Home care clients	850	460	480	480	580	600	610	620
Growth	5.5	7.5	9.3	5.2	9.3	7.1	7.6	10.7
Organic growth	2.3	3.4	4.4	1.2	4.6	3.7	4.8	8.8
Acquired growth	1.8	1.8	2.0	1.9	1.9	2.1	1.9	1.9
Changes in currencies	1.4	2.3	2.9	2.1	2.8	1.3	0.9	0.0

¹⁾ See page 83 for the definition of average number of shares in the calculation of Earnings per share. The number of shares in the reference period has been converted.

Key Figures

	2011 ¹⁾	2012	2013	2014	2015
Net sales	7,289	7,891	8,465	9,045	9,831
Growth, %	9.1	8.3	7.3	6.9	8.7
Operating profit (EBITA)	689	727	770	822	933
Operating margin (EBITA), %	9.4	9.1	9.2	9.1	9.5
Operating profit	558	596	738	807	887
Operating margin, %	7.7	7.6	8.7	8.9	9.0
Profit for the year	-203	159	363	263	286
Profit margin	-2.8	2.0	4.3	2.9	2.9
Return on capital employed	7.6	8.6	11.1	12.1	13.4
Capital employed	7,429	7,317	7,362	7,855	7,808
Working capital	-132	-98	-259	-293	-130
Equity/assets ratio	-6	33	25	26	45
Operating cash flow	434	551	723	700	765
Net investments	208	130	140	164	165
Average no. of employees	12,491	12,834	13,575	14,214	14,512
Earnings per share, basic, SEK ²⁾	-1.27	0.99	2.27	1.64	1.79
Earnings per share, diluted, SEK ²⁾	-1.27	0.99	2.27	1.64	1.79
Equity per share, basic, SEK ²⁾	-4.29	18.48	14.43	16.06	26.37
Equity per share, diluted, SEK ²⁾	-4.29	18.48	14.43	16.06	26.36
Average no. of outstanding shares before dilution, thousands ²⁾	160,000	160,000	160,000	160,000	160,000
Average no. of outstanding shares after dilution, thousands ²⁾	160,000	160,000	160,000	160,000	160,083
No. of outstanding shares at end of period, thousands ²⁾	160,000	160,000	160,000	160,000	160,000

¹⁾ The figures for 2011 are from the annual report from 2013 in the former parent company Attendo AB (publ), corporate ID no. 556932-5342 (current Attendo International AB (publ)) and are consequently not recalculated according to the combined financial statements in the current parent company Attendo AB (publ) corporate ID no. 559026-7885. Key figures that can't be found in the annual report have been calculated from the company's internal accounting and reporting system.

²⁾ See page 83 for the definition of average number of shares in the calculation of Earnings per share. The number of shares in the reference period has been converted.

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Board of Directors' Report

The Board of Directors and the Chief Executive Officer (CEO) of Attendo AB (publ), corporate ID no. 559026-7885, with its registered office in Danderyd, Sweden, hereby present the Annual Accounts and the Consolidated Accounts for the financial year 2015.

OPERATIONS

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.

INITIAL PUBLIC OFFERING

Attendo was listed on Nasdaq Stockholm on 30 November 2015. Attendo's previous main owner, IK Investment Partners, sold 61,934,483 of its shares, reducing its holding to 18%. Attendo issued 24,000,000 new shares. The total value of the offering was SEK 4,765 m. Attendo raised SEK 1,169 m after expenses.

FINANCIAL OVERVIEW

Net sales and operating profit

Net sales were SEK 9,831 m (9,045), an increase of 8.7%. Adjusted for exchange rate effects, the increase was 7.5%. The growth is derived from new own care units, increased occupancy in existing own units, contractual price increases and acquisitions.

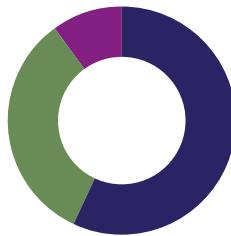
Operating profit (EBITA) was SEK 933 m (822), corresponding to an operating margin of 9.5% (9.1).

Operating profit (EBITA) was affected by a number of non-recurring items: Costs for legal services related to the IPO totaled SEK -28 m, a settlement of pension liabilities in Norway provided a positive non-recurring effect of SEK 25 m, and a real estate disposal gave a positive effect of SEK 15 m.

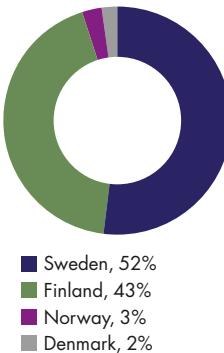
The profit increase is partly due to increased occupancy in existing own units, and increased profitability in own operations as a result of improved planning and streamlined processes. The year-on-year comparison is subject to a positive effect of SEK 15 m relating to a property sale in the third quarter 2015.

Exchange rate fluctuations had an overall positive effect on

Net sales by contract model, 2015



Net sales by country, 2015



operating profit of SEK 12 m, compared to SEK 19 m in the previous year.

Net financial items

Net financial items were SEK -537 m (-396), of which net interest was SEK -326 m (-355) in 2015. Debt refinancing coincident with the IPO entailed a write-down of capitalized financing costs as existing loans were replaced before maturity. These write-down costs, alongside costs relating to prepayment of loans, totaled SEK 158 m. Net interest income improved as a result of reduced leverage and lower interest margins after the refinancing.

Income tax

Income tax for the year was SEK -64 m (-148), corresponding to a tax rate of 18.3% (36.0). The tax rate for the year was influenced by non-taxable items at the end of the year.

Profit/loss

Profit for the year was SEK 286 m (263), corresponding to an earning per share after dilution of SEK 1.79 (1.64).

Five-year summary

SEK m	2015	2014	2013	2012
Net sales	9,831	9,045	8,465	7,891
Operating profit (EBIT)	887	807	738	596
Operating margin (EBIT) (%)	9.0	8.9	8.7	7.6
Profit for the year	286	263	363	159
Profit margin (%)	2.9	2.9	4.3	2.0
Capital employed	7,808	7,855	7,362	7,317
Operating cash flow	765	700	723	551

For definitions of key figures, see page 83.

FINANCIAL PERFORMANCE BY CONTRACT MODEL

Own operations

Net sales in own operations were SEK 5,589 m (4,829), corresponding to an increase of 15.7%. The increase is mainly due to new care units and increased occupancy.

The construction of 15 new homes for older people, people with disabilities and psychiatric care began in the year. These units have a total of approximately 700 beds in Sweden and Finland.

Units, beds and home care clients, 31 December 2015

Own operations	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).

Outsourcing operations

Net sales in outsourcing operations were SEK 3,236 m (3,149), corresponding to an increase of 2.8%. The increase is mainly due to two large contracts started at the beginning of 2015.

Units, beds and home care clients, 31 December 2015

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

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

** Nursing homes and care homes (for people with disabilities, psychiatric care and individuals and families).

Staffing operations

Net sales in staffing operations were SEK 1,006 m (1,067), corresponding to a decrease of 5.7%. The change is mainly explained by terminated contracts.

CASH FLOW

Consolidated cash flow from operating activities was SEK 638 m (572). Investing activities were SEK 417 m (253). Cash flow from financing activities was SEK -499 m (-129). Total cash flow for the year was SEK -278 m (190). Cash and cash equivalents were SEK 782 m (1,084).

FINANCIAL POSITION

As of 31 December 2015, consolidated equity was SEK 4,219 m (2,569), corresponding to SEK 26.36 (16.06) per share after dilution. Net debt was SEK 2,827 SEK m (4,143). After the IPO on 30 November, Attendo refinanced its debt on 3 December 2015, raising new borrowings and repaying existing loans. Coincident with the IPO, Attendo executed a share issue totaling SEK 1,200 m, which is the main reason for the reduction of net debt.

SEK m	31 Dec, 2015	31 Dec, 2014	31 Dec, 2013
Interest-bearing liabilities	3,580	5,285	5,054
Provisions for post-employment benefits	29	67	52
Cash and cash equivalents	-782	-1,209	-883
Net debt	2,827	4,143	4,224

Interest-bearing liabilities, excluding provisions for post-employment benefits, were SEK 3,580 m (5,285) as of 31 December 2015. Attendo refinanced its borrowings coincident with the IPO, when existing loans were repaid and new borrowings raised.

Attendo had SEK 449 m (600) in unutilized credit facilities at the end of the year.

The annual goodwill impairment test based on the future plans of cash-generating units showed no impairment.

Capital employed was SEK 7,808 m (7,855) at the end of the year.

SEASONAL VARIATIONS

Attendo's profitability is subject to seasonal variations, weekend and holiday effects. For Attendo, public holidays and weekends have a negative effect on profitability, mainly due to wage compensation for unsociable working hours. For example, profitability in the first and second quarters is affected by the Easter holidays, depending on in which quarter Easter falls, and the fourth quarter is affected by Christmas and New Year.

ACQUISITIONS AND DIVESTMENTS

Acquisitions

The group completed the following acquisitions in the year:

- On 1 March, Attendo acquired Joenranta Oy, which operates care homes for people with disabilities in Sipoo and Tuusula, Finland.
- On 1 March 2015, Attendo acquired Curanda Oy, which operates private dental care clinics in Åbo and Helsinki, Finland.
- On 29 May, Attendo acquired Valtakadun Hammaslääkäri-sema Oy, which operates a dental care clinic in Raumo in western Finland.
- On 1 July, Attendo acquired assets and liabilities relating to Hammaslääkäri-sema Hammaspeikko Oy, which operates dental care clinics in Helsinki, Lovisa and Lappträsk in southern Finland.
- On 2 November 2015, Attendo acquired assets and liabilities in Kärkölän Vanhustenkotiyhdistys Oy which operates a nursing home in Kärkölä, Finland.

For more information about completed acquisitions, see Note K26, Acquisitions and divestments.

Divestments

On 11 September 2015, Attendo divested Sparvfalken AB (formerly Attendo Sommarlust AB), which develops and constructs specialist nursing homes.

OTHER SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Extraordinary General Meeting (EGM) on 4 September appointed Christoffer Zilliacus as regular Board Member. The EGM also confirmed the resignation of Helena Stjernholm as regular Board Member at her own request.

Following a resolution at the EGM on 23 October 2015, Attendo AB (publ) acquired the former Attendo group through an issue in kind of Attendo International AB (publ) (formerly Attendo AB (publ)). The change of company name was also adopted by the EGM. Directly after the issue, Attendo AB (publ) became the owner of

approximately 78% of the shares in Attendo International AB (publ). The issue in kind totaled SEK 3,080 m. The remaining shares were transferred through a share exchange in Attendo International AB (publ) for shares in Attendo AB (publ). The issue in kind was completed on 30 November 2015 in conjunction with the IPO.

The EGM in Attendo International AB (publ) held on 23 October 2015 resolved to redeem a proportion of the shares in subsidiary Terveyden Tuottajat Oy – held by wholly owned subsidiary Attendo Terveyspalvelut Oy and minority shareholders – on 31 December 2015. After redemption, Attendo Terveyspalvelut Oy's holding will be below 50% of the capital and votes in the company, meaning that the group no longer has a controlling influence. As a result, Terveyden Tuottajat Oy will no longer be consolidated and has been recognized as an associated company in accordance with the equity method. According to a shareholder agreement, the profit generated by Terveyden Tuottajat Oy – both before and after the EGM resolution – is in all material aspects due to other shareholders in the company, implying that it does not have a significant impact on the group's results or financial position.

Coincident with the acquisition of MedOne Group Oy (currently Attendo Finland Oy) in 2007, share options were issued to the former management of the acquired company. These share options entitled the former management to convert shares in Attendo Finland Oy to shares in Attendo International AB (publ). On 16 October, the Board of Directors resolved to effect the conversion through an issue in kind in Attendo International AB (publ), implying an increase in Attendo's holding in Attendo Finland Oy from 94.8% to 100%. The resolution relating to the issue in kind was adopted by the EGM in Attendo AB (publ) on 23 October 2015.

POST CLOSING EVENTS

On 5 February 2016, a working committee reported its intention to submit a proposal on temporary legislation to the Finnish Government as part of the forthcoming social and health care reform package known as SOTE. The purpose of this proposal includes limiting municipalities' scope to sign combination contracts, which has implications including preventing municipalities entering contracts judged as obstructing the implementation of the SOTE reform.

Attendo currently has six combination contracts with Finnish municipalities. The existing combination contracts and Attendo's main operations in Finland, care for older people in own operations, physician staffing, medical care contracting and dental care, are not affected by this bill. Although all details of the proposal have not yet been disclosed, Attendo considers that their impact on its operations in Finland will only be marginal.

On 1 March 2016 Hoitokoti Eerika Oy, which provides social psychiatry and rehabilitation at Kides in eastern Finland, was acquired.

On 1 March 2016 Kiteen Kanervikkola Koti Oy, which operates a nursing home in Kides in eastern Finland, was acquired.

EMPLOYEES

The average number of full-time employees was 14,512 (14,214), of which 11,737 were women (11,522).

Attendo seeks to create good working conditions and the potential for personal development. This means that Attendo respects and complies with labor market legislation, agreements and safety requirements, and other regulations governing operations.

For more information about Attendo's employees, see the section on Employees on page 26–28 and Note K5, Information on board members, senior executives and employees.

PRINCIPLES FOR REMUNERATION TO EXECUTIVE MANAGEMENT IN ATTENDO

These principles for remuneration shall be applied to the Executive Management within Attendo. The remuneration to Executive Management shall be market based to ensure that Attendo can at-

ract and retain competent executives. Remuneration shall be based on the individual's position, responsibilities and performance. Total remuneration to the Executive Management comprise of fixed salary, variable salary based on annual performance targets, long-term incentives and other benefits such as non-monetary benefits, pensions and insurances. The remuneration level within Attendo shall be competitive but not market leading. To ensure that it is competitive, benchmarking is performed on a regular basis.

Fixed and variable remuneration

Fixed salary shall be competitive and based on the Executives responsibilities.

Executive Management is also entitled to variable salary in addition to the fixed salary. Variable salary is received if certain annual performance targets are fulfilled. The variable compensation to the CEO may amount to a maximum of 67 % of the fixed annual salary and to the other members of Executive Committee between 45-50% of fixed annual salary. The Variable compensation shall be based on the Executive's performance on financial targets in combination with qualitative targets, set out by the Board. Members of Executive Management with an operational responsibility have targets related to for example quality and employee satisfaction.

Variable compensation is based on the financial performance for the Group, the performance for the respective Business area and individual targets.

Long-term incentive plan

Attendo has a culture that promotes long term perspective and a spirit of ownership and responsibility. The Board of Directors will propose a share based long-term incentive plan to the Annual General Meeting.

Non-monetary benefits

Non-monetary benefits, such as car or health insurance can be provided in accordance with the normal practice in the respective country. These benefits shall not be a significant part of the total remuneration.

Post-employment benefits

Pension benefits shall be competitive and reflect the ordinary practice and accepted levels in the country where the executive is employed.

Notice of termination and severance pay

The termination period for the CEO is 12 months with an additional 12 month severance pay if the employment is terminated by the company. The termination period for other members of Executive Management are 6 month with an additional 6 month severance pay if the employment is terminated by the company.

Attendo's Executive Management has a non-compete and non-solicitation clause for the members of the Executive Management for 12 month after terminating the employment, where Attendo may be required to compensate for the months were the Executive is prohibited from accepting a competitive assignment.

Deviations to the remuneration guidelines

The Board of Directors can, under special circumstances, deviate from these guidelines.

OUTLOOK FOR THE COMING FINANCIAL YEAR

The investment requirements in new care homes in the Nordics remains substantial. For Attendo, one of the leading operators in the care and health care services sector in the Nordic, this implies positive conditions for continued growth.

In recent years, an increasing number of Nordic municipalities have decided to introduce freedom of choice in care and health care services, which enabled private operators to enter the mar-

ket. Attendo is well positioned to capitalize on the growth potential this system implies.

On the Finnish market, the public sector continued to expand in care and health care services. The need for new care homes in Finland remains substantial, while a shortage of health care staff persists. Against this background, Attendo, which is one of the leading operators in care and health care services, will play a critical role.

Attendo believes that the quality and content of care will be important in the future evolution of the sector. Recent tendering processes have focused on pricing. The freedom of choice reform within the care sector has implied that many new alternative operators have entered the market. Increased freedom of choice is positive for the sector and clients in need of care and health care services. In order for the freedom of choice reforms to achieve their intended aim, municipal authorities need to ensure that the same predictable, sustainable quality and financial terms apply to all operators. For example, this means that the same high-quality standards should apply to public and private operators alike, that alternative operators should receive compensation corresponding to the cost of units operated by municipalities, and that municipal operations should not be permitted to keep making losses.

In 2014, the Swedish government and the Left Party reached an agreement to evaluate the possibilities of restricting quality, freedom of choice and the distribution of profits in education, care and health care services. This agreement has caused significant uncertainty about the conditions applying to investments in the Swedish welfare sector. According to the committee directive published in March 2015, the enquiry should investigate and submit proposals on how regulations governing the public funding of tax-financed welfare should be structured so that these funds benefit clients, and that as a rule, any surpluses should be reinvested in welfare. The enquiry has created significant uncertainty regarding the conditions applying to investments in Swedish welfare, which means that important questions such as quality, innovation and the long-term supply of skills to the Swedish welfare system have not received enough attention. In 2015, a Swedish parliamentary majority ruled on a statement demanding that the government alters the committee's directive to focus on quality standards rather than financial issues, and that the same standards should apply to public and private players.

