

Attendo + @ ♥



Interim report
January–June 2016

Attendo AB (publ)

Interim report January–June 2016

Summary of the second quarter 2016

- Net sales increased by 4 percent to SEK 2,525m (2,421). Adjusted for currency effects¹ net sales increased by 5 percent. Adjusted for currency effects and deconsolidation of subsidiary² net sales increased by 8 percent.
- Operating profit (EBITA) increased by 20 percent to SEK 224m (186), representing an operating margin of 8.9 percent (7.7).
- Profit for the period amounted to SEK 146m (56), which represents a profit margin of 5.8 percent (2.3) and earnings per share⁴ diluted of SEK 0.91 (0.35).
- Operating cash flow amounted to SEK 157m (178).

Summary of the period January–June 2016

- Net sales increased by 4 percent to SEK 4,997m (4,812). Adjusted for currency effects, growth¹ was 4 percent. Adjusted for currency effects and deconsolidation of subsidiary² net sales increased by 8 percent.
- Operating profit (EBITA) increased by 13 percent to SEK 421m (373), representing an operating margin of 8.4 percent (7.8).
- Profit for the period amounted to SEK 274m (113), which represents a profit margin of 5.5 percent (2.3) and earnings per share⁴ diluted of SEK 1.70 (0.71).
- Operating cash flow amounted to SEK 300m (235).

SEKm	Q2 2016 ²	Q2 2015	Change, %	Jan–Jun 2016 ²	Jan–Jun 2015	Change, %	Jan–Dec 2015
Net sales	2,525	2,421	4	4,997	4,812	4	9,831
Operating profit (EBITA)	224	186	20	421	373	13	933
<i>Operating margin (EBITA), %</i>	<i>8.9</i>	<i>7.7</i>	<i>-</i>	<i>8.4</i>	<i>7.8</i>	<i>-</i>	<i>9.5</i>
Profit for the period	146	56	n/a	274	113	n/a	286
Profit for the period, adjusted ³	-	-	-	-	-	-	409
Earnings per share diluted ⁴ , SEK	0.91	0.35	n/a	1.70	0.71	n/a	1.79
Adjusted earnings per share, diluted ^{3,4} , SEK	0.91	0.35	n/a	1.70	0.71	n/a	2.56
Operating cash flow	157	178	-12	300	235	28	765
Average number of employees	14,304	14,378	-1	14,183	14,238	0	14,512

¹ Growth split is presented in the table Key Data on page 22.

² Deconsolidation of subsidiary Terveystieteiden Tutkimus Oy (TT) as per December 31, 2015. See comments and table on page 23.

³ Profit for the full year 2015 is adjusted for costs related to the refinancing of SEK 123m, net of tax.

⁴ Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 27.

Comments by Henrik Borelius, CEO

The quarter shows stable growth and good margin development mainly driven by own operations. Our long-term efforts to grow own units, both organically and through acquisitions, have paid off and the quarter was the strongest ever in terms of new beds under construction. In Finland the work with the SOTE reform continues in a positive way. In Sweden the reporting on shortage of nursing home beds continues which confirms the large need to expand capacity.

Own operations show continued strong growth, both organic and acquired. The increase is mainly attributable to new own homes and improved occupancy in units that were under start-up during the corresponding quarter last year. We continue to invest in new own nursing homes and during the quarter three units were opened, one in Sweden and two in Finland and the number of homes under construction increased sharply. In Sweden and Finland combined, the construction of 11 units began which will add 480 new beds. Attendo is an attractive partner for entrepreneurs who want to divest their operation. During the quarter, two new acquisitions were welcomed to Attendo Finland and one within home care in Sweden. The acquisitions added 370 new beds under construction, which together with Attendo's own development of new units resulted in 1,469 beds under construction at the end of the quarter. This is the highest level ever in Attendo's history. On the first of July this year, we completed the acquisition of Samsa which will strengthen Attendo's offering within highly specialized care for people with disabilities.