Due to the supplementary directive that the government issued the enquiry with in late-2015, the schedule was extended. The final proposal should be submitted by 2 May 2017. Attendo is continuing to monitor progress and is working continuously for constructive change, with more focus on how to develop and secure higher care quality for the long term. Specifying which conclusions the enquiry will arrive at, which potential bills the enquiry will lead to and the parliamentary support these bills could secure, is problematic at present.

The Finnish government has been planning an extensive social and healthcare reform package, called the SOTE reform, for several years. In November 2015, the government reached a political settlement creating 18 autonomous regions, of which 15 arrange social and healthcare services themselves, in contrast to the current situation of over 300 separate municipalities. The aim is to increase freedom of choice for the individual, and to facilitate the use of private social care and health care, simultaneous with improving the quality and availability of services and reducing the deficit in public finances. The details of the structure of the reform have yet to be decided.

Attendo is now one of the Nordic leaders in care and health care. Attendo is well equipped to maintain progress towards its long-term objective of being the most attractive choice and the most respected provider of care and health care in the Nordics, and the largest private player in care across Europe by 2025.

ENVIRONMENTAL IMPACT

Attendo seeks to set the standard by actively pursuing greater environmental awareness. Attendo's environmental policy is the foundation for employee attitudes to environmental concerns, which Attendo's clients and customers, who enjoy playing an active role in this work, really appreciate.

Attendo's ambition is to work to protect the environment as far as technologically possible and economically feasible. The objective is to minimize Attendo's environmental impact and continuously instigate environmental initiatives, mainly in areas considered to be central to operations, such as purchasing, distribution and transport, energy and water use, and waste management.

Attendo does not conduct operations that require permits or registration under the Swedish Environmental Code.

PARENT COMPANY

Attendo AB (publ) was incorporated on 17 September 2015 and acquired the former group coincident with the IPO on 30 November 2015, meaning that it is the ultimate parent company of the Attendo group.

The parent company's operations consist of providing consultancy services and managing shares in subsidiaries. The company's costs include parent company costs for Executive Management and Board work, and external consultancy costs.

Financial information

The parent company's net sales were SEK 3 m (–) in the year, and wholly consist of consulting services invoiced to subsidiaries.

Profit/loss after financial items was SEK –34 m (–). Cash and cash equivalents were SEK 0 m (–) at year-end, shares in subsidiaries were SEK 6,494 m (–) and non-restricted equity was SEK 6,472 m (–).

Number of shares

The number of outstanding shares was 160,000,000 as of 31 December 2015.

Ownership structure

The main owners of Attendo AB (publ) are as follows:

Shareholders ¹⁾	No. of shares	Proportion of capital and votes
Board and Executive Management	34,398,825	21.5
Augustus International S.A.R.L	29,290,636	18.3
Nordstjernan AB	16,000,000	10.0
Swedbank Robur Fonder	14,234,000	8.9
Didner & Gerge Fonder Aktiebolag	12,072,330	7.5
Carve Capital AB	10,000,000	6.2
Elo Mutual Pension Insurance Company	6,000,000	3.7
SEB Investment Management	3,103,927	1.9
Handelsbanken Fonder	2,567,876	1.6
Verdipapirfond Odin Sverige	1,502,461	0.9
Total, ten largest shareholders	129,170,055	80.7
Other shareholders	30,829,945	19.3
Total	160,000,000	100.0

¹⁾ Shareholders registered with Euroclear as of 31 December 2015.

More information about the company's and group's results of operations and financial position are provided in the Income Statement and Balance Sheet, Cash Flow Statement and Notes to the Financial Statements.

Risks and Risk Management

All operations involve risk. Risk management is therefore necessary for Attendo to pursue its strategies and achieve its corporate goals. Risk management, defined as the work associated with identifying, managing and monitoring risks, is an important part of Attendo's operations. Attendo takes a structured approach to managing risks, based on a framework that covers industry and market risks, operational risks and financial risks. Business Area Directors are responsible for risk management within each Business Area. Attendo has a group-wide function for evaluating risk management and internal control, which support group functions and Business Areas in their work with risk management and internal control.

On the basis of Attendo's group-wide risk assessment, the purpose of the group's internal control is to take a structured approach to implementing tools that creates control over critical processes within the framework of Attendo's strategic objectives. The work originates from an annual plan approved by the Audit Committee. A group-wide risk evaluation process is conducted annually on the basis of operational and financial risk at Business Area level. A summary of these risks follows:

INDUSTRY AND MARKET RISK

Market risk

On the markets where Attendo operates, care and health care services are mainly provided by the public sector, but also to a varying degree by private providers. The market for private care and health care services is dependent on political decisions that control the demand of care and health care services offered. Attendo is dependent on that care and health care services are open to competition, and that the company is able to benefit from a competitive market by entering new or renewing customer contracts.

The market for care and health care services is characterized by competition with a number of larger and smaller players. This implies risk in terms of growth and price development. Currently, public providers are not required to compete with the market's best offering in a public procurement process, and public providers are not required to obtain permits for their operations. In order to conduct successful operations, Attendo needs to continuously improve its operations in order to offer the clients and patients the best possible care and health care services, in terms of quality, and at a competitive price.

Political risk

The majority of the care and health care services on Attendo's markets are based on public funding and provided by the local authorities. In accordance with national legislation, local authorities allow private providers to provide care and health care services aiming to improve quality, finances and to create a change in the operation. As a main rule, this occurs by local authorities assigning responsibility for operations, previously provided by local authorities, to private providers through a public procurement process for fixed-term contracts. The choice of production model is dependent on political decisions, which means that Attendo's potential for growth is dependent on political views regarding how care and health care services should be provided. Political decisions that generate changes to legislation could have a significant impact on Attendo's operations.

In 2014, the Swedish government and the Left Party reached an agreement to evaluate the possibilities of restricting quality, freedom of choice and profits in education, care and health care services. According to the committee directive, which was presented in March 2015, the inquiry shall consider and present proposals on the regulations governing the public sector funding of tax-funded care and health care services with the aim to ensure that funds benefit the clients and that the surplus are generally reinvested in the welfare. This inquiry has created significant uncertainty regarding the

conditions for investments in the Swedish care and health care sector, and results in important questions relating to quality, innovation and long-term competence supply in the Swedish welfare sector are not given sufficient attention. In 2015, a Swedish parliamentary majority urged the government to amend the directive to focus on quality rather than financial considerations, and that public and private operators should be subject to equal standards.

Based on the additional directives that were given to the inquiry, the time plan was delayed. The final proposal will be presented on May 2, 2017. Attendo continuously monitors the development and works constantly for a constructive change with an increased focus on how to long-term develop and ensure a higher quality in care. At present, it is uncertain what conclusions the inquiry will reach, what bills it might generate and what parliamentary support it will have.

In Finland, the government has been planning an extensive public sector care and health care reform, known as the SOTE-reform, for a number of years. In November 2015, the government reached a political agreement establishing 18 independent regions, of which 15 will provide independent regional care and health care services, in contrast with the current situation of over 300 individual local authorities. The objective is to increase freedom of choice and facilitate the use of private social care and health care services, while also improving the quality and accessibility of services, and reducing the public sector deficit. The precise details of the reform have not yet been determined.

Risk of changes to legislation, regulation and practice

Quality and safety considerations affecting Attendo originate with the regulatory frameworks of the legislation and regulation of the countries where the company operates. Such legislation primarily governs care services, health care services and care for people with disabilities but also through a number of other laws and regulations. The legislative process of the countries where Attendo is active is transparent, meaning that any legislative changes are normally announced well in advance of implementation. In addition, Attendo carefully monitors progress in terms of the quality and safety in care, nationally and internationally. To implement and maintain policies and guidelines to ensure regulatory compliance is of high importance for Attendo.

OPERATIONAL RISKS

The requirements on quality and safety in care and health care come from a range of different sources including public bodies, customers, clients and relatives. Attendo also puts very high demands on its operations in these areas. The continuous improvement of quality and safety for Attendo's clients is critical to the company's success. Accordingly, these areas are central to the group's strategy work.

Permit risk

A significant proportion of Attendo's operations require permits and many of its operations require dedicated permits. Permits can only be obtained when operations satisfy stipulated quality and safety requirements, and other demands. The conditions and rules relating to permits may change, which could imply increased costs and changed requirements. In the event that permits cannot be obtained within a reasonable time frame, this could mean that Attendo is unable to conduct operations as planned. Attendo continuously seeks to ensure that its operations, and the premises where they are conducted, satisfy regulatory standards.

Human capital risk

Attendo's access to competent employees is critical. Attendo continuously seeks to adopt models that will attract, develop and retain competent and committed employees.

Pricing risk

A high proportion of Attendo's customer contracts span over several years, and Attendo receives payment based on occupancy. However, the customer contracts do not include guaranteed service volumes, which means that Attendo is dependent on making accurate forecasts of future needs and demand in order to forecast future revenue and costs. Attendo's pricing model is based on internally developed, tested procedures and models that aim to minimize the risk of inaccurate pricing. Attendo's largest cost is salaries. Significant salary increases could imply a financial risk, although most customer contracts are linked to a labor market index or equivalent, which means that prices follow payroll costs in the long term.

Lease contract risk

Attendo provides its services in own units and premises. Attendo leases most of these premises from real estate companies, which means that Attendo enters into lease contracts spanning several years. In the event of weak demand for Attendo's services, long-term lease contracts comprise a financial risk. Attendo has developed models and processes aimed at minimizing the risk of entering into long-term lease contracts in regions where demand for Attendo's services is unfavorable.

Contract risk

Attendo's operations are based on numerous commercial customer and supplier contracts. Customer contracts usually have terms of 2–6 years. However, Attendo's operations are not dependent on any single commercial contract. Attendo obtains counsel from external legal advisors to manage specific contract risks when entering into agreements. Liability and disruption risks are covered by insurance policies prepared in collaboration with external advisors. However, there is a risk that a situation could arise that is not covered by insurance, which could generate financial losses. This risk is limited by the group's varied operations.

Acquisition risk

Attendo primarily acquires smaller companies and units in areas where the company has expertise. Attendo adopts a structured and systematic approach and acquisitions are preceded by research, documentation and board decisions, which limits this risk.

Property risk

Attendo's operations are conducted in premises provided by customers, and in premises leased or owned by Attendo. In cases where Attendo owns, or assumes responsibility for the premises, the company is covered by property insurance that has been produced in collaboration with external advisors.

FINANCIAL RISK

The group is, through its operations, exposed to a number of financial risks such as exchange rate risk, interest rate risk, credit risk, financial counterparty risk, liquidity and financing risk. The group's overall risk management policy focuses on the unpredictability of the financial markets, and seeks to minimize potential unfavorable effects on the group's financial performance. The group's risk management is handled by its treasury function according to established principles.

Exchange rate risk

The group operates internationally and is thereby exposed to exchange rate risk from various currency exposures, primarily concerning Euro (EUR), but also Norwegian Krone (NOK) and Danish Krone (DKK). Exchange rate risk is divided into transaction risk and translation risk. Since Attendo's purchasing and

invoicing are primarily conducted in the respective country's local currency, the company's transaction risk is not significant. Group profit/loss is affected by the translation of foreign subsidiaries' Income Statements, where translation applies the average exchange rate in the financial year. In the event that the local currency of a foreign subsidiary fluctuates against the SEK, group net sales and profit will be affected when converted to SEK. Exchange rate risk also arises through translation of recognized assets and liabilities in foreign operations. The group's EUR exposure is significant, and investments in Finland have therefore been part-financed through borrowing in EUR. Since the exchange rate exposure in NOK and DKK is not significant, no exchange rate hedging has been executed for these translation risks.

Interest rate risk

The group's interest rate risk primarily relates to Attendo's long-term borrowing and bank balances with Nordic merchant banks. At the end of the accounting period, 100 percent of the group's borrowings was at variable interest. The group's treasury function continuously analyses group exposure to interest rate risk by simulating interest rate fluctuations. In order to reduce the risk associated with variable-rate borrowing the group enters into swap agreements, from time to time, on a proportion of future interest payments. In the period until the end of November 2015, Attendo hedged an average of 47 percent of interest on its borrowing from credit institutions. From the December 2015 refinancing onwards, Attendo has not implemented interest rate hedging as the group's borrowing and interest margins decreased significantly as a result of the new share issue and refinancing. Given Attendo's current financing structure, had interest rates been one percentage point higher in 2015, all other things being equal, profit after tax would have decreased by approximately SEK 28 m.

Credit risk

Customer credit risk consists exclusively of the group's outstanding trade receivables and non-invoiced services to Attendo's customers. Attendo's customers are mainly local authorities, which have very high credit ratings. This implies that the group's risk exposure to customer credit losses is considered limited.

Financial counterparty risk

Financial counterparty risk is defined as exposure in the form of investments of surplus liquidity, and derivative contracts with banks and financial institutions. Cash and cash equivalents are invested exclusively in government bonds or with banks with a high official credit rating. Derivative contracts are only entered with banks with a minimum credit rating of A1/P1, and with which Attendo has long-term relations.

Liquidity and financing risk

Liquidity risk is defined as the risk that Attendo fails to meet its payment obligations. Attendo manages liquidity risk by maintaining a liquidity reserve (cash, bank balances and unutilized existing credit lines).

Financing risk is defined as the risk that Attendo is unable to finance outstanding loans, or that funding costs increase. The treasury function seeks to maintain agreements on lines of credit.

The group's treasury function conducts aggregate cash flow forecasts and rolling forecasts to ensure a continuous supply of liquidity. In addition, the treasury function analyses whether the group satisfied critical key ratios or financial covenants linked to the group's borrowing. Net debt/EBITDA and interest coverage ratio are key performance indicators. The group's central treasury function analyses and reports there on on-going basis.

Consolidated Income Statement

January–December, SEK m	Note	2015	2014	2013
OPERATING INCOME				
Net sales	K3	9,831	9,045	8,465
Other operating income	K4	39	14	48
Total revenue		9,870	9,059	8,513
OPERATING COSTS				
Personnel costs	K5	–6,552	–6,199	–5,898
Other external costs	K6, K7, K8	–2,241	–1,900	–1,714
Depreciation, amortization and impairment of tangible and intangible assets	K9	–144	–138	–131
Operating profit (EBITA)		933	822	770
Amortization and impairment of acquisition-related intangible assets	K9	–46	–15	–32
Operating profit (EBIT)		887	807	738
FINANCIAL ITEMS				
Financial income	K10	111	176	74
Financial expenses	K10	–648	–572	–330
Net financial items		–537	–396	–256
Profit before tax		350	411	482
Tax	K11	–64	–148	–119
NET PROFIT FOR THE YEAR		286	263	363
Net profit for the year attributable to parent company shareholders		286	263	363
Earnings per share before dilution ¹⁾ , SEK	K12	1.79	1.64	2.27
Earnings per share after dilution ¹⁾ , SEK	K12	1.79	1.64	2.27
Average no. of shares before dilution ¹⁾ , thousands	K12	160,000	160,000	160,000
Average no. of shares after dilution ¹⁾ , thousands	K12	160,083	160,000	160,000

¹⁾ See definition of average number of shares in the calculation of earnings per share before and after dilution on page 83. The number of shares in the comparable periods have been converted.

Consolidated Statement of Comprehensive Income

January–December, SEK m	Note	2015	2014	2013
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefits, net of tax	K11, K20, K21	10	–18	–14
Items that may be reclassified to profit or loss				
Cash flow hedges, net of tax	K11	15	–5	4
Exchange rate differences on translation of foreign operations		–44	58	–47
Other comprehensive income for the year, net of tax		–19	35	–57
Profit for the year		286	263	363
Total comprehensive income for the year		267	298	306
Total comprehensive income attributable to parent company shareholders		267	298	306

Consolidated Balance Sheet

January–December, SEK m	Note	2015	2014	2013
ASSETS				
Non-current assets				
Goodwill	K13	6,472	6,549	6,385
Other intangible assets	K13	304	238	90
Property, plant and equipment	K14	382	440	426
Deferred tax assets	K11	32	30	92
Other non-current receivables	K15	57	57	66
Total non-current assets		7,247	7,314	7,059
Current assets				
Trade receivables	K16	901	873	878
Current tax assets		38	47	44
Other current assets	K17	319	438	293
Cash and cash equivalents		782	1,084	856
Total current assets		2,040	2,442	2,071
TOTAL ASSETS		9,287	9,756	9,130
EQUITY AND LIABILITIES				
Equity	K18			
Share capital		1	–	–
Other paid-up capital		4,321	3,113	3,113
Retained earnings		–389	–807	–1,168
Profit for the year		286	263	363
Total equity		4,219	2,569	2,308
Non-current liabilities				
Liabilities to credit institutions	K19	3,554	5,012	4,977
Deferred tax liabilities	K11	38	35	12
Provisions for post-employment benefits	K20	29	67	52
Provisions, non-current	K21	9	10	32
Other non-current liabilities	K22	24	284	243
Total non-current liabilities		3,654	5,408	5,316
Current liabilities				
Liabilities to credit institutions	K19	26	253	64
Provisions, current	K21	37	52	28
Trade payables		205	161	165
Current tax liabilities		9	21	23
Other current liabilities	K24	1,137	1,292	1,226
Total current liabilities		1,414	1,779	1,506
TOTAL EQUITY AND LIABILITIES		9,287	9,756	9,130
MEMORANDUM ITEMS				
Pledged assets	K27	141	6,572	5,869
Contingent liabilities	K28	–	–	–

Consolidated Statement of Cash Flow

January–December, SEK m	Note	2015	2014	2013
Operating activities				
Profit before tax		350	411	482
Adjustments for items not included in cash flow	K25	378	254	210
Paid tax	K11	–86	–78	–77
Cash flow from operating activities before changes in working capital		642	587	615
Cash flow from changes in working capital				
Changes in current receivables		–151	12	86
Changes in current liabilities		147	–27	41
Cash flow from operating activities		638	572	742
Investing activities				
Investments in subsidiaries (net of acquired cash)	K26	–128	–89	–105
Divestments of subsidiaries	K26	15	–	183
Investments in intangible assets	K13	–34	–38	–5
Investments in tangible assets	K14	–178	–193	–273
Divestments of intangible and tangible assets	K13, K14	47	67	50
Redemption of shares		–139	–	–
Cash flow from investing activities		–417	–253	–150
Financing activities				
Share issue		1,172	–	–
Repurchase of shares		–	–	–956
Change in non-current liabilities and related derivatives	K22	–	–	–15
Borrowings	K19, K23	3,531	–	3,228
Loan repayments	K19, K23	–5,202	–129	–2,752
Cash flow from financing activities		–499	–129	–495
CASH FLOW FOR THE YEAR		–278	190	97
Opening balance, cash and cash equivalents		1,084	856	746
Exchange rate effect		–24	38	13
Closing balance, cash and cash equivalents		782	1,084	856

For information about interest paid/received, see Note 25, Cash Flow Statement.