In *Outsourcing operations* net sales declined compared to the second quarter 2015 due to ending of contracts. During the quarter, Attendo won new contracts with estimated annual revenue of SEK 210m and lost contracts with estimated annual revenue of SEK 20m.

Net sales in *Staffing operations* shows a stable development. Our earlier assessment that both outsourcing and staffing will continue to be challenging markets remains.

Attendo's systematic quality work showed a continued stable development and positive results during the quarter. Attendo's vision *empowering the individual* and our values are vital to us and therefore important to persistently highlight. During the quarter, the annual values week was held with discussions and activities out in the operations along with Attendo's value coaches.

In Finland, a draft for new legislation related to the SOTE reform has been presented regarding the regional authorities' division, responsibilities and financing. In addition, a proposal to new guidelines for private health centers' service offering has been presented, these are in line with Attendo's current operations. We remain positive that the SOTE reform will mean greater freedom of choice and improved opportunities for private providers to contribute to the development.

The Swedish Municipal Workers' Union presented in early July a new report showing that fewer 80 year old people are granted residency at nursing homes. The report shows that both older people and relatives suffer when the need for nursing homes is greater than the availability of beds, which also has become a recurring theme in the media.

To summarize, Attendo showed good financial development during the first six months and a quarter with record growth in number of new beds under construction, giving great opportunities for continued growth.

Summary of the second quarter

Net sales and operating profit

Net sales increased by 4.3 percent to SEK 2,525m (2,421) in the second quarter. Adjusted for currency effects net sales increased by 4.7 percent and adjusted for currency effects and deconsolidation of subsidiary the increase was 7.9 percent. Adjusted for currency effects and deconsolidation of subsidiary net sales increased in all geographical markets.

The growth is explained by new units primarily in own operations and improved occupancy in own units which were under start-up during the comparable quarter.

Net sales in own operations increased by 15.0 percent and in staffing by 1.0 percent adjusted for deconsolidation of subsidiary. Net sales in outsourcing operations decreased by 3.5 percent.

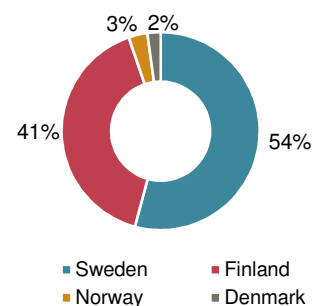
Operating profit (EBITA) increased by 20.4 percent to SEK 224m (186) and operating margin increased to 8.9 percent (7.7). The profit increase is explained by higher occupancy in own units which were under start-up during the comparable quarter, and higher profitability in existing own units as a result of better planning and improved processes. Several new own units have opened, especially during the fourth quarter 2015, and the earnings from these units had a positive effect on the operating profit. The profit loss due to ended contracts in outsourcing and staffing operations was larger than earnings from new units in these contract models.

Seasonal effects, mainly as a result of the early Easter, had a positive effect on the operating profit in the second quarter 2016. Changes in currency exchange rates had a negative effect on operating profit of SEK -1m compared to the same quarter prior year.

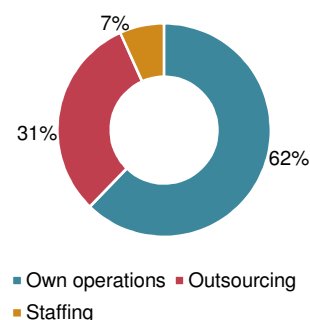
EBIT increased to SEK 207m (175). Amortization on acquisition related intangible assets was SEK 6m higher compared to the second quarter 2015.

At the end of the second quarter, Attendo had 512 (489) units in operation, of which 362 own units. The number of beds in operation amounted to 12,649 (11,682), of which 8,932 own units. Own units and beds under construction were 35 and 1,469 respectively.