Consolidated Statement of Changes in Equity

SEK m	Share capital	Contributed capital	Retained earnings			Total equity
			Cash flow hedging	Acc. translation differences	Other retained earnings	
Opening balance, 1 January 2013	–	4,067	–14	–4	–1,093	2,956
Profit for the year	–	–	–	–	363	363
Other comprehensive income						
Remeasurements of post-employment benefits, net of tax	–	–	–	–	–14	–14
Exchange rate differences on translation of foreign operations	–	–	–	–47	0	–47
Cash flow hedges, net of tax	–	–	4	–	0	4
Total other comprehensive income	–	–	4	–47	–14	–57
Total comprehensive income	–	–	4	–47	349	306
Transactions with shareholders						
Share issue	–	–	–	–	–	0
Repurchase of shares	–	–954	–	–	–	–954
Total transactions with shareholders	–	–954	–	–	–	–954
Closing balance, 31 December 2013	–	3,113	–10	–51	–744	2,308
Opening balance, 1 January 2014	–	3,113	–10	–51	–744	2,308
Profit/loss						
Profit for the year	–	–	–	–	263	263
Other comprehensive income						
Remeasurements of post-employment benefits, net of tax	–	–	–	–	–18	–18
Exchange rate differences on translation of foreign operations	–	–	–	58	–	58
Cash flow hedges, net of tax	–	–	–5	–	–	–5
Total other comprehensive income	–	–	–5	58	–18	35
Total comprehensive income	–	–	–5	58	245	298
Transactions with shareholders						
Revaluation of option liability	–	–	–	–	–37	–37
Total transactions with shareholders	–	–	–	–	–37	–37
Closing balance, 31 December 2014	–	3,113	–15	7	–536	2,569
Opening balance, 1 January 2015	–	3,113	–15	7	–536	2,569
Profit/loss						
Profit for the year	–	–	–	–	286	286
Other comprehensive income						
Remeasurements of post-employment benefits, net of tax	–	–	–	–	10	10
Exchange rate differences on translation of foreign operations	–	–	–	–44	–	–44
Cash flow hedges, net of tax	–	–	15	–	–	15
Total other comprehensive income	–	–	15	–44	10	–19
Total comprehensive income	–	–	15	–44	296	267
Transactions with shareholders						
Issue in kind	1	–1				0
Share issue	0	1,200	–	–	–31	1,169
Warrants	–	9				9
Total transactions with shareholders	1	332	–	–	–31	1,178
Transactions with non-controlling interests	–	–	–	–	205	205
Closing balance, 31 December 2015	1	4,321	–	–37	–66	4,219

Notes on the Consolidated Financial Statements

K1 CRITICAL ACCOUNTING POLICIES

Attendo AB (publ), corporate ID no. 559026-7885, with its registered office in Danderyd, Sweden is the parent company of a group with the subsidiary Attendo International AB (publ). In turn, Attendo International AB (publ) owns companies whose operations consist of owning companies and managing shares in companies whose primary operations consist of providing care and health care services in the Nordic countries.

Attendo's head office is located at Vendevägen 85, 182 91 Danderyd, Sweden.

The financial statements are on pages 43–81 of the printed Annual Report. The Consolidated Accounts will be subject to approval by the Annual General Meeting (AGM) on 17 May 2016.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from IFRIC, as endorsed by the European Union, and the Swedish Financial Reporting Board's Recommendation RFR 1 "Supplementary Accounting Rules for Groups," with associated interpretation statements issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The consolidated financial statements are presented in millions of Swedish kronor (SEK m). These financial statements have been prepared in accordance with the cost method, except specific financial assets and liabilities, such as derivatives, financial assets held for sale and pension assets attributable to defined benefit pension plans, which are measured at fair value.

The financial statements encompass the companies that comprise the group and have been prepared for the same reporting periods, and with consistently applied accounting policies. All intra-group balances, transactions, revenue and costs, and profit and losses have been eliminated.

Attendo AB (publ) was incorporated in 2015, which means that there are no historical Balance Sheet and Income Statement figures for 2013 and 2014. The new group was formed through the acquisition by Attendo AB (publ) of the former Attendo group through an issue in kind by Attendo International AB (publ) on 23 October 2015. Directly after the issue in kind, Attendo AB (publ) became the owner of some 78% of the shares in Attendo International AB (publ). The remaining 22% of the shares, which were held by Attendo's executive management and other employees, were transferred through share exchanges where ordinary and preference shares in Attendo International AB (publ) were exchanged for ordinary shares only in Attendo AB (publ). The issue in kind of these shares was completed on 30 November 2015.

The most significant accounting policies applied to the preparation of the financial statements are stated below.

Amendments in accounting policies and disclosures

New and revised accounting policies and improvements that became effective in 2015 did not have any significant impact on the consolidated financial statements for the financial year.

The IFRS Interpretations Committee also issued a number of new interpretation statements and amendments. These amendments and interpretation statements did not have any significant impact on the consolidated financial statements for 2015.

CRITICAL ESTIMATES AND JUDGMENTS

Preparing financial statements in accordance with IFRS requires the use of certain critical estimates for accounting purposes. Furthermore, management is required to make certain judgments when applying the group's accounting policies. Areas that

involve extensive judgments, that are complex or where assumptions and estimates are of material significance to reporting are stated in Note 2, Critical estimates and judgments for accounting purposes.

ACCOUNTING POLICIES FOR THE CONSOLIDATED ACCOUNTS

The financial statements include all entities stated in Note 31 and over which the group exerts a controlling influence. The group is deemed to have a controlling influence over a company when it is exposed to, or entitled to, variable returns generated by its holding in the company, and is able to influence such returns as a result of its influence over the company. Subsidiaries are included in the financial statements from the date the controlling influence is transferred to the group. They are excluded from the financial statements from the date the controlling influence ceases.

All transactions with shareholders in subsidiaries are recognized on the basis of the substance of such transactions. Shares attributable to shareholders taking an active role in subsidiaries owned by such shareholders are not deemed to satisfy the definition of a non-controlling interest, and are consequently recognized as a personnel cost, and such shareholders' share of the group's net assets is recognized as a personnel-related liability in the Consolidated Statement of Financial Position.

Business combinations under common control (IFRS3)

Business combinations that include entities or operations under common control are defined as business combinations where all combined entities or operations are ultimately and essentially controlled by the same party or parties before and after the combination, and where the controlling influence is not of a temporary nature. In the absence of more specific guidance, the group recognizes business combinations under common control, at historical cost. On 23 October 2015, Attendo AB acquired the former Attendo AB group (currently Attendo International AB (publ)) through an issue in kind. Recognition is from the first day in the comparison period to the period when the combination was completed. Attendo AB has chosen to present comparative figures from 1 January 2013. This means that Attendo AB Group comparative figures for 2013 and 2014 refers to the combined accounts of the former Attendo AB Group (now Attendo International AB (publ)) and that these accounts are recognized at historical values. The ultimate ownership of the group was identical before as well as after the combination why the annual accounts included in this annual report have been prepared under the assumption of business combinations under common control. For more information, see Attendo AB's Combined financial statements for 2012-2014 available on Attendo's website.

The purchase method

Attendo applies the purchase method when reporting business combinations. This means that an acquisition of a subsidiary is viewed as a transaction in which the group indirectly acquires the subsidiary's assets and takes over its liabilities. The value of the acquisition is determined by calculating the fair value of the subsidiary's assets and liabilities on the acquisition date. The valuation includes any conditional purchase price or option liability on the acquisition date. Ensuing valuations of the conditional purchase price or option liability are recognized measured at fair value through profit or loss and under Equity respectively.

According to IFRS, transactions involving non-controlling interests are recognized under Equity. However, there are no specific regulations governing the revaluation of option liabilities in these holdings. Revaluation of option liabilities in non-controlling interests are recognized as a transaction under Equity in the Consolidated Financial Statements. Accordingly, reporting conforms to

other transactions for non-controlling interests. For each acquisition, a decision is made whether all non-controlling interests in the acquired company should be recognized at fair value or according to the holding's proportional share of the acquired operation's net assets.

Acquisition-related costs are recognized as costs as they arise. In the event that the total purchase price exceeds the fair value of the acquired net assets, the surplus is recognized as goodwill. In the event that the fair value of the acquired net assets exceeds the total purchase price, the difference is recognized directly in the Income Statement.

All intra-group transactions and Balance Sheet items, and intra-group profit and loss relating to the sale of fixed assets, are eliminated in the Consolidated Financial Statements.

REVALUATION AND TRANSLATION OF FOREIGN CURRENCY

All subsidiaries' financial reporting is denominated in local currency, i.e. the currency used in the financial environment where the respective subsidiary is active ("functional currency"). The Consolidated Financial Statements are presented in Swedish kronor (SEK), which is the parent company's functional and reporting currency.

Foreign currency transactions have been converted at the rate of exchange ruling on the respective transaction date. Exchange rate gains and losses arising coincident with payment for such transactions, and coincident with the conversion of monetary assets and liabilities denominated in foreign currency at the rate of exchange ruling on the reporting date, are recognized in the Income Statement. The exception is cases where transactions comprise pensions that satisfy the conditions for hedge reporting of cash flows or net investments, when profit/loss is recognized in Other comprehensive income.

Translation of foreign subsidiaries

The results of operations and financial positions of all group companies with a functional currency that differs from the reporting currency are translated to the group's reporting currency as follows:

- Assets and liabilities in the consolidated Balance Sheet are translated at the rate of exchange ruling on the reporting date.
- Income and expenses in the Income Statement are translated at the rate of exchange ruling on the reporting date.
- Exchange rate differences are recognized in Other comprehensive income.

Goodwill and fair value adjustments arising from acquisitions of foreign operations are treated as assets and liabilities of the relevant operation, and translated at the rate of exchange ruling on the reporting date. Exchange rate differences are recognized in Other comprehensive income.

CASH FLOW STATEMENT

The Cash Flow Statement has been prepared in accordance with the indirect method. The changes for the year in Operating assets and Operating liabilities have been adjusted for currency effects. Acquisitions and/or divestments of subsidiaries are included net of acquired/divested liquid assets in Cash flow from investment activities. Assets and liabilities held by acquired and divested businesses at the time of transaction are not included in the Statement of Working Capital Changes, nor in changes in balance sheet items recognized in investing and financing activities.

REVENUE RECOGNITION

Care and health care services are largely provided under operational agreements spanning several years on the basis of monthly

invoicing. Remuneration is linked to the number of clients, care days, beds, proximity care visits or similar services provided by the group. Revenue is recognized when underlying services have been provided in an agreed pricing structure and when amounts can be measured reliably, and it is probable that the economic rewards associated with the transaction will flow to the group. Prices normally follow agreed indexation. Provisions for bad and doubtful debt are recognized immediately if the total costs are expected to exceed total revenue for the contract period.

SEGMENT REPORTING

According to IFRS 8, operating segments are reported in a manner corresponding to internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the one responsible for the allocation of resources and judgments of the operating segments' results of operations. The Attendo group has identified the chief executive officer as the chief operating decision maker.

Attendo has defined five operating segments that are continuously monitored by the Chief Operating Decision Maker, who makes decisions regarding the allocation of resources, budget and financial planning.

In order to consolidate operating segments into a single reportable segment, the standard indicates that the segments should have similar financial characteristics and resemble each other in terms of the nature of its products and services, the nature of the production process, the customer categories using the product or service, how products are distributed or services provided and, where applicable, to what extent the operations are affected by various regulatory frameworks and risks.

Attendo is a care and health care services provider where the character of the services provided and the customers utilizing the services are comparable. The services provided and the applicable regulatory frameworks are comparable, as are Attendo's processes and procedures relating to service provision. Accordingly, operating segments are consolidated into a single reportable segment.

The segment is reported according to the same accounting principles as for the group.

SUPPORT AND GRANTS

Like other employers, Attendo is entitled to various government and municipality-funded staff-related support and grants. This support may take the form of training, employment, reduced working hours, etc. All support and grants are recognized in the Income Statement as cost reductions in the period corresponding to the underlying cost.

FINANCIAL ASSETS

Financial assets are recognized when the group becomes party to the contractual terms of an instrument. Financial assets are derecognized from the Balance Sheet when the right to receive cash flows from the instrument expires or is transferred, and the group transfers all significant risks and benefits associated with ownership.

The group's financial assets largely consist of cash and cash equivalents and trade receivables, and are classified in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The group classifies its financial assets in the following categories: Financial assets measured at fair value through profit or loss, and Loans and receivables.

The classification is based on the group's purpose of the holding of the financial instruments. The classification of the financial assets is determined at initial recognition.

Financial assets are initially stated at fair value plus the additional transaction costs. An exception is made for financial assets

K1 CRITICAL ACCOUNTING POLICIES cont.

measured at fair value through profit or loss, which are initially recognized at fair value excluding transaction costs. The fair value of listed financial assets corresponds to the asset's listed price on the reporting date. Fair value of unlisted financial assets is determined by discounting estimated future cash flows according to current interest rates.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading purposes. A financial asset is classified in this category if the primary objective is to sell the asset in the near future. Derivatives are classified in this category if they are not defined as hedge instruments. Assets in this category are classified as current assets. Gains or losses arising from changes in fair value in this category are recognized in the Income Statement in the period in which they arise and are included in Net financial items.

Loans and receivables

Loans and receivables are financial assets with determined or determinable payments that are not listed on an active market. Loans and receivables are initially stated at fair value and subsequently measured at amortized cost, applying the effective interest rate method. Trade receivables are stated at nominal value less appropriate allowances for estimated irrecoverable amounts. Bad and doubtful debt are recognized as operating costs.

FINANCIAL LIABILITIES

Financial liabilities primarily consist of trade payables and loan payables. The financial liabilities that are not included in hedge accounting are measured and recognized at amortized cost, applying the effective interest rate method. Direct cost of borrowing is included in the acquisition value. Financial liabilities denominated in foreign currency are translated at the rate of exchange ruling on the reporting date.

Borrowings

Borrowings are initially stated at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the amount due on settlement or redemption is recognized in the Income Statement over the term of the borrowing. See also Note K19, Liabilities to credit institutions.

Trade payables

Trade payables are initially stated at fair value and subsequently at amortized cost applying the effective interest rate method.

Option liabilities

Option liabilities are stated at fair value. See also Note K23, Financial Risk Management and Financial Instruments.

DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

Derivative instruments in the form of interest rate and currency swap agreements are acquired in order to hedge currency and interest rate market exposures which the Group is exposed to.

For more information see Note K23, Financial Risk Management and Financial Instruments.

Derivatives measured at fair value through profit or loss

Derivative instruments are recognized in the Balance Sheet on the trade date. They are measured at fair value through profit or loss under the condition that they are not used as hedging instruments according to the regulation on hedge accounting. For more information on derivative instruments used as hedging instruments, see below under section Cash Flow Hedges.

Cash Flow Hedges

The affected part of the change in fair value of derivatives identified as cash flow hedges and that meet the requirements for hedge accounting, is recognized in Other comprehensive income. The profit/loss attributable to the ineffective part is immediately recognized in the Income Statement as a Financial income or expense.

Accumulated amounts in equity are redirected to the Income Statement in the periods when the hedged item affects profit or loss (e.g. when the projected hedged sale takes place). The profit/loss attributable to the effective part of an interest rate swap that hedges borrowing at variable interest is recognized in the Income Statement as a Financial income or expense.

When a hedging instrument matures or is sold, or when the hedging no longer meets the criteria for hedge accounting and accumulated profits or losses relating to the hedging are recognized in equity, these profits/losses remain in equity and are recognized, at the same time as the projected transaction is finally recognized in the Income Statement. When a projected transaction is no longer expected to carry through, the accumulated profit/loss that is stated in equity is immediately transferred to the Income Statement as Financial income or expense.

LEASES

Leases are classified as either finance leases or operating leases in the Consolidated Accounts.

Finance leases: Lease agreements that entail that risks and benefits associated with the ownership in all material respects are transferred to the group, are classified as finance leases. When a leased asset is initially recognized it is valued at the lower of either fair value or present value of the minimum lease payments. Subsequently, the asset is recognized in accordance with the applicable accounting policies of the asset. The depreciation period must not, however, exceed the lease period.

Operating leases: Leases where a significant part of the risks and benefits associated with the ownership are maintained by the lessor are classified as operating leases, which means that the leased asset is not recognized in the Balance Sheet. Expenses attributable to operating leases are recognized in the Income Statement on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives is recognized as a reduction in rental costs on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Goodwill

Goodwill arises from business combinations and is measured as the surplus by which the purchase price exceeds Attendo's share in the fair value of identifiable assets, liabilities and contingent liabilities in the acquired company, and the fair value of non-controlling interests in the acquired company.

Goodwill from business combinations is allocated to the cash-generating units expected to benefit from the synergies of the combination.

Goodwill is tested for impairment annually, or more frequently if there are indications that the unit may be impaired. An impairment loss is recognized if the carrying amount exceeds the recoverable amount, which is the higher of the value in use and the fair value, less cost of sales. An impairment loss is immediately recognized as an expense in the Income Statement and may not be reversed. More information on goodwill impairment is in Note K2, Critical accounting estimates and judgments, and also Note 13, Intangible assets.

Customer relations

Customer relations are recognized coincident with business combinations when the customer base is a significant part of the combination.

Customer relations are deemed to have a limited utilization period. These assets are stated at fair value on the acquisition date and subsequently stated at initially recognized amounts less accumulated amortization and any impairment. Amortization is effected according to the straight-line method over the estimated useful lives of customer relations.

The value of deferred tax liabilities is estimated on the basis of the local tax rate as the difference between book value and the taxable value of intangible assets. The deferred tax liability is to be dissolved over the same period as the intangible assets are amortized, which means that the effect of the amortization of the intangible assets is neutralized regarding the full tax rate concerning profit after tax.

The estimated utilization periods are:

Asset	Number of years
Customer relations	2–5

Impairment testing and the recognition of impairment for customer relations are conducted in the same manner as for goodwill.

Other intangible assets

These assets primarily consist of acquired customer contracts, but also other acquired intangible assets such as licenses or trademarks. Other acquired intangible assets are initially recognized at fair value at the acquisition date, and subsequently recognized at cost less accumulated amortization and any impairment losses.

Amortization is recognized in the Income Statement according to the straight-line method over estimated useful life. The useful life of an asset is subject to an annual review and when required. Amortizable intangible assets are amortized from the date they become available for use. The estimated useful life of the assets is as follows:

Assets	Number of years
Customer contract	6–10
Other intangible assets	3–5

Impairment testing and the recognition of impairment for other intangible assets are conducted in the same manner as for goodwill.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at cost, less accumulated depreciation and any recognized impairment loss.

Depreciation is recognized using the straight-line method over the estimated useful life of the asset. In cases where part of property, plant and equipment consist of several components, where each component has an independent cost and estimated useful life that differs markedly from the item as a whole, each component is depreciated individually on the basis of the component's useful life. The estimated useful life is as follows:

Asset	Number of years
Buildings	33–50
Equipment	3–10
Vehicles	5

Impairment testing as well as the recognition of impairment is conducted in the same manner as for intangible assets.

The profit or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Income Statement

INCOME TAXES

Tax expenses comprise current and deferred tax. Taxes are recognized in the Income Statement, unless the underlying item is recognized in Other comprehensive income or directly in Equity. For such items, the related income tax is also recognized in Other comprehensive income or Equity.

Deferred tax is recognized as temporary differences between the book values of assets and liabilities and their tax value and for tax loss carry-forwards. Deferred tax receivables are recognized only if it is probable that they will be utilizable against future taxable profits.

Deferred tax liabilities are, however, not recognized if they arise as a result of the initial recognition of goodwill. Nor are deferred taxes recognized as they arise as a result of a transaction that constitutes the initial recognition of an asset or liability that is not a business combination and neither affects the recognized nor taxable profit at the transaction date.

PROVISIONS

A provision is a liability that is uncertain regarding maturation or amount. A provision is recognized when the group has an existing legal or informal obligation as a result of an incurred event and it is probable that an outflow of resources will be necessary to settle the obligation, and the amount can be measured reliably. Provisions are measured as the present value of the amount expected to be required to settle the obligation. In cases where the effect of the timing of settlement is significant, provisions are calculated on the basis of discounting estimated future cash flows.

Bad and doubtful debt

A provision for bad and doubtful debt is recognized when the expected benefits that the group is expecting to receive from a customer contract is lower than the unavoidable cost of meeting the obligations of the contract.

Restructuring

A provision for restructuring is recognized when the group has a determined and explicit restructuring plan, which has either been initiated or publicly announced.

SALARIES AND REMUNERATION

Pensions

Group companies have various pension plans that are classified as either defined-contribution pension plans or defined-benefit pension plans.

Defined-contribution pension plans

A defined-contribution pension plan is a pension plan where the group's obligations are limited to pay a fixed amount to a separate legal entity. The group has no obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits. Fees attributable to defined contribution pension plans are recognized as personnel costs in the Income Statement as they mature.

Defined-benefit pension plans

A defined-benefit pension plan is a pension plan that is not defined by contributions. What differentiates defined-benefit pension plans is that they stipulate the amount for the pension benefit that an employee will receive after retirement, usually based on one or several factors such as age, period of service and salary.

K1 CRITICAL ACCOUNTING POLICIES cont.

The liability recognized in the Balance Sheet in respect of the defined-benefit pension plan is the present value of the defined-benefit obligation on the reporting date, less the fair value of plan assets and unaccounted service costs for previous periods. The defined-benefit pension plan is defined using the projected unit credit method. The discount rate applied to calculate the present value of post-employment benefit obligations is determined by the market yields of investment grade corporate bonds issued in the same currency as in which the obligation will be payable with corresponding maturity to the post-employment benefit obligation. The discount rate is reviewed quarterly, which affects net debt. Other assumptions such as retirement age, mortality and fluctuations of personnel, are reviewed annually.

Actuarial gains and losses as a result of experience-based adjustments and amendments in actuarial assumptions are recognized in Other comprehensive income in the period in which they arise.

The group's net obligation concerning the defined-benefit pension plans in Norway are measured separately for each plan through an assessment of the future benefits that the employees have earned in their employment in current and previous periods.

Obligations for retirement pensions and family pensions for civil servants in Sweden are vested under an insurance scheme with Alecta. According to a statement from the Financial Reporting Council, UFR 10, this is a defined-benefit pension plan that covers several employers. Like other Swedish companies, the group has not had access to information that would make it possible to recognize this plan as a defined-benefit pension plan. The pension plan under ITP, which is vested under an insurance scheme with Alecta, is therefore recognized as a defined-contribution pension plan.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the regular retirement date or when an employee voluntarily accepts termination in exchange for such compensation. The group recognizes such compensation at the termination of employment when it is proven that it is obligated to terminate employment according to a detailed formal plan without the possibility of withdrawal. In the event that the company has presented offer to encourage voluntary dismissal, calculation of severance pay is based on the number of employees that are estimated to accept the offer. Benefits that mature more than 12 months after the end of the reporting period are discounted at present value.

NEW OR REVISED IFRS STANDARDS THAT HAD NOT YET BEEN IMPLEMENTED

A number of new standards and amendments to interpretation statements and current standards come into force in the financial year starting on 1 January 2016. These have not been applied in the preparation of the combined financial statements. None of these are expected to have a significant impact on the combined financial statements with the exceptions presented below:

IFRS 9 "Financial Instruments" deals with classification, measurement and reporting of financial assets and liabilities. The complete version of IFRS 9 was presented in July 2014. It replaces parts of IAS 39 that deal with the classification and valuation of financial instruments. IFRS 9 maintains a mixed valuation approach, but simplifies this approach in certain regards. There will be three valuation categories for financial assets, amortized cost, fair value in Other comprehensive income and fair value through profit or loss. The basis of classification depends on the business model applied and the characteristics of the relevant instruments. Investments in equity instruments are measured at fair value through profit or loss, although it is also possible to recognize such instruments at fair value in Other comprehensive income at the earliest reporting opportunity. In such cases, no reclassification

to the Income Statement is effected when the instrument is sold. IFRS 9 also introduces a new model for calculating credit loss provisions based on estimated credit losses. For financial liabilities, classification and valuation remain unchanged, with the exception of cases where a liability is recognized measured at fair value through profit or loss on the basis of the fair value option. Value changes attributable to changes in the company's credit risk are recognized in Other comprehensive income. IFRS 9 reduces the requirement for hedge accounting by replacing the 80–125 criteria with requirements for a financial relation between hedging instruments and hedged items, and that the hedge ratio should be the same as that applied in risk management. The hedging documentation has also been amended to some extent compared to that presented under IAS 39. The standard is effective from 1 January, 2018. Early adoption is permitted. The group has not finalized the evaluation of any impact on its results of operations or financial position.

IFRS 15 "Revenue from Contracts with Customers" regulates the recognition of revenue. The core principles of IFRS 15 are intended to provide users of financial statements with useful information about the company's revenues. The increased disclosure requirements imply that information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer must be disclosed. According to IFRS 15, revenue is recognized when a customer takes control of a good or service. A customer takes control when it has the ability to direct the use of and obtain the benefits from a good or service.

IFRS 15 replaces IAS 18 Income and IAS 11 Outsourcing, as well as applicable SIC and IFRIC statements. IFRS 15 is effective from 1 January 2018. Early adoption is permitted. At present, the group has not finalized the evaluation of any impact of the new regulations on its financial reports. The group will perform a detailed review over the coming year.

IFRS 16 "Leases" was presented by IASB in January 2016. IFRS 16 is a new leasing standard that will replace IAS 17 Leases and associated interpretation statements IFRIC 4, SIC 15 and SIC 27. The standard requires that assets and liabilities attributable to all lease arrangements, with a few exceptions, are recognized in the Balance Sheet. This reporting is based on the view that the lessee is entitled to utilize an asset for a specific time period and simultaneously an obligation to pay for this entitlement. Reporting for the lessor will essentially remain unchanged. The standard is effective from financial years beginning 1 January 2019 or later. Early adoption is permitted. The EU has not yet endorsed this standard. The group has not yet analyzed the effects of IFRS 16.

None of the IFRS or IFRIC interpretations that have not yet been adopted are expected to have any significant impact on the group.

K2 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The consolidated financial statements are prepared in accordance with IFRS. This means that the preparation of financial reports and the application of accounting policies are often based on the management's judgments and estimates, and on assumptions that are considered reasonable and balanced at the time of such judgments. However, the outcome could be different given other judgments, assumptions and estimates, and events may occur that could require a significant restatement of the carrying amount of an asset or liability.

Significant areas where judgments and assumptions have been made and which are considered to have the greatest impact on the consolidated financial statements are listed below.

IMPAIRMENT TEST OF GOODWILL

The group tests whether goodwill is impaired each year, in accordance with the accounting policies stated in Note 1, Critical accounting policies. The impairment test includes measurements based on judgments and estimates. The estimates are based on critical assumptions such as growth, profit margins, investment requirements and the discount rate. The recent political and media debate in Sweden concerning private operators in the welfare sector and the position of alternative care providers has implied an increased political risk for Attendo that reflects the judgments employed. Political decisions that lead to legislative change could have a significant impact on Attendo's operations.

In 2014, the Swedish government and the Left Party reached an agreement to evaluate the possibilities of restricting quality, freedom of choice and the distribution of profits in education, care and health care services. This agreement has caused significant uncertainty about the conditions applying to investments in the Swedish welfare sector. According to the committee directive published in March 2015, the enquiry should investigate and submit proposals on how regulations governing the public funding of tax-financed welfare should be structured so that these funds benefit clients, and that as a rule, any surpluses should be reinvested in welfare. The enquiry has created significant uncertainty regarding the conditions applying to investments in Swedish welfare, which means that important questions such as quality, innovation and the long-term supply of skills to the Swedish welfare system have not received enough attention. In 2015, a Swedish parliamentary majority ruled on a statement demanding that the government amends the committee's directive to focus on quality standards rather than financial issues, and that the same standards should apply to public and private players. Due to the supplementary directive that the government issued in late 2015, the time schedule was extended. The final proposal should be submitted by 2 May 2017. Specifying which conclusions the enquiry will arrive at, which potential bills the enquiry will lead to and the parliamentary support these bills could secure, is problematic at present. Judgments that are different to those made by Attendo's management could result in an entirely different financial result and future financial position. More information is under Note K13, Intangible assets.

PROVISIONS FOR ONEROUS CONTRACTS

The group's sales are mainly derived from customer contracts. Management evaluates factors such as the presence of contract losses in order to determine the income and expense items to be recognized in each period. The presence of onerous contracts is reviewed individually on the basis of estimated results, including index adjustments, during the assessed contract period. Should contract losses arise, a provision is immediately recognized based on the estimated loss. As of 31 December 2015, total provisions for onerous contracts were SEK 26 m (SEK 48 m in 2014 and SEK 29 m in 2013), of which SEK 1 m (SEK 7 m in 2014 and SEK 16 m in 2013) were recognized as non-current provisions.

TAXES

The recognition of income tax, value added tax and other taxes is based on current regulations, including practice, directions and legislation in the countries where the group has its operations. Due to the overall complexity of these issues, the application of these regulations and tax accounting are in some cases based on interpretations, estimates and assessments of possible outcomes. In complex issues, the group solicits advice from external experts to assess possible outcomes on the basis of current practice and interpretations of existing regulations. In 2015, the group recognized income tax expenses of SEK -64 m (SEK -148 m in 2014 and SEK -119 m in 2013).

Deferred tax receivables and liabilities are recognized as temporary differences and unutilized tax loss carry-forwards. The valuation of tax loss carry-forwards is based on management's estimates of future taxable income in the respective tax areas. The value of deferred tax receivables amounted to SEK 32 m in 2015 (SEK 30 m in 2014 and SEK 92 m in 2013). More detailed information on taxes is in Note K11, Taxes.

PENSIONS

The group has pension obligations for defined-benefit pension plans where present value is based on actuarial computations. These calculations are based on significant estimates of factors such as the discount rate, expected inflation, future salary increases and expected returns on plan assets. Under current accounting standards, assumptions for discount rates are based on market interest rates for first rated corporate bonds with maturities as similar as possible to the group's maturities. As of 31 December 2015, the defined-benefit obligations for pensions amounted to SEK 109 m (SEK 196 m in 2014 and SEK 174 m in 2013). The progress of pension expenses depends largely on current agreements such as collective agreements, as well as laws and regulations, and may thereby increase or decrease depending on future events that are presently unknown and that accordingly cannot be included in current calculations. For more information on pensions, see Note 20, for post-employment benefits provisions.

K3 INFORMATION ON SEGMENTS

OPERATING SEGMENTS

Attendo has defined five operating segments which are regularly reviewed by the Chief Operating Decision Maker on allocation of resources, budget goals and financial plan.

In accordance with IFRS 8, paragraph 12, Attendo aggregates these segments into a single reportable segment, since the operating segments have similar financial characteristics and are similar in terms of customers, the nature of services and how they are provided, the nature of the production process and to what extent operations are affected by various regulations and risks. For this reason, no information on segments is recognized as the Consolidated Income Statement and Balance Sheet relates to the reportable segment.

Attendo primarily uses operating profit when deciding on the allocation of resources and performance analysis of Attendo's five operating segments.

CUSTOMERS

Attendo has one customer for which revenue exceeds 10 percent of the company's total revenue. In 2015, revenue from this customer was SEK 1,132 m (SEK 1,118 m in 2014 and SEK 1,041 m in 2013). Attendo's customers essentially consist of municipalities in the Nordics.

INFORMATION BY GEOGRAPHICAL AREA

Net sales by country

SEK m	2015	2014	2013
Sweden	5,126	4,875	4,760
Finland	4,225	3,737	3,332
Norway	264	292	300
Denmark	216	141	73
Total	9,831	9,045	8,465

Net sales from external customers relate to care and health care services in their entirety.

K3 INFORMATION OF SEGMENTS cont.

Non-current assets by country

SEK m	2015	2014	2013
Sweden	4,450	4,443	4,418
Finland	2,737	2,817	2,528
Norway	14	15	17
Denmark	15	9	1
Summa	7,216	7,284	6,964

The information relating to non-current assets is based on geographical areas grouped on the basis of where the assets are located. Non-current assets do not include financial instruments, deferred tax receivables, assets relating to remuneration after terminated employment and rights under insurance agreements in accordance with IFRS 8, paragraph 33.