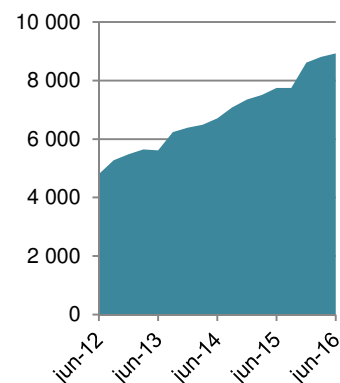
Net sales per country, Q2 2016



Net sales per contract model, Q2 2016



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



Net financial items

Net financial items amounted to SEK -21m (-104) in the quarter, of which net interest amounted to SEK -15m (-89). The net interest improved, following the new share issue and refinancing in connection with the IPO, which resulted in significantly reduced borrowings and lower interest margins.

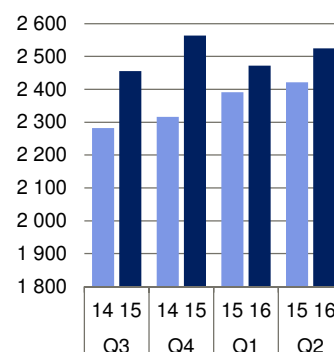
Income tax

The income tax for the quarter amounted to SEK -40m (-15) corresponding to a tax rate of 21.5 percent (22.1).

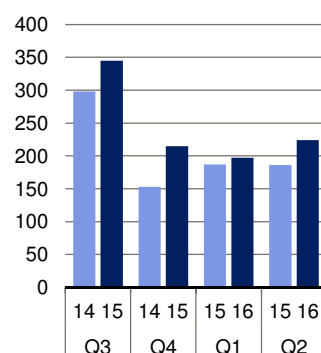
Profit for the period

Profit for the period amounted to SEK 146m (56), which represents an earnings per share¹ basic and diluted of SEK 0.91 (0.35).

**Net sales
SEKm**



**Operating profit (EBITA)
SEKm**



¹ Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 27.

Summary of the period January–June

Net sales and operating profit

Net sales increased by 3.8 percent to SEK 4,997m (4,812) during the first six months 2016. Adjusted for currency effects the increase was 4.3 percent and adjusted for currency effects and deconsolidation of subsidiary the increase was 7.7 percent. Adjusted for currency effects and deconsolidation of subsidiary, net sales increased in all geographical markets.

The growth is explained by new units primarily in own operations and improved occupancy in own units which were under start-up in the comparable period.

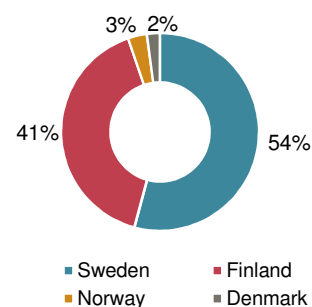
Net sales in own operations increased by 14.6 percent and in staffing operations by 5.2 percent adjusted for deconsolidation of subsidiary. Net sales in outsourcing operations decreased by 4.8 percent.

Operating profit (EBITA) increased by 12.9 percent to SEK 421m (373) and the operating margin increased to 8.4 percent (7.8). The profit increase during the first six months is mainly explained by the same items as impacted the second quarter. Own operations showed a strong development during the first six months and new units had an overall positive contribution to the result.

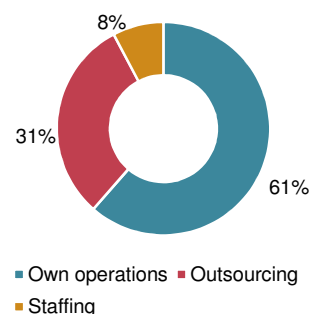
Seasonal effect, primarily due to leap day, had a positive effect on operating profit during the first six months 2016. Changes in currency exchange rates had a negative effect on operating profit of SEK -2m compared to the same period last year.

EBIT increased to SEK 391m (353). Amortization on acquisition related intangible assets was SEK 10m higher than in the comparable period.