K4 OTHER OPERATING INCOME

Other operating income

SEK m	2015	2014	2013
Profit on divestment of non-current assets	7	5	8
Profit on divestment of subsidiaries	15	–	30
Insurance compensation	3	–	–
Other	14	9	10
Total	39	14	48

K5 INFORMATION ON BOARD MEMBERS, SENIOR EXECUTIVES AND EMPLOYEES

REMUNERATION TO THE BOARD OF DIRECTORS

At the end of the year, the parent company's Board of Directors consisted of nine regular Board Members, of which two were women. The AGM 2015 adopted a resolution that entitled the Chairman to Board remuneration totaling SEK 500,000. Regular Board Members elected by the AGM are entitled to remuneration of SEK 250,000 each. Deputy Board Members elected by the AGM are entitled to remuneration of SEK 100,000 each. No Board remuneration is payable to Board Members employed by Attendo. According to the AGM 2015, an additional fee of SEK 300,000 (of which SEK 150,000 to the Chairman) is payable to members of the Audit and Investment Committees and SEK 200,000 (of which SEK 100,000 to the Chairman) to members of the Compensation Committees. Ahead of

the IPO, the EGM on 20 October 2015 adopted a resolution stating that remuneration of SEK 700,000 is payable to the Chairman and SEK 300,000 to other Board Members. Fees for committee work were deemed to be at market terms, and were not amended. No other remuneration has been paid to Board Members.

Although Board fees are determined by the AGM, such fees are offset and are payable by calendar year, meaning that the amounts indicated below do not correspond to the company's cost of remuneration to the Board of Directors.

Board remuneration approved by the AGM 2015	Board remuneration for committee work	Remuneration for committee work	Total remuneration
Chairman			
Erik Lautmann	615	250	865
Board members			
Henrik Borelius	–	–	–
Mona Boström	279	–	279
Jan Frykhammar	279	125	404
Ulf Lundahl	279	150	429
Christopher Masek ³⁾	279	35	314
Anssi Soila	279	–	279
Helena Stjernholm ¹⁾	73	81	154
Christoffer Zilliacus ²⁾	240	157	397
Employee representatives			
Arja Pohjamäki, Board member	–	–	–
Elizabeth Paller, Deputy board member	–	–	–
Total	2,323	798	3,121

¹⁾Resigned as Board member on 31 August 2015.

²⁾Elected to the Board of Directors on 4 September 2015 – former Deputy.

³⁾Member of the Remuneration Committee from 4 September 2015.

For more information on Board and Committee work, see Attendo's Corporate Governance Report, page 29.

In cases where Board Members invoice their fees through a company, social security expenses may be added to the invoice if the amount does not exceed the amount the group would otherwise have paid in employer's contributions. The table above refers to remuneration excluding social security expenses.

REMUNERATION TO THE CEO AND EXECUTIVE MANAGEMENT

The company's costs for remuneration to Executive Management are recognized in the Income Statement. Costs recognized during a financial year are not always paid in full by the company at the end of the financial year, because costs could comprise variable compensation, disbursed during the year after the vesting period. The table below refers to the group's costs of remuneration to Executive Management in the financial year.

Costs of remuneration to the CEO and Executive Management (KCL)

SEK 000	CEO 2015	CEO 2014	CEO 2013	KCL 2015 ¹⁾	KCL 2014	KCL 2013	Total 2015	Total 2014	Total 2013
Salaries and other compensation	5,221	5,115	5,176	21,457	16,570	13,467	26,678	21,685	18,643
Pension costs	1,681	1,621	1,406	4,744	4,216	3,119	6,425	5,837	4,525
Social security expenses and tax	2,129	2,031	1,994	5,437	5,404	4,067	7,566	7,435	6,061
Total	9,031	8,767	8,576	31,638	26,190	20,653	40,669	34,957	29,229

¹⁾Salaries and other compensation to KCL 2015 include remuneration to the IR director invoiced through own company.

Compensation Committee

The Compensation Committee is responsible for preparing proposed Board resolutions relating to remuneration to Attendo's senior executives. The Compensation Committee is also responsible for the design of new and review of existing incentive program, as well as evaluating any other variable compensation to Executive Management. The Compensation Committee reports to the Board of Directors on an ongoing basis. The following principles have been produced by the Compensation Committee and were adopted by the EGM in Attendo on 4 September 2015.

Principles for remuneration to Executive Management in Attendo

These principles for remuneration shall be applied to the Executive Management within Attendo. The remuneration to Executive Management shall be market based to ensure that Attendo can attract and retain competent executives. Remuneration shall be based on the individual's position, responsibilities and performance. Total remuneration to the Executive Management comprise of fixed salary, variable salary based on annual performance targets, long-term incentives and other benefits such as non-monetary benefits, pensions and insurances. The remuneration level within Attendo shall be competitive but not market leading.

Fixed and variable remuneration

Fixed salary shall be competitive and based on the Executives responsibilities.

Executive Management is also entitled to variable salary in addition to the fixed salary. Variable salary is received if certain annual performance targets are fulfilled. The variable compensation may amount to a maximum of 50 % of the fixed annual salary. The Variable compensation shall be based on the Executive's performance on financial targets in combination with qualitative targets, set out by the Board. Members of Executive Management with an operational responsibility have targets related to for example quality and employee satisfaction.

Variable compensation is based on the financial performance for the Group, the performance for the respective Business area and individual targets.

Long- term incentive plan

Attendo has a culture that promotes long term perspective and a spirit of ownership and responsibility. To encourage Executives, the Board of Directors will annually evaluate if a share based long-term incentive plan shall be proposed to the Annual General Meeting.

Non-monetary benefits

Non-monetary benefits, such as car or health insurance can be provided accordance with the normal practice in the respective country. These benefits shall not be a significant part of the total remuneration

Post-employment benefits

Pension benefits shall be competitive and reflect the ordinary practice and accepted levels in the country where the executive is employed.

Notice of termination and severance pay

The termination period for the CEO is 12 month with an additional 12 month severance pay if the employment is terminated by the company. The termination period for the other members of Executive Management is 6-12 month, without further possibilities to severance pay.

Attendo's Executive Management has a non-compete and non-solicitation clause for the members of the Executive Management for 12 month after terminating the employment, where Attendo may be required to compensate for the months were the Executive are prohibited from accepting a competitive assignment.

Deviations to the remuneration guidelines

The Board of Directors can, under special circumstances, deviate from these guidelines. If such deviation has been necessary the following Annual General Meeting shall be informed of the reasons.

Terms of employment of Executive Management

Executive Management has eight regular members, of which three are women, consisting of the CEO and seven other senior executives: CFO, Head of Business Development and the five Business Area Managers. In 2015, Attendo's IR Manager was a co-opted member of Executive Management. The IR Manager is not employed by Attendo and has not been included in the above table.

Terms of Employment of the CEO

The CEO receives basic salary, variable salary based on annual targets, pension benefits and partakes of Attendo's long-term incentive program aimed at senior executives. The Board of Directors determines remuneration annually on the basis of principles governing remuneration to senior executives. Fixed annual salary for 2015 was SEK 4.0 m. Variable remuneration is based on targets relating to growth and profit, as well as personal targets, and was subject to a ceiling of 50% of annual salary in 2015. Salary and other remuneration includes the cost of variable remuneration, which for the CEO totaled SEK 1.7 m (SEK 1.6 m in 2014 and SEK 1.6 m in 2013). The CEO is entitled to a premium-based pension policy of choice corresponding to 30% of salary. Attendo has no other pension obligations regarding the CEO. Upon termination, and mutual notice period of 12 months shall apply. Upon termination by the company, the CEO is entitled to a 12-month notice period and severance pay corresponding to 12 months' salary.

Employment terms of other members of Executive Management

Like the CEO, other members of Attendo's Executive Management receive basic and variable salary and pension benefits according to the relevant practice in each respective country. Swedish members of Executive Management are included in the ITP plan, and the plan's alternative rule. All members of Executive Management are included in Attendo's long-term incentive program. Variable remuneration is subject to a ceiling of 50% of annual salary and is based on principles similar to those applying to the CEO. Total variable remuneration to senior executives amounted to SEK 5.4 m in 2015 (SEK 4.1 m in 2014 and SEK 2.8 m in 2013). Other senior executives are subject to a mutual notice period of six months. Upon termination by the company, other senior executives are entitled to severance pay corresponding to six months' salary.

K5 INFORMATION ON BOARD MEMBERS, SENIOR EXECUTIVES AND EMPLOYEES cont.

NUMBER OF EMPLOYEES, SALARIES AND OTHER REMUNERATION

No. of employees

	2015			2014			2013		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Sweden	6,930	1,581	8,511	7,079	1,492	8,571	7,086	1,426	8,512
Finland	4,142	1,111	5,253	3,872	1,105	4,977	3,621	1,142	4,763
Norway	313	59	372	321	77	398	375	72	447
Denmark	352	24	376	250	18	268	101	9	110
Total	11,737	2,775	14,512	11,522	2,692	14,214	11,183	2,649	13,832

Costs of employee remuneration

SEK m	2015	2014	2013
Salaries and other remuneration	4,831	4,770	4,484
Social security expenses	975	924	913
Pension costs	524	473	460
Total	6,330	6,167	5,857

Other compensation

A proportion of the remuneration received by some employees is variable. In order for variable remuneration to be payable, specific objectives need to be met. These objectives can be linked to parameters such as quality, customer satisfaction, employee satisfaction and finance.

INCENTIVE PROGRAMS

The EGM on 16 November 2015 authorized two incentive programs – a warrant program for Attendo's Executive Management and a share savings program for other employees. The share savings program will be implemented in 2016. The purpose of introducing the incentive programs is to encourage and maintain strong commitment to Attendo and to contribute to long-term shareholder value, as the goals of Attendo's Executive Management and employees are aligned with those of the shareholders.

Warrants were issued coincident with the EGM to Attendo AB's subsidiary Attendo Intressenter AB, from which members of Attendo's Executive Management acquired warrants at market value. A total of 5,280,030 warrants were issued, and warrants not acquired by current participants may be offered to additional senior executives or key staff in the future. The warrant program does not generate any additional cost to Attendo, with the exception of social security expenses in Finland of some SEK 200,000. Upon full utilization, the program corresponds to 3.3% of Attendo AB's share capital. Warrants were issued in three separate series.

- Series 2015/2017 has 1,949,730 warrants, of which participants have acquired 1,506,969 warrants that can be utilized in the period 1 January – 31 December 2017. The exercise price of series 2015/2017 is SEK 60.
- Series 2015/2018 has 1,725,020 warrants, of which participants have acquired 1,333,285 warrants that can be utilized in the period 1 January – 31 December 2018. The exercise price of series 2015/2018 is SEK 62.50.
- Series 2015/2019 has 1,605,280 warrants, of which participants have acquired 1,240,744 warrants that can be utilized in the period 1 January – 31 December 2019. The exercise price of series 2015/2019 is SEK 65.

The following table shows Attendo's Executive Management's holding of warrants in Attendo AB.

Warrants 2015	No.
CEO	
Henrik Borelius	1,138,830
Other Executive Management	
Cecilia Addamshill	352,778
Tomas Björksiöö	345,860
Pertti Karjalainen	517,650
Fredrik Mossberg	172,930
Margareta Nyström	517,650
Ammy Wehlin	517,650
Antti Ylikorkala	517,650
Total	4,080,998

Market value by series

2015/2017	2.61
2015/2018	2.95
2015/2019	3.17

Valuation assumptions:

Share price SEK 50	50 SEK (IPO-price)
Volatility	21% (based on Black & Scholes)
Risk-free interest	-0.53%, -0.35%, -0.17% respectively

K6 OTHER EXTERNAL COSTS

Other external costs

SEK m	2015	2014	2013
Care and health care services	619	412	358
Consumables	374	356	356
Operating leases	588	544	464
Other property costs	143	128	126
External services	99	78	63
Other	418	382	347
Total	2,241	1,900	1,714

K7 OPERATING LEASES

During the period, lease payments amounted to SEK 588 m (SEK 544 m in 2014 and SEK 464 m in 2013). Of the lease payments, SEK 555 m (SEK 510 m in 2014 and SEK 432 m in 2013) relates to rent for premises. Other lease payments relate to assets of less value.

The nominal amount of contractual future lease payments is distributed as follows:

Remaining maturities as of 31 December

SEK m	2015	2014	2013
Due within 1 year	648	537	451
Between 1–5 years	2,155	1,852	1,426
Later than 5 years	2,619	2,300	1,708

K8 AUDIT FEES

Audit fees

SEK m	2015	2014	2013
PwC			
Audit fees	5	5	4
Other audit assignments	1	3	1
Tax advice	0	0	1
Other services	9	1	0
Total	15	9	6

Audit fees refer to fees for the statutory auditing, i.e. such work necessary to issue the Auditor's Report, as well as so-called audit advice provided in connection with the audit assignment.

Other services in 2015 consist of advice and review of the prospectus coincident with the IPO.

K9 DEPRECIATION AND AMORTIZATION

Depreciation and amortization

SEK m	2015	2014	2013
Customer relations	44	13	0
Customer contracts	2	2	32
Other intangible assets	19	14	8
Buildings	3	3	4
Equipment and vehicles	122	121	119
Total	190	153	163

K10 FINANCIAL INCOME AND EXPENSE

Financial income

SEK m	2015	2014	2013
Interest income and similar items	61	78	16
Changes in the fair value of currency swaps	–	98	27
Exchange rate gains	50	–	31
Total	111	176	74

Financial expenses

SEK m	2015	2014	2013
Interest expenses and similar items	–379	–422	–284
Impairment of transaction costs	–129	–	–
Amortization of financing costs	–26	–34	–20
Changes in the fair value of currency swaps	–50	–	–
Interest expenses regarding finance leases	–5	–4	–5
Interest expenses regarding post-employment benefits	–3	–7	–5
Exchange rate losses	–11	–92	0
Cost of pre-payment of loans	–29	–	–
Other financial expenses	–16	–13	–16
Total	–648	–572	–330
Net financial items	–537	–396	–256

Exchange rates 31 December/Jan-Dec

	2015		2014		2013	
	Closing day rates	Average	Closing day rates	Average	Closing day rates	Average
EUR	9,1350	9,3566	9,475	9,096	8,943	8,649
NOK	0,9556	1,0465	1,052	1,089	1,058	1,110
DKK	1,2242	1,2544	1,278	1,220	1,199	1,160

K11 | TAXES

Income tax recognized in the Income Statement

SEK m	2015	2014	2013
Current tax	–65	–94	–81
Deferred tax	1	–54	–38
Total	–64	–148	–119

A reconciliation between this year's recognized tax expenses and the tax expenses that would arise if the Swedish tax rate, 22%, had been calculated on the result prior to taxation is presented below.

Reconciliation of effective tax

SEK m	2015	2014	2013
Tax according to the Swedish tax rate	–77	–90	–106
Effect of foreign tax rates	4	5	–7
Tax effect of non-deductible items	–47	–65	–94
Tax effect of non-taxable income	50	49	85
Tax effect of revised tax rate	0	–	–
Tax attributable to previous years	6	0	3
Utilized unvalued tax loss carry-forwards	1	–	–
Revaluation of tax loss carry-forwards	–1	–56	–
Other	0	9	0
Tax expense	–64	–148	–119

UNDEFERRED TAX ASSETS AND LIABILITIES

Tax effect of temporary differences, including unutilized tax loss carry-forwards, has resulted in deferred tax receivables and deferred tax liabilities as follows below:

Deferred income tax receivables

SEK m	2015	2014	2013
Tax loss carry-forwards	22	5	58
Provisions for post-employment benefits	10	21	16
Interest rate swaps	–	4	3
Other	0	0	15
Total	32	30	92

Changes in deferred tax receivables

SEK m	2015	2014	2013
Opening balance, 1 January	30	92	134
Tax loss carry-forwards	17	–53	–56
Provisions for post-employment benefits	–11	5	6
Interest-rate swaps	–4	1	3
Provisions	0	–1	3
Exchange rate differences	0	0	1
Total	0	–14	1
Closing balance, 31 December	32	30	92

Deferred tax liabilities

SEK m	2015	2014	2013
Intangible assets	37	33	10
Property, plant and equipment	1	1	1
Other temporary differences	0	1	1
Total	38	35	12

Deferred tax liabilities consist of tax on customer relations of SEK 31 m, customer contracts of SEK 1 m, trademarks of SEK 6 m and a number of smaller deferred tax liabilities of in total SEK 1 m.

Changes in deferred tax liabilities

SEK m	2015	2014	2013
Opening balance, 1 January	35	12	24
Dissolution of untaxed reserves	0	2	–2
Customer contracts	0	0	–9
Customer relations	5	24	3
Other	–2	–3	–4
Closing balance, 31 December	38	35	12

DEFERRED TAX, OTHER COMPREHENSIVE INCOME

Tax attributable to Other comprehensive income

SEK m	2015	2014	2013
Deferred tax on revaluation of provisions for post-employment benefits	–3	7	5
Deferred tax on cash flow hedging	–4	–1	–1
Deferred tax on Other comprehensive income	–7	6	4

TAX LOSS CARRY-FORWARDS

SEK m	2015	2014	2013
Sweden	72	–	254
Finland	4	3	2
Norway	2	4	3
Denmark	33	18	3

The recognized value of the tax loss carry forwards amounts to SEK 25 m (SEK 5 m in 2014 and SEK 58 m in 2013).

K12 EARNINGS PER SHARE

Earnings per share, basic and diluted

SEK	2015	2014	2013
Basic	1.79	1.64	2.27
Diluted	1.79	1.64	2.27

The calculation of the numerators and denominators used in the calculation of Earnings per share is presented below:

Basic

Earnings per share before dilution is calculated by dividing the profit attributable to the parent company's shareholders with the weighted average of outstanding shares in the period, excluding repurchased shares. The number of shares in comparable periods has been considered to be the same as for the current year in order to improve comparability and because the Consolidated Financial Statements for 2015 were prepared on the basis of the assumption of joint control.