Net sales per country, January-June 2016



Net sales per contract model, January-June 2016



Net financial items

Net financial items amounted to SEK -42m (-208) in the period, where of net interest amounted to SEK -31m (-180). The change is mainly explained by the same items as impacted the second quarter.

Income tax

Income tax amounted to SEK -75m (-32) corresponding to a tax rate of 21.5 percent (22.1).

Profit for the period

Profit for the period amounted to SEK 274m (113), which represents a basic earnings per share¹ of SEK 1.71 (0.71) and a diluted earnings per share¹ of SEK 1.70 (0.71)

¹ Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 27.

Cash flow

Operating cash flow amounted to SEK 157m (178) during the second quarter, where of changes in working capital amounted to SEK 18m (35).

Cash flow from net investments in tangible and intangible assets amounted to SEK -44m (-56) and cash flow from acquisitions amounted to SEK -78m (-14). Cash flow from financing activities was SEK -274m (-201), following amortization of loans of SEK 190m and dividend of SEK 86m.

Total cash flow for the second quarter amounted to SEK -213m (-106).

Financial position

Consolidated equity as of June 30, 2016 amounted to SEK 4,450m (2,559), which represents a diluted equity per share of SEK 27.61 (15.99).

Net debt amounted to SEK 2,788m (4,151). Following the IPO on November 30, 2015 a refinancing transaction and new share issue of SEK 1,200m was completed, reducing Attendo's borrowings, which explains the reduced net debt.

SEKm	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Interest-bearing liabilities	3,248	5,017	3,580
Provisions for post-employment benefits	44	67	29
Liquid funds	-504	-933	-782
Net debt	2,788	4,151	2,827

Interest-bearing liabilities, excluding provisions for post-employment benefits, amounted to SEK 3,248m (5,017) as of June 30, 2016. Borrowings of SEK 190m has been repaid during the quarter.

Liquid funds as per June 30, 2016 amounted to SEK 504m (933) and unutilized committed credit facilities amounted to SEK 843m (500).

Number of shares

As per June 30, 2016 the number of shares outstanding was 160,000,000.

Number of employees

The average number of employees was 14,304 (14,378) in the second quarter.

Own operations

Net sales in own operations amounted to SEK 1,557m (1,354) in the second quarter. The increase was 15.0 percent, of which acquired growth was 1.8 percentage points. The increase is mainly explained by new homes and improved occupancy in units that were under start-up during the comparable quarter.

During the quarter, Attendo opened one nursing home in Sweden with 50 beds and one nursing home and one home in social psychiatry in Finland with in total 80 beds.

The number of beds under construction showed a strong increase during the quarter. Construction started of several new homes; three homes in Sweden and eight homes in Finland with a total of 170 and 310 beds, respectively. In addition, Attendo acquired two companies in Finland with a total of approximately 370 beds under construction.

Own operations

62%

of Net sales

Operations in Sweden, Finland,
Norway and Denmark

Units, beds and home care clients as of June 30, 2016

Own units	Total	Sweden	Finland	Norway	Denmark
Units in operation*	362	184	167	2	9
Beds in operation**	8,932	4,189	4,599	84	60
Beds under construction**	1,469	380	1,089	-	-
Home care clients	11,650	9,040	-	130	2,480

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

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

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

Outsourcing operations

Net sales in outsourcing operations amounted to SEK 775m (803) in the second quarter. The decrease in net sales is explained by ended contracts.

During the quarter, Attendo won new, still not started contracts, with estimated annual revenue of approximately SEK 210m. Attendo won, for example, a contract regarding care and health care services with the Local Authority in Sulkava, Finland with expected annual revenue of SEK 100m. The contract starts on January 1, 2017 with duration of six years and a potential extension of another four years. Attendo lost on-going, not yet ended, contracts with estimated annual revenue of approximately SEK 20m.

During the quarter, Attendo was entrusted with the responsibility to continue operating three existing units for Care for Older People in Sweden with a total of 75 beds.

Units, beds and home care clients as of June 30, 2016

Outsourcing	Total	Sweden	Finland	Norway	Denmark
Units in operations*	129	94	29	5	1
Beds in operations**	3,717	2,963	416	310	28
Home care clients	1,070	500	570	-	-

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

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

Staffing operations

Net sales in staffing operations amounted to SEK 193m (264) in the second quarter. Net sales in the second quarter 2015 amounted to SEK 191m excluding the deconsolidated subsidiary Terveystien Oy. For further information see page 23.

Outsourcing operations

31%

of Net sales

Operations in Sweden, Finland,
Norway and Denmark

Staffing operations

7%

of Net sales

Operations in Finland.

Quality and employees

Quality

Attendo continues to develop modern work methods in Care for Older People by using digitalization. In April, Attendo won a quality tender of Lillevångshemmet in Simrishamn where several innovations will be part of the operations during the coming years. This includes, among others, motion sensors to measure the clients' activity, virtual bike rides, interactive video games and customized TV channels. The clients will also be accessible through Skype by their relatives.

Attendo actively monitors the quality work in our operations. One important part of the monitoring is Attendo's internal quality reviews, showing to what extent the operations fulfil all internal as well as external quality parameters. This year's internal quality review show overall continued stable results.

Employees

Attendo's services are offered to people with different needs for help and support in their daily life. All of Attendo's work is based on our vision: *empowering the individual*, with support from our common values – *competence, commitment and care*. To put this into practice Attendo conducts regular activities that emphasize our vision and values. Once a year, a values week are held in the units that highlights how Attendo is working with values in practice, which is led by Attendo's value coaches. During the second quarter, values week have been held in all units in Finland, and in the Scandinavian Care units. A new focus area for 2016 has been to highlight and discuss Attendo's service offering – a work that will be intensified during the autumn.

Attendo continuously works to secure access to educated employees for the future. In Finland, there is an on-going project where licensed nurses from the Philippines are trained in the Finnish language and thereafter offered the opportunity to work for Attendo with collective agreement terms. The project has been very successful and is appreciated by clients as well as by relatives, and in the local communities where the nurses live. In Sweden there is a large shortage of licensed nurses in the care and healthcare sector. To address this issue, a similar project has been initiated in Sweden, where approximately 60 Philippine nurses will start working during the autumn.

Attendo's quality work

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

Attendo's employees

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

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

Market review

Sweden – strong demand for own operations

The demand for Attendo's own operations offering was strong during the quarter with a continued interest from local authorities to increase capacity. Attendo's assessment is that the time to fill a home is becoming slightly longer. Tendered volumes in the outsourcing market increase slightly compared to prior quarters. In Individual and family care, there was continued demand for integration solutions.

In June, the Swedish government presented a proposal to a new regulation regarding public procurement as part of the implementation of EU's procurement directive. The proposal contain, among other, demands for environmental responsibility and labour and social commitments.

Finland – strong demand within own operations

Attendo's own operations offering have had a continued strong demand in Finland. Attendo's assessment is that Finland shows the same trend as in Sweden with slightly longer start-up times. Tendered volumes on the outsourcing market increased during the quarter but there were still only few contracts tendered. A continued demand for combination contract solution was noted. The staffing services market continued to stabilize during the quarter.

In Finland, a draft for a new legislation related to the SOTE-reform has been presented covering a new division of regional authorities as well as the regional authorities' responsibilities and financing. A proposal for guidelines regarding the service private providers must be able to offer at health centers has also been presented, which are well in line with Attendo's current operations. Until the new legislation come into force on January 1, 2019 a temporary legislation will be implemented involving some restrictions for new contracts. For example, will local authorities be able to renegotiate contracts signed during this period when the SOTE reform is fully implemented. Existing contracts are not affected. Attendo's assessment is that the SOTE reform will be positive to private providers' opportunities to contribute to the development.