Basic	2015	2014	2013
Profit attributable to parent company's ordinary shareholders	286	263	363
Weighted average of outstanding shares in the year, basic	160,000,000	160,000,000	160,000,000

Diluted

In the calculation of Earnings per share diluted, the weighted average of outstanding shares is adjusted for the effect of dilution from all outstanding options agreements.

Diluted	2015	2014	2013
Profit attributable to parent company's ordinary shareholders	286	263	363
Weighted average of outstanding shares in the year, basic	160,000,000	160,000,000	160,000,000
Adjustment for:			
Warrants	83,100	–	–
Weighted average number of outstanding ordinary shares in the year, diluted	160,083,100	160,000,000	160,000,000

K13 INTANGIBLE ASSETS

Intangible assets 2015

SEK m	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	6,549	131	9	98	6,787
Acquisitions	17	109	–	1	127
Investments	–	–	–	34	34
Sales and obsolescence	–	–	–	–5	–5
Reclassifications	–3	–	–	–1	–4
Amortization	–	–44	–2	–19	–65
Exchange rate differences	–91	–6	0	–1	–98
Closing balance	6,472	190	7	107	6,776

Intangible assets 2014

SEK m	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	6,385	14	11	65	6,475
Acquisitions	27	126	–	1	154
Investments	–	–	–	38	38
Sales and obsolescence	–	–	–	–4	–4
Reclassifications	–	–	–	9	9
Amortization	–	–13	–2	–14	–29
Exchange rate differences	137	4	0	3	144
Closing balance	6,549	131	9	98	6,787

Intangible assets 2013

SEK m	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	6,208	–	43	66	6,317
Acquisitions	97	14	–	–	111
Investments	–	–	–	5	5
Amortization	–	0	–32	–8	–40
Exchange rate differences	80	–	–	2	82
Closing balance	6,385	14	11	65	6,475

IMPAIRMENT TEST OF GOODWILL

Attendo tests whether goodwill is impaired each year by measuring the value in use of the cash-generating units that the goodwill item is allocated to.

There are five operating segments within Attendo. Since Attendo's legal structure is not based on the five operating segments and in accordance with IAS 36, paragraph 82, Attendo has chosen to conduct the impairment test on the basis of three cash-generating units, since these reflect how Attendo conducts its operations. In addition these three cash-generating units correspond to the lowest level of monitoring of the financial position. The three cash-generating units are Attendo Scandinavia Care for

K13 INTANGIBLE ASSETS cont.

Older People (ASO), Attendo Scandinavia Care (ASC) and Attendo Finland (AF).

The key assumptions in the impairment test for the current year relate to growth rates, profit margins, investment requirement and the discount rate. The discount rate is set with respect to current interest rates and the specific risk of the cash-generating unit and is calculated before tax. The differences in discount rates between the cash-generating units are primarily linked to the increased political risk mainly affecting the Swedish operations, ASO and ASC. The discount rates applied for 2015 are below those used in 2014, mainly as a result of lower risk-free interest rates and reduced estimated specific risk (estimated reduced political risk compared to 2014). For more information on the political risk, see Note 2, critical accounting estimates and judgments.

Assumptions for impairment testing

	ASO	ASC	AF
WACC before tax, 2015	8.6%	8.6%	8.2%
WACC before tax, 2014	10.4%	9.8%	9.8%

In 2013, the impairment test was conducted on the basis of two cash-generating units. For more information, see the Annual Accounts for 2013. The growth rate in the budget and the five-year forecast is based on sector data, expected changes in the market and the management's experience from similar markets and Attendo's strategy. Attendo estimates future cash flows based on the Board of Directors and Management's latest approved budget for the upcoming financial year, and thereafter on detailed forecasts covering a five-year period. For the period since, a long-term growth rate of 2% (2% in 2014 and 2% in 2013) has been adopted. It does not exceed average long-term growth rates for the sector as a whole and is based on sector data, expected changes in the market and the Board of Directors' and Management's experience from similar markets.

The Board of Directors and Management have made assumptions based on historical outcomes and their expectations on market progress. The discount rates used are set before tax and reflect the specific risk for the identified cash-generating unit. Impairment tests related to goodwill show no impairment. Sensitivity analyses on the calculation of the value in use coincident with the impairment assessment have been conducted, where the organic sales growth was reduced by 2.0 percentage points in the forecast period, the operating margin was reduced by 2.0 percentage points, the discount rate was increased by 2.0 percentage points, and the growth rate after the forecast period was reduced by 2.0 percentage points. The sensitivity analysis showed that none of the adjustments individually caused any impairment.

Division of goodwill in the group

SEK m	ASO	ASC	AF	Total
Goodwill as of 31 December 2015	3,869	233	2,370	6,472
Goodwill as of 31 December 2014	3,644	460	2,445	6,549

K14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 2015

SEK m	Property and plant	Equipment and vehicles	Total
Opening balance	87	353	440
Acquisitions	–	5	5
Investments	7	171	178
Disposals and divestments	–1	–41	–42
Reclassification	–	1	1
Share redemptions	–	–70	–70
Depreciations	–3	–122	–125
Exchange rate differences	–	–5	–5
Closing balance	90	292	382

Property, plant and equipment 2014

SEK m	Property and plant	Equipment and vehicles	Total
Opening balance	82	344	426
Acquisitions	–	8	8
Investments	9	184	193
Disposals and divestments	–1	–62	–63
Reclassification	–	–9	–9
Depreciations	–3	–121	–124
Exchange rate differences	–	9	9
Closing balance	87	353	440

Property, plant and equipment 2013

SEK m	Property and plant	Equipment and vehicles	Total
Opening balance	110	346	456
Acquisitions	–	10	10
Investments	44	198	242
Disposals and divestments	–72	–93	–165
Reclassification	4	–4	0
Depreciations	–4	–118	–122
Exchange rate differences	0	5	5
Closing balance	82	344	426

In the item Equipment and vehicles financial leasing objects are included with the following amounts:

Financial leasing objects

SEK m	2015	2014	2013
Acquisition costs	88	84	75
Accumulated depreciations	–20	–19	–18
Recognized value	68	65	57

The item in its entirety consists of financial leasing agreements relating to vehicles.

K15 OTHER NON-CURRENT RECEIVABLES

Other non-current receivables

SEK m	2015	2014	2013
Deposits, rent for premises	44	43	14
Lending connection with new construction under own operations	6	9	21
Deposits, guarantees	3	3	—
Cross currency swaps	—	—	27
Other	4	2	4
Total	57	57	66

K17 OTHER CURRENT RECEIVABLES

Other current receivables

SEK m	2015	2014	2013
Currency swaps	—	125	—
Other receivables	64	87	135
Prepaid rent	108	75	62
Accrued income	111	119	66
Accrued interest income	—	—	3
Other prepaid expenses and accrued income	36	33	27
Total	319	438	293

K16 TRADE RECEIVABLES

Trade receivables

SEK m	2015	2014	2013
Trade receivables	902	874	879
Allowance for doubtful debts	—1	—1	—1
Trade receivables, net	901	873	878

Maturity structure

SEK m	2015	2014	2013
Not past due	840	805	773
Past due 1–30 days	53	55	83
Past due 31–60 days	0	6	17
Past due 61–90 days	5	3	1
Past due over 90 days	3	4	4
Trade receivables, net	901	873	878

Trade receivables refer in all material respects to municipalities in the Nordics, which are deemed to have a good credit rating.

Changes in allowance for doubtful debts

SEK m	2015	2014	2013
Opening balance	—1	—1	—7
The year's provisions for doubtful debts	—1	—2	—1
Confirmed trade losses	1	2	1
Recovered doubtful debt	0	0	6
Closing balance	—1	—1	—1

Recognized amounts, per currency, for the group's trade receivables.

Trade receivables in each currency respectively

SEK m	2015	2014	2013
SEK	507	455	468
EUR	37	38	42
NOK	32	20	24
DKK	21	25	8

K18 EQUITY

SHARE CAPITAL

Attendo AB (publ) became the parent company on 23 October 2015. As of 31 December 2015, the share capital totaled SEK 876,951. There are 160,000,000 shares. The quotient value is SEK 0.005 and all shares carry the same voting rights.

CONTRIBUTED CAPITAL

Relates to payments made by shareholders. This includes share premiums paid coincident with new share issues.

RETAINED EARNINGS

Retained earnings, including profit or loss for the year, comprise of the profits earned in the parent company and group companies. Retained earnings also include the following:

Remeasurements of defined benefit pension plans

Actuarial gains and losses on defined-benefit pension plans.

Cash flow hedges

Cash flow hedges comprise of the effective part of the accumulated net change in fair value of cash flow hedging instruments attributable to hedged transactions that have not yet occurred.

Exchange rate differences on the translation of foreign operations

Exchange rate differences arising from the translation of the financial reports from foreign subsidiaries, changes relating to the translation of surplus values in local currency, and revaluation of liabilities hedging the net investment in a foreign subsidiary.

Revaluation of option liabilities

Revaluation of option liabilities are valued based on the value of the Attendo group according to the valuation principles set by the European Venture Capital Association (EVCA). The option liability was dissolved in 2015. For further information, see Note 22, Other non-current liabilities.

K19

LIABILITIES TO CREDIT INSTITUTIONS

Liabilities to credit institutions

SEK m	2015	2014	2013
Liability to credit institution	3,518	5,250	5,063
Liabilities as regards financial leasing	88	170	164
Deducting capitalized financing costs	-26	-155	-186
Total	3,580	5,265	5,041

Changes in liabilities to credit institutions

SEK m	2015	2014	2013
Opening balance	5,265	5,041	4,349
Borrowings and acquired loans	3,530	16	3,425
Repayment of loans	-5,135	-127	-2,752
Capitalized interest	0	72	77
Exchange rate differences	-128	232	118
Changes of liability regarding finance leasing	-11	-	4
Share redemption	-70	-	-
Changes of capitalized financing cost	129	31	-180
Closing balance	3,580	5,265	5,041

The carrying amount is in all material respects deemed to correspond to the fair value.

Loans to credit institutions December 31 2015 are distributed among the following currencies:

	Local currency	SEK m
EUR	183	1,672
SEK	1,934	1,934

Effective interest rate on the balance sheet date

	2015	2014	2013
Bank loan	1.9%	6.3%	6.5%
Overdraft facility	1.9%	3.8%	4.8%

Coincident with the IPO, Attendo re-arranged its borrowing which meant that new loans were raised and existing loans repaid. The new loan facilities were provided by Danske Bank A/S, Denmark, Sweden branch, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ).

The liabilities to credit institutions are subject to covenants that the group is committed to honor under credit agreements with its lenders. Attendo continuously monitors these covenants and reports to its lenders on a quarterly basis. The covenants comprise an EBITDA/net debt covenant and an interest cover covenant. None of these covenants were breached in 2013, 2014 or 2015.

K20

PENSION PROVISIONS

SWEDEN

Employees employed under collective agreements are covered by the SAF/LO plan which is a defined-contribution pension plan based on collective agreements and comprises several employers within several different sectors. Civil servants are covered by the ITP plan which is also based on collective agreements and comprises several employers within several different sectors. According to a statement from the Swedish Financial Reporting Board (UFR 3), the ITP plan is a defined-benefit plan which comprises several employers. Alecta, which insures the ITP plan, has been able to provide Attendo, or other Swedish companies, with sufficient information to be able to determine Attendo's share of the ITP plan's total assets and liabilities. The ITP plan is therefore recognized as a defined-contribution plan. The cost of the ITP2 plan 2015 amounts to SEK 124 m (SEK 119 m in 2014 and SEK 127 m in 2013). Expected cost for the ITP2 plan in 2016 amounts to SEK 123 m. The surplus in Alecta can be allocated to the insured employer and/or the insured employees. Alecta's level of consolidation was 153% as of 31 December 2015 (143% in 2014 and 148% in 2013). The level of consolidation is stated at fair value of plan assets as a percentage of the obligations calculated based on Alecta's actuarial assumptions.

NORWAY

The group's employees in Norway were as of 2012 primarily covered by defined-contribution pension plans, where the group's obligation is limited to the amount the companies have accept to contribute with, which leads to the employee carrying the actuarial risk and the investment risk. In 2015, the costs of all operations amounted to SEK 5 m (SEK 6 m in 2014 and SEK 4 m in 2013). Defined-benefit pension plans also exist in Norway, which, after plan changes in 2012, primarily cover professions stated by law. The defined-benefit pension plan means that the Norwegian companies have an obligation to leave the agreed remuneration to current and former employees and that the group, in all material respects, carries the actuarial risk and the investment risk. The defined-benefit pension plans are partly secured by the Norwegian companies' membership in a mutual pension scheme. Employees in Norway are also covered by an AFP plan. The AFP plan is a funded plan comprising several employers. As Attendo does not have the opportunity to determine its share of the AFP plan's total assets and liabilities, the AFP fund is recognized as a defined-contribution plan.

OTHER COUNTRIES

Pension plans in Finland and Denmark are classified as defined-contribution plans.

DEFINED-CONTRIBUTION PENSION PLANS

The cost of defined-contribution pension plans totaled SEK 517 m in 2015 (SEK 467 m in 2014 and SEK 446 m in 2013).

Defined-contribution pension plans

SEK m	2015	2014	2013
Sweden	179	146	154
Finland	344	305	285
Norway	4	6	4
Denmark	13	10	3
Total	540	467	446

DEFINED-BENEFIT PENSION PLANS

Since the group solely recognizes defined-benefit pension plans in Norway, all information refers to the group's operations in Norway. The table below presents the total cost of Attendo's defined-benefit plans.

The actual return on plan assets for all operations in 2015 amounted to SEK 2 m (SEK 5 m in 2014 and SEK 11 m in 2013).

Recognized in the Consolidated Income Statement

SEK m	2015	2014	2013
Service costs for the current year	-11	-10	-12
Interest expenses for pension obligations	-3	-7	-5
Expected returns on plan assets	2	5	4
Management costs	-1	-1	-1
Effects of curtailments and settlements/plan amendments	26	15	1
Costs of defined-benefit pension plans	13	2	-18

Recognized in the Combined Statement of Comprehensive Income

SEK m	2015	2014	2013
Actuarial gains (+)/loss(-) pension obligations	13	-26	-27
Actuarial gains (+)/loss(-) plan assets	0	1	8
Deferred tax	-3	7	5
Total	10	-18	-14

Recognized in the Combined Balance Sheet

SEK m	2015	2014	2013
Present value of funded obligations	109	196	174
Fair value of plan assets	-80	-129	-122
Net provisions in the Balance Sheet	29	67	52

Significant actuarial assumptions

	2015	2014	2013
Average discount rate, %	2.7	2.3	4.1
Long-term inflation assumption, %	1.5	1.5	1.8
Long-term salary increase assumption, %	2.5	2.8	3.8
Increase in income base, %	2.2	2.5	3.5
Adjustment upwards of pensions, %	1.5	1.7	2.7
Average remaining years of employment	15	15	15

SENSITIVITY ANALYSIS

Assumptions

	Increased obligations	Decreased obligations
Discount rate, %	0.5	10.1
Salary increases, income base and indexation of pensions, %	0.5	10.1

Assumptions of long-term salary increases, the income base amount and adjustment upwards of pension are according to the pension scheme dependent on each other. Changes in these assumption are therefore recognized collectively. Any change in these assumptions entails the same effect as a change in the discount rate.

Assumptions of life expectancy

%	Increase by 1 year	Decrease by 1 year
Obligation increases (+) / decreases (-) by	3.1	-3.2

The sensitivity analysis above is based on a change in one assumption, and the other assumption remains constant. It is unlikely that this would occur in practice and changes in some assumptions may be correlated. When estimating the sensitivity of pension obligations to changes in significant assumptions, the same method has been used to estimate the pension obligation as was used for the recognized pension obligation. The method is described in more detail under Note K1, Significant Accounting Policies.

DEFINED-BENEFIT PENSION OBLIGATIONS

Changes in defined-benefit pension obligations

SEK m	2015	2014	2013
Present value of the obligation at the beginning of the year	196	174	148
Service costs for the current year	11	10	12
Interest expense for pension obligations	3	7	5
Paid benefits	-3	-3	-3
Curtailments and settlements/plan amendments	-71	-15	-1
Actuarial gains (-)/losses (+)	13	26	27
Exchange rate differences	14	-3	-14
Present value of pension obligation at the end of the year	109	196	174

PLAN ASSETS

Changes in plan assets

SEK m	2015	2014	2013
Present value of plan assets at the beginning of the year	129	122	118
Expected return on plan assets	2	5	4
Management costs	-1	-1	-1
Payments to pension scheme	6	6	6
Indemnification	-2	-3	-2
Curtailments and settlements/plan amendments	-46	-	-
Actuarial gains (-)/losses (+)	0	1	8
Exchange rate differences	-8	-1	-11
Present value of plan assets at the end of the year	80	129	122

K20 PENSION PROVISIONS cont.

ALLOCATION OF PLAN ASSETS

The plan assets assigned to meet the estimated obligations are distributed as follows:

Plan assets

SEK m	Of which unlisted		Of which unlisted		Of which unlisted	
	2015	(%)	2014	(%)	2013	(%)
Shares	17	21	27	13	21	14
Real estate	9	100	14	100	15	100
Bonds	37	69	63	71	60	62
Money market	10	85	14	90	13	86
Other	7	100	11	100	13	100
Total	80		129		122	

K21 PROVISIONS

Provisions

SEK m	2015	2014	2013
Provisions for onerous contracts	26	48	29
Provisions for construction	1	2	14
Other provisions	19	12	17
Closing balance	46	62	60
Of which short-term provisions	37	52	28
Of which long-term provisions	9	10	32

Change in provisions

SEK m	2015	2014	2013
Opening balance	62	60	37
New/extended provisions	27	26	44
Utilized provisions	-43	-24	-21
Closing balance	46	62	60

K22 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities

SEK m	2015	2014	2013
Interest rate swaps	-	20	13
Acquisition-related option liabilities to non-controlling interest shareholders	-	210	177
Additional purchase consideration	21	33	40
Other liabilities	3	21	13
Total	24	284	243

Changes in other non-current liabilities

SEK m	2015	2014	2013
Opening balance	284	243	225
Change in interest rate swaps	-20	7	1
Change in option liabilities	-210	33	-2
Additional purchase consideration	-12	-7	24
Change in other non-current liabilities	-18	8	-5
Closing balance	24	284	243

Option liabilities to non-controlling interest shareholders

Coincident with the acquisition of MedOne Group Oy (currently Attendo Finland Oy) in 2007, options were issued to the former management of the acquired company. The options entitled the former management to convert the shares in Attendo Finland Oy to shares in Attendo International AB (publ). On 16 October, the Board decided to complete conversion through an issue in kind in Attendo International AB (publ), which implied that Attendo's participating interest in Attendo Finland Oy increased from 94.8% to 100%. The issue in kind was approved by an EGM of Attendo International AB (publ) on 23 October 2015.

K23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In its operations, the group is exposed to a number of financial risks such as exchange rate risk, interest rate risk, liquidity and financing risk and credit/financial counterparty risk. The group's overall risk management policy focuses on the unpredictability of the financial markets, and seeks to minimize potential unfavorable effects on the group's financial performance. The group's risk management is handled by the treasury function according to established principles.

EXCHANGE RATE AND INTEREST RATE RISK

The group operates internationally and is thereby exposed to exchange rate risk from various currency exposures, primarily concerning EUR, but also NOK and DKK. Since Attendo's purchasing and invoicing are primarily conducted in the relevant country's local currency, the company's transaction risk is not significant. Group profit/loss is affected by the translation of foreign subsidiaries' Income Statements, where translation utilizes average rates of exchange in the financial year. Exchange rate risk also arises through translation of assets and liabilities recognized in foreign operations. The group's EUR exposure is significant, so investments in Finland have been part-financed through borrowing in EUR (hedging the net investment in Finland). Since the exchange rate exposure in NOK and DKK is not significant, no exchange rate hedging has been conducted for these translation risks.

The group's interest rate risk primarily relates to Attendo's long-term borrowing and bank balances with Nordic merchant banks. At the end of the accounting period, 100% of group borrowing was at variable interest. The group's treasury function continuously analyses group exposure to interest rate risk by simulating interest rate fluctuations. In order to reduce the risk associated with variable-rate borrowing, from time to time the group enters into swap agreements covering a portion of future interest payments. In the period until the end of November 2015, Attendo hedged an average of 47% of interest on its borrowing from credit institutions. From the December 2015 refinancing onwards, Attendo has not implemented interest-rate hedging as the group's borrowing and interest margins decreased sharply as a result of the new issue and refinancing. Given Attendo's current financing structure, had interest rates been one percentage point higher in 2015, all other things being equal, profit after tax would have decreased by approximately SEK 28 m.

LIQUIDITY AND FINANCING RISK

Liquidity risk is defined as the risk that Attendo fails to meet its payment obligations. Attendo manages liquidity risk by maintaining a liquidity reserve (cash, bank balances and unutilized existing credit facilities).

Financing risk is defined as the risk that Attendo is unable to finance outstanding loans, or that funding costs increase. The treasury function seeks to maintain agreements on lines of credit.

The group's treasury function conducts aggregate cash flow forecasts and rolling forecasts to ensure a continuous supply of liquidity. In addition, the treasury function analyses whether the group satisfied critical key ratios or financial covenants linked to the group's borrowing. Net debt/EBITDA and interest coverage ratio comprise Key Performance Indicators.

Maturity analysis concerning contractual payments of financial liabilities

2015, SEK m	<3 months					Total
	3-12 months	2-3 years	4-5 years	> 5 years		
Liabilities to credit institutions	–	–	3,518	–	3,518	
Liabilities for financial leasing	4	13	71	–	–	88
Interest rates, liabilities to credit institutions	18	53	142	142	–	355
Interest rates, liabilities relating to finance leases	1	2	3	–	–	6
Accounts payable – trade	205	–	–	–	–	205
Total	228	68	216	3,660	–	4,172

CREDIT/COUNTERPARTY RISK

Credit risk is defined as exposure to receivables in the form of Accounts receivable – trade and investments in surplus liquidity. Attendo's customers are mainly municipalities, which have very high credit ratings. This implies that the group's risk exposure to customer credit losses is considered limited. Cash and cash equivalents are invested exclusively in government bonds or with banks with a high official credit rating. Derivative contracts are only entered with banks with a minimum credit rating of A1/P1, and with which Attendo has a long-term relationship.

Maximum exposure to credit risk

SEK m	2015	2014	2013
Trade receivables	901	873	878
Cash and cash deposits	782	1,084	856
Other non-current receivables	57	57	66
Other current receivables	64	87	204
Total	1,804	2,101	2,004

FINANCIAL ASSETS AND LIABILITIES

Financial assets

SEK m	2015	2014	2013
Derivatives			
EUR/SEK cross currency swap	–	125	27
Loan receivables and trade receivables			
Other non-current receivables	57	57	66
Trade receivables	901	873	878
Other receivables	64	87	130
Other			
Cash and bank deposits	782	1,084	856
Total	1,804	2,226	1,957

Financial liabilities

SEK m	2015	2014	2013
Derivatives used in hedge accounting			
SEK interest rate swap	–	17	11
EUR interest rate swap	–	3	2
Other financial liabilities			
Liabilities to credit institutions	3,518	5,095	4,877
Liabilities regarding to financial leasing	88	170	164
Trade payables	205	161	165
Option liabilities	–	210	177
Additional purchase consideration	43	74	45
Other liabilities	115	107	97
Total	3,969	5,837	5,538

Attendo cancelled all swaps in the year.

No financial assets or financial liabilities have been reclassified between the valuation categories in the financial year.

The following tables provide information about how fair value is determined for financial instruments valued at fair value in the Balance Sheet. A breakdown of how fair value is determined is indicated in the following three levels:

Level one: according to prices listed on an active market for the same instrument.

Level two: from directly or indirectly observable market data not included in level one.

Level three: from data that is not observable on the market.

Group	2015	2014	2013
Interest rate swaps ¹⁾	–	–20	–13
Currency swaps ¹⁾	–	125	27
Option liabilities ²⁾	–	210	177
Additional purchase consideration ²⁾	43	74	45

¹⁾ Fair value has been measured based on level 2.

²⁾ Fair value has been measured based on level 3.

Option liability

SEK m	2015	2014	2013
Opening balance	210	177	179
Buy-out of shares	–	–4	–2
Value change	103	37	0
Share redemption	–313	–	–
Closing balance	0	210	177

Coincident with the acquisition of MedOne Group Oy (currently Attendo Finland Oy) in 2007, options were issued to the former management of the acquired company. The options entitled the former management to convert the shares in Attendo Finland Oy to shares in Attendo International AB (publ). On 16 October, the Board reached a resolution to complete conversion through an issue in kind in Attendo International AB (publ), which implied that Attendo's ownership stake in Attendo Finland Oy increased from 94.8% to 100%. The issue in kind was adopted by the EGM in Attendo AB (publ) on 23 October 2015.

K23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS cont.

Additional purchase consideration

SEK m	2015	2014	2013
Opening balance	74	45	38
Acquisition	11	42	22
Paid	-31	-13	-7
Revaluation	-11	0	-8
Closing balance	43	74	45

Fair value of interest rate of currency swaps is determined by discounting estimated cash flows. Discounting is conducted on the basis of observable yield curves. Yield curves are based on current market interest rates on the reporting date. This means that fair value has been determined according to level 2.

Fair value of option liabilities is determined through valuation policies established by the European Venture Capital Association (EVCA). This means that fair value has been determined according to level 3. Fair value of additional purchase considerations is based on estimated results in agreed clauses of share purchase agreements, which implies that these have been determined according to level 3.

Attendo presently has no financial assets or liabilities where the valuation is based on level 1. All financial assets and liabilities, unless otherwise stated, are considered to have carrying amounts that materially correspond to fair value.

Sensitivity analysis, market risk, percentage point

2015	Change	Effect on profit/loss	Effect on Equity
Market interest ¹⁾	+/- 1%	+/- 28	+/- 28
Exchange rates ¹⁾			
EUR/SEK	+/- 10%	+/- 33	+/- 172

¹⁾The sensitivity analysis is based on Attendo's funding as of 31 December 2015.

K24 OTHER CURRENT LIABILITIES

Other current liabilities

SEK m	2015	2014	2013
Personnel related liabilities	843	950	857
Other liabilities	115	107	97
Accrued interest rate costs	5	23	22
Other accrued costs and prepaid expenses	174	211	250
Total	1,137	1,292	1,226

K25 CASH FLOW STATEMENT

In 2015, interest paid amounted to SEK 353 m (SEK 369 m in 2014, SEK 221 m in 2013, SEK 214 m in 2012) and interest received amounted to SEK 61 m (SEK 77 m in 2014, SEK 11 m in 2013, SEK 7 m in 2012).

Cash flow adjustments

SEK m	2015	2014	2013
Depreciation and amortization	190	153	163
Dissolution of financing costs	155	34	20
Deferred non-paid interest	61	66	18
Costs of prepayment of loans	29	—	—
Gains from disposal of subsidiaries	-15	—	-30
Gains from divestments of fixed assets	-6	-5	-8
Provisions	-48	5	36
Other items	12	1	11
Total	378	254	210

K26 ACQUISITIONS AND DIVESTMENTS

Attendo regularly acquires small and medium-sized companies within, or very closely related to, its existing core operations in order to expand its geographical presence and contribute to creating financial value in prioritized segments.

ACQUISITION OF THE ATTENDO INTERNATIONAL AB (PUBL) GROUP

On 23 October, Attendo International AB (publ) (previously Attendo AB (publ)) was acquired through an issue in kind. This transaction is recognized as a business combination under common control. Accordingly, no acquisition analysis has been prepared. Instead, historical acquisition analyses are inherited. For more information, see Note K1, Significant accounting policies.

OTHER ACQUISITIONS DURING THE YEAR

The following acquisitions were completed in 2015:

- On 1 March 2015, Attendo acquired Joenranta Oy, which operates residential care for people with disabilities in Sipoo and Tuusula, Finland.
- On 1 March 2015, Attendo acquired Curanda Oy, which operates private dental practices in Åbo and Helsinki, Finland.
- On 29 May 2015, Attendo acquired Valtakadun Hammaslääkäriasisema Oy, which operates a dental practice in Raumo in western Finland.
- On 1 July 2015, Attendo acquired assets and liabilities relating to Hammaslääkäriasisema Hammaspeikko Oy, which operates dental clinics in Helsinki, Lovisa and Laptrask in southern Finland.
- On 2 November 2015, Attendo acquired assets and liabilities in Kärkölän Vanhustenkotihdistys ry which operates nursing homes in Kärkölä, Finland.

Unless otherwise indicated, all acquisitions refer to a 100% acquisition of shares.

ACQUISITIONS AFTER THE END OF THE FINANCIAL YEAR

On 1 March 2016, Attendo acquired Hoitokoti Eerika Oy, which provides social psychiatry and rehabilitation at Kides in eastern Finland.

On 1 March 2016, Attendo acquired Kiteen Kanervikkola Koti Oy, which operates a nursing home in Kides in eastern Finland.

On 1 April 2016, Attendo acquired Hemtrevnad Service & Omsorg i Borås AB, which provide home care in Borås in western Sweden.

GOODWILL

The goodwill value of SEK 17 m that arose through the acquisitions is attributable to personnel, market and synergy effects expected to arise through the merger of the group's and the acquired companies' operations. Goodwill arises when the purchase consideration exceeds the fair value of the acquired net assets. The final amount will be determined by no later than one year after the transaction date.

ACQUISITION ITEMS

Fair value of acquired assets

SEK m	2015	2014	2013
Purchase consideration at date of acquisition			
Purchase consideration paid	117	130	127
Conditional purchase consideration	11	42	22
Total estimated purchase consideration	127	172	149
Identifiable acquired assets and liabilities			
Cash and cash equivalents	25	59	45
Property, plant and equipment	5	8	10
Customer relations	109	126	14
Intangible assets	1	1	0
Deferred tax receivables	0	0	0
Trade receivables ¹⁾ and other receivables	9	13	17
Trade payables and other liabilities	-22	-35	-28
Deferred tax liabilities	-16	-26	-8
Total identifiable net assets	111	145	51
Goodwill²⁾	17	27	97

¹⁾ No unsecure trade receivables were acquired.

²⁾ No part of the recognized goodwill is expected to be deductible for income tax purposes.

Acquisition-related expenses in the year amounted to SEK 1.9 m (SEK 2.4 m in 2014 and SEK 0.8 m in 2013) and are included in other costs in the Consolidated Income Statement.

The fair value of the acquisition-related agreement on contingent purchase consideration was SEK 11 m (SEK 42 m in 2014 and SEK 22 m in 2013).

According to the agreement on contingent purchase consideration, the group shall pay variable compensation for three of the acquired companies, based on the companies' operating profit (EBITDA) for 2–3 of the 12-month periods after each acquisition, up to a total undiscounted amount of SEK 12 m.

Profit from the acquired companies included in the Consolidated Income Statement since the acquisition date total SEK 92 m. The acquired companies contributed profit of SEK 18 m in the same period.

DIVESTMENTS

On 11 September 2015, Attendo divested property company Sparvfalken AB. The transaction agreement includes a repurchase clause that entitles the buyer to sell the property back, at the full purchase consideration of SEK 15 m. The repurchase clause applies until the end of the first quarter 2016. The probability of the clause being exercised is deemed to be low. The capital gains totaled SEK 15 m.

K27 PLEDGED ASSETS

Pledged assets

SEK m	2015	2014	2013
Pledged shares ¹⁾	–	2,490	2,311
Floating charges	–	2,711	2,559
Real estate mortgages	–	49	49
Cash and cash equivalents and blocked funds	53	1,026	759
Cross currency swaps	–	125	27
Vehicles (assets through finance leasing)	87	170	164
Other pledged assets	1	1	1
Total	141	6,572	5,869

¹⁾ The pledging of shares in Attendo Utveckling AB refers to liabilities to credit institutions on the balance sheet date.

After repayment of the former loan, all pledges under the loan were released which reduced Attendo's Pledged assets by SEK 6,432 m.

K28 CONTINGENT LIABILITIES

Entities in the group are involved in tax reviews and other legal proceedings which arose in operating activities. Any potential obligation to pay damages in connection with these legal proceedings is not considered to significantly affect the group's operations or financial position.

K29 TRANSACTIONS WITH RELATED PARTIES

A related party refers to Board members of the parent company, the Executive Management of the group as well as close family members of these persons. A related party also includes companies where a significant part of the votes is directly or indirectly held by the above mentioned persons or companies, where they can exercise a considerable influence.

The group has related party transactions with three members of the Executive Management. The transaction consists of the group renting real estate from a company where these persons are part-owners. The related party transactions for the year totaled SEK 12 m (SEK 6 m in 2014 and SEK 6 m in 2013). All transactions with related parties are on an arm's length basis.

K30**EVENTS AFTER THE REPORTING DATE**

On 5 February 2016, a working party reported its intention to submit a proposal on temporary legislation to the Finnish Government as part of the forthcoming social and health care reform package known as SOTE. The purpose of this proposal includes limiting municipalities' scope to sign combination contracts, which has implications including preventing municipalities entering contracts judged as obstructing the implementation of the SOTE reform. Attendo currently has six combination contracts with Finnish municipalities. The existing combination contracts and Attendo's main operations in Finland, care for older people in own operations, physician staffing, medical care contracting and dental care, are not affected by this bill. Although all details of the proposal have not yet been disclosed, Attendo considers that their impact on its operations in Finland will only be marginal.

Hoitokoti Eerika Oy, which provides social psychiatry and rehabilitation at Kides in eastern Finland, was acquired on 1 March 2016.

Kiteen Kanervikkola Koti Oy, which operates a nursing home in Kides in eastern Finland, was acquired on 1 March 2016.

On 1 April 2016, Attendo acquired Hemtrevnad Service & Omsorg i Borås AB, which provide home care in Borås in western Sweden.

K31**REDEMPTION OF SHARES IN SUBSIDIARIES – TERVEYDEN TOUTTAJAT OY**

The subsidiary Terveyden Touthajat Oy (TT) was deconsolidated on 31 December 2015, which means that it has been included in the Consolidated Income Statement for the full year 2015 but not in the Balance Sheet at year-end. The following table shows TT's impact on key figures on full consolidation, and deconsolidated respectively.