A social contract between the government and the labour market parties to be implemented in 2017 has been signed during the spring. The contract covers the entire Finnish labour market and contains some parts which mean reduced costs for employers. It is still too early to assess how the different parts of the contract will impact Attendo.

Denmark – low activity during the quarter

The low activity on the outsourcing market continued during the quarter with only a few new tendered contracts.

Norway – continued weak demand

In Norway there was continued weak demand for private outsourcing solutions.

The Swedish social and health care market

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

The Finnish social and health care market

The Finnish health care system is decentralized with local authorities (317 LAs) providing primary health care and social care and hospital districts (20) providing specialist care to several municipalities. Attendo's customers in Finland are LAs providing primary health care and social care, and some additional private clients in dental care and occupational health care. LAs are largely responsible for public health care financing.

Other financial information

Acquisitions in the second quarter

On April 1, Hemtrevnad Service & Omsorg i Borås AB was acquired. The company operates home care in Borås, Sweden.

On June 1, 247 Hoivakodit Oy was acquired. The company develops and operates nursing homes in Finland. The acquisition adds 60 new nursing home beds in one unit in Lahti, Finland and 253 nursing home beds under construction in six different units.

On June 1, Onnentäyttymys Oy was acquired. The company operates a nursing home with 20 beds in Pornainen, Finland. The company also has four ongoing projects of in total 117 nursing home beds in and around Helsinki, Finland. The acquisition also includes rights to three future projects with a possible start of construction in the second half of 2016.

Related party transactions

Attendo has transactions with three related parties, which in all material aspects refer to property leases from companies in which those parties are shareholders. The transactions in the first six month 2016 amounted to SEK 4m. All related party transactions are based on market conditions.

For further details, see Attendo's annual report 2015, page 73.

Parent Company, Attendo AB (publ)

Attendo AB's main operation is to provide management services to subsidiaries in the group and to manage and monitor shares in subsidiaries. Parent company expenses are mainly holding costs including expenses for Attendo's Executive Management, Board of Directors and external consultancy fees.

Net sales for the parent company amounted to SEK 7m in the first six month, which refer to management services to subsidiaries. Result after financial items amounted to SEK -19m. Cash and cash equivalents amounted to SEK 0m, shares in subsidiaries SEK 6,494m and unrestricted equity amounted to SEK 6,363m at the end of the period.

Seasonal variations

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

Significant events after the balance sheet date

Acquisition of Samsa group

On July 1, 2016 Attendo acquired Samsa AB operating own homes and one daily activity unit for people with disabilities (LSS), home for care and residency (HVB) and a school in grades 7-9 for schoolchildren with special needs. Net sales amounts to approximately SEK 150m and adds 107 beds for people with disabilities and residential care, and 5 beds under construction in one care home that will be opened during autumn.

Changes in Attendo's Executive Management

On July 13, 2016 Attendo communicated that Fredrik Mossberg has chosen to leave Attendo after ten years as Business Development Director. Johan Spångö has been appointed new Business Development Director and will be part of Attendo's Executive Management. Spångö has been working with business development in Attendo since 2014 and has previous work experience from business development in Lernia and as a management consultant at Qvartz.

Risks and risk management

Risks are inherent in Attendo's business and it is part of the daily work to manage these risks, to prevent damage and to limit the damage that does occur. Attendo operates within the care and health care sector in competition with a number of major and several smaller operators, which entails risk both related to price development and growth. This requires that Attendo continuously develops its business in order to offer the clients best possible care and health care from a quality perspective to a for the customers competitive price.

The majority of the care and health care conducted on the market where Attendo operates are provided by local authorities. The choice of production model is dependent on political decisions, which means that opportunities for future growth are controlled by politicians' view of how care and health care should be provided. Political decisions resulting in a change in legislation can have a significant impact on Attendo's business. The legislative process in the countries where Attendo operates is transparent and changes are well known prior to implementation. A public inquiry in Sweden is currently investigating potential options to restrict