SEK m	Jan-Dec, 2015		Jan-Dec, 2014	
	After redemption	Before redemption	Before redemption	Before redemption
Net sales	9,546	9,831	8,773	9,045
Operating profit (EBITDA)	1,044	1,077	922	960
Operating profit (EBITA)	931	933	819	822
Operating margin, % (EBITA)	9.8	9.5	9.3	9.1
Operating profit (EBIT)	885	887	804	807
Profit for the period	286	286	263	263
Net debt	2,827	2,756	4,183	4,143
Working capital	-130	-270	-168	-293
Net investments	152	165	136	164

Parent Company Income Statement

SEK m	Note	17 Sep–31 Dec
OPERATING INCOME		
Net sales	M2	3
OPERATING COSTS		
Personnel costs	M3	–5
Other external costs	M4, M5	–32
Operating profit		–34
Net financial items		–
Profit before tax		–34
Tax	M6	7
PROFIT FOR THE YEAR		–27

Profit for the year corresponds to Comprehensive income for the year.

Parent Company Balance Sheet

31 December, SEK m	Note	2015
ASSETS		
Non-current assets		
Shares in subsidiaries	M7	6,494
Deferred tax receivables	M6	16
Total non-current assets		6,510
Current assets		
Other short-term receivables		7
Cash and cash equivalents		0
Total current assets		7
TOTAL ASSETS		6,517
EQUITY AND LIABILITIES		
EQUITY	M8	
Restricted equity		
Share capital		1
Total restricted equity		1
Non-restricted equity		
Share premium reserve		6,518
Retained earnings		–20
Profit for the year		–27
Total non-restricted equity		6,471
TOTAL EQUITY		6,472
Short-term liabilities		
Liabilities to group companies		23
Other short-term liabilities		22
Total short-term liabilities		45
TOTAL EQUITY AND LIABILITIES		6,517
MEMORANDUM ITEMS		
Pledged assets		–
Contingent liabilities		–

Parent Company Statement of Changes in Equity

SEK 000	Share capital	Share premium reserve	Profit/loss brought forward	Total equity
Opening balance 17 September 2015	50	–	–	50
Issue in kind 23 October	500	3,079,232	–	3,079,732
Withdrawal of shares	–50	50	–	–
Issue in kind 30 November	245	2,238,499	–	2,238,744
New issue 30 November	132	1,199,868	–30,746	1,169,254
Warrants	–	–	11,800	11,800
Profit for the year	–	–	–27,336	–27,336
Closing balance, 31 December 2015	877	6,517,649	–46,282	6,472,244

Notes on the Parent Company Financial Statements

M1 CRITICAL ACCOUNTING POLICIES

The parent company, Attendo AB (publ), applies the Annual Accounts Act and RFR 2 "Accounting for Legal Entities". RFR 2 requires the parent company to adopt the same accounting policies as the group, i.e. IFRS, where applicable and with the exception of the instances indicated below.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The parent company financial statements are presented in SEK m. The financial statements have been prepared according to the cost method, which means that investments are recognized at cost and dividends posted to income. Impairment tests are conducted annually and impairment is recognized if the reduction in value is assumed to be of a permanent nature.

Shares and participations

Shares in subsidiaries are recognized at cost less impairment. Cost includes acquisition-related expenses and any additional purchase consideration. The need for impairment of investments is tested annually or when there is a risk that the book value of investments exceeds replacement value.

M2 NET SALES

Parent company revenue relates to intra-group services amounting to SEK 3 m.

M3 SALARIES AND OTHER REMUNERATION

Salaries and other remuneration

SEK m	17 Sep – 31 Dec 2015
CEO	
Salaries and other remuneration	2
Pension costs	0
Social security expenses	1
Total	3
Other employees	
Salaries and remuneration	1
Pension costs	0
Social security expenses	1
Total	2
Total	5
Average number of full-time employees	2015
Women	–
Men	3
Total	3

The company has had employees since 1 November 2015. These three employees were previously employed by Attendo International AB (publ), corporate ID no. 556932-5342. For more information about remuneration to senior executives see Note K5, Salaries, other remuneration and social security expenses.

M4 OTHER EXTERNAL COSTS

Other external costs

SEK m	17 Sep – 31 Dec 2015
External services	28
Board remunerations	3
Other	1
Total	32

M5 AUDIT FEES

Audit fees

SEK m	17 Sep – 31 Dec 2015
PwC	
Audit fees	1
Audit fees, audit related	0
Audit fees, tax related	0
Other audit fees	6
Total	7

Audit fees relate to statutory reporting, i.e. the work associated with preparing the Audit Report, as well as audit advisory services provided in connection with the audit assignment.

In 2015, other services consisted of consulting services and review of the prospectus coincident with the IPO.

M6 TAX

Reconciliation of effective tax

	2015
Recognized profit before tax	–34
Tax according to the Swedish tax rate	7
Tax effect of non-tax deductible items	0
Tax expense	7

Attendo AB's deficit amounted to SEK 72 m as of 31 December 2015. Deferred tax has been calculated on the full amount and amounts to SEK 16 m, of which SEK 9 m as been posted to Equity.

M7 SHARES AND PARTICIPATIONS

Coincident with listing, Attendo AB (publ) acquired the former Attendo group in an issue in kind in Attendo International AB (publ). The resolution relating to the issue in kind also included a change of company name. Directly after the issue in kind, Attendo AB (publ) became the owner of approximately 78% of the shares in Attendo International AB (publ), thereby becoming the new parent company of the Attendo group.

The issue in kind totaled SEK 3,080 m, corresponding to book value in the Attendo group. The remaining 22% of the shares, which were held by Attendo's management and others, were transferred by means of share swaps where ordinary and preference shares in Attendo International AB (publ) were exchanged for ordinary shares only in Attendo AB (publ).

Shares in group companies

SEK m	2015
Issue in kind coincident with acquisition of the Attendo group	3,080
Issue in kind 30 November	2,239
Shareholder contribution	1,175
Closing book value	6,494

Shares held directly by parent company	Corp. ID no.	Registered office	No. of shares	Proportion of capital and votes, %	Book value, SEK m
Attendo International AB (publ)	556932-5342	Danderyd, Sweden	66,669,379	100%	6,494
Shares held indirectly					
Attendo Utveckling AB (publ)	556714-2145	Danderyd	9,707,691	100	
Attendo Intressenter AB	556703-2650	Danderyd	12,926,044	100	
Attendo Group AB (publ)	556605-4812	Danderyd	451,321	100	
Attendo Holding AB	556214-5523	Danderyd	13,950,058	100	
Attendo Sverige AB	556148-5169	Danderyd	5,000	100	
Attendo Individ och Familj AB	556477-8958	Danderyd	5,000	100	
Attendo Individ och Familj Resurs AB	556523-1072	Stockholm	4,500	100	
Attendo Älvgården AB	556567-0634	Danderyd	1,000	100	
Attendo Rewith, utredning och familjevård AB	556709-8487	Danderyd	100	100	
Attendo LSS AB	556664-4257	Stockholm	1,000	100	
Attendo Hällbogruppen AB	556312-9997	Danderyd	5,000	100	
Attendo Bolmängens Psykiatiska Behandlingshem AB	556160-4991	Danderyd	1,000	100	
Attendo Tallbacka Gården AB	556282-0489	Danderyd	1,000	100	
Attendo Syster Annas sjukhem AB	556079-8653	Danderyd	1,000	100	
Attendo Björkhaga Kompetens AB	556231-6389	Danderyd	1,000	100	
Attendo Kombinationsboende i Göteborg AB	556520-0937	Danderyd	1,000	100	
Attendo Närsjögläntans HVB-hem AB	556594-3031	Danderyd	1,000	100	
Omsorgsfastigheter i Uppland AB	556810-8137	Danderyd	500	100	
Attendo A/S	19 56 44 79	Denmark	501	100	
Attendo Vonsild A/S	32 31 80 61	Denmark	500	100	
Attendo Norge AS	979 448 031	Norway	100	100	
Attendo Omsorg AS	979 027 195	Norway	100	100	
Attendo Velferd	915 120 733	Norway	100	100	
Attendo Maribu AS	943 405 301	Norway	400	100	
Attendo Finland Oy	2122408-9	Finland	746,095	100	
Attendo Terveyspalvelut Oy	1625174-4	Finland	813,999	100	
Attendo Oy	1755463-2	Finland	150,000	100	
Attendo Kruunankulma Oy	1769189-9	Finland	100	100	
Attendo Aarni Oy	2208132-3	Finland	100	100	
Attendo Selina Oy	1096747-4	Finland	15	100	
Attendo Helinä Oy	1988744-9	Finland	100	100	
Attendo Lääkäripalvelut Oy	1828288-6	Finland	2,896	100	
Seniorihuolto Oy	2304838-1	Finland	100	100	
Attendo Tarina Oy	1079949-3	Finland	15	100	
Attendo Jokikoto Oy	2214447-8	Finland	256,000	100	
Attendo Huurmanni Oy	2309416-9	Finland	50	100	
Attendo Iltatuli Oy	2368123-2	Finland	1,200	100	
Attendo Larosette Oy	1549005-7	Finland	100	100	
Attendo Villa Stella Oy	2101354-8	Finland	1,000	100	
Attendo Aleksikoti Oy	1583732-1	Finland	100	100	
Attendo Savon Koti Oy	1107957-8	Finland	51	100	

Shares held indirectly	Corporate ID no.	Registered office	No. of shares	Share of capital and votes, %
Attendoo Tyrvää Kartano Oy	2138739-8	Finland	100	100
Attendoo Saimaa Oy	1945719-0	Finland	750	100
Attendoo Hammaslääkäriasesma Oy	0785725-0	Finland	215	100
Attendoo Teljän Hammaslääkäriasesma Oy	0666785-0	Finland	1728	100
Attendoo Liedon Helmi Oy	1528118-3	Finland	200	100
Attendoo Saarentiekoti Oy	1843542-4	Finland	2,500	100
Attendoo Meri-Lappi Oy	2227434-4	Finland	1000	100
Attendoo Ålands Tandläkarna Oy	2052806-4	Finland	100	100
Attendoo Estonia OÜ	12176247	Estonia	1	100
Attendoo Rautlehto Oy	1002925-3	Finland	30	100
Attendoo Neliapila Oy	1628055-3	Finland	1,589	100
Uudenkaupungin Hoitokoti Hellä Oy	1703894-5	Finland	902	100
Attendoo Kuntaturva Oy	2576342-6	Finland	100	100
Attendoo Mental Oy	1944573-9	Finland	100	100
Attendoo Marian Kamari Oy	2160288-7	Finland	100	100
Attendoo Marian Kartano Oy	1478610-4	Finland	50	100
Attendoo Mikkeli Hammaslääkärikeskus Oy	0164971-7	Finland	334	100
Attendoo Rautatientorin Hammaslääkärikeskus Oy	1713259-5	Finland	43,200	100
Attendoo Seinäjoen Hammaslääkärikeskus Oy	2590807-4	Finland	1,000	100
Attendoo Puruveden Helmi Oy	0871981-0	Finland	100	100
Attendoo Donum Oy	1898325-2	Finland	4,000	100
Attendoo Kotiplus Oy	0779763-0	Finland	10	100
Attendoo Luotolahden Kuntoutus Oy	0547568-9	Finland	50	100
Attendoo Forssan Hammaslääkärikeskus Oy	0282751-1	Finland	100	100
Attendoo Kellokas Oy	2045385-9	Finland	2,500	100
Attendoo Mikonkadun Hammaslääkäriasesma Oy	0678799-1	Finland	100	100
Attendoo Ogelin Hammaslääkärit Oy	2221477-1	Finland	250	100
Attendoo Vehniän Koivukodit Oy	1769004-4	Finland	400	100
Attendoo Curanda Terveyspalvelut Oy	1820943-5	Finland	540	100
Attendoo Joenranta Oy	1608975-9	Finland	100	100
Attendoo Valtakadun Hammaslääkäriasesma Oy	0487374-9	Finland	30	100

M8 EQUITY

Share capital

Attendoo AB (publ) became the parent company of the Attendoo group on 23 October 2015. Share capital as of 31 December 2015 amounted to SEK 876 951 and the number of shares were 160 000 000. Quota value was SEK 0,005 and all shares have equal voting power.

The table below shows the change of the number of shares and the share capital since the company was incorporated.

Date	Transaction	Change in number of shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)
17 September 2015	Incorporation	50,000	50,000	50,000	50,000
23 October 2015	Issue in kind	500,000	500,000	500,000	550,000
23 October 2015	Redemption of shares	50,000	50,000	-50,000	500,000
23 October 2015	Reverse share split	-499,999	1	0	500,000
9 November 2015	Share split	91,225,118	91,225,119	0	500,000
30 November 2015	Issue in kind	44,774,881	136,000,000	245,409	745,409
30 November 2015	Share issue	24,000,000	160,000,000	131,543	876,951

Disposition of earnings

The following profits in the parent company are at the disposal of the AGM:

Disposition of earnings	Amounts in SEK
At the disposal of the AGM:	
Retained earnings	6,498,702,681
Net loss for the year	-27,335,543
Total	6,471,367,138
Appropriated as follows:	
Distributed to shareholders SEK 0.54 per share	86,400,000
Carried forward	6,384,967,138
Total	6,471,367,138

The proposed record date for the right to receive dividends is Monday 19 May 2016. The Board of Directors' proposed dividend is based on Chapter 18, § 4 of the Companies Act on the basis of the parent company's and the group's need to strengthen its Balance Sheet, liquidity, financial position otherwise and the ability to meet its obligations in the long term.

The group's equity/assets ratio is 45 percent and net cash and cash equivalents is SEK 782 m. The Board of Directors has also considered the parent company's profit/loss and financial position, and the group's financial position otherwise. In this context, the Board has considered known circumstances that may be of significance to the parent company's and group companies' financial position. The proposed dividend does not restrict the company's investment ability or access needs for liquidity, and the Board considers that the proposed dividend payment is carefully considered in terms of the nature, scope and risk of operations as well as the parent company's and group's capital requirement, and business plans and financial performance in coming years. The group's and parent company's Income Statement and Balance Sheet will be subject to adoption by the AGM on 17 May 2016.

BOARD OF DIRECTORS' DECLARATION

The Board of Directors and the Chief Executive Officer hereby certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards, IFRS as endorsed by the EU, and that they give a true and fair view of the group's financial position and results of operations. The Annual Accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the parent company's financial position and results of operations. The Administration Report of the group and parent company give a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and states significant risks and uncertainty factors facing the parent company and group companies.

Danderyd, Sweden, 11 April 2016

Erik Lautmann
Chairman

Henrik Borelius
CEO and Board member

Mona Boström
Board member

Jan Frykhammar
Board member

Ulf Lundahl
Board member

Christopher Masek
Board member

Arja Pohjamäki
Board member
Employee representative

Anssi Soila
Board member

Christoffer Zilliacus
Board member

Our Audit Report was submitted on 11 April 2016
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in Charge

Audit Report

Translation of the Swedish original

TO THE ANNUAL MEETING OF THE SHAREHOLDERS OF ATTENDO AB (PUBL), CORPORATE IDENTITY NUMBER 559026-7885

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Attendo AB (publ) for the financial year 2015-09-17 – 2015-12-31 for the parent company and year 2015 for the consolidated accounts. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 43–81.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance for the financial year 2015-09-17 – 2015-12-31 in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the

Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Attendo AB (publ) for the financial year 2015-09-17 – 2015-12-31.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Stockholm, Sweden, 11 April 2016
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in Charge

Definitions

FINANCIAL RATIOS

Acquired growth

The increase in the company's net sales derived from acquired companies and units.

Adjusted Earnings per share

Profit for the period, adjusted, divided by the average number of shares.

Adjusted operating profit (EBITA)

Operating profit (EBITA) relates to profit before non-recurring items, amortization of acquisition-related intangible assets, financial items and tax.

Capital employed

Total assets less non-interest bearing liabilities.

Cash and cash equivalents

Cash and cash equivalents, short-term investments and derivative instruments with positive fair value.

Earnings per share

Profit for the period divided by the average number of shares.

Equity/assets ratio

Equity divided by total assets.

Equity per share

Equity divided by the average number of shares.

Net debt

Interest-bearing liabilities less cash and cash equivalents.

Net investments

Net of investments and divestments in property, plant and equipment and intangible assets excluding acquisition-related investments.

Number of shares

Outstanding shares as of 31 December 2015. In order to improve the comparison all key figures for previous periods have been converted to the current number of shares.

Return on equity

Profit for the period divided by average equity.

Return on capital employed

Operating profit adjusted for acquisition-related amortization divided by average capital employed.

Organic growth

Sales growth excluding acquisition and exchange rate fluctuations.

Operating margin (EBIT)

Operating profit (EBIT) divided by net sales.

Operating margin (EBITA)

Operating profit (EBITA) divided by net sales.

Operating profit (EBIT)

Earnings before interest and taxes.

Operating profit (EBITA)

Earnings before interest, taxes and amortization.

Profit for the period

Profit for the period attributable to parent company shareholders.

Profit margin

Profit for the period divided by total net sales.

Profit for the period, adjusted

Profit for the period attributable to parent company shareholders, adjusted for non-recurring items net of tax.

Working capital

Current assets excluding cash and cash equivalents and short-term interest-bearing assets less short-term non-interest bearing liabilities and provisions.

TERMINOLOGY RELATING TO OPERATIONS

Home care client

A person receiving planned and unplanned support in the form of service and personal care as well as health care in the home as part of daily life.

New unit

Units that have been operational for < 12 months.

Existing unit

Units that have been operational for 12 months.





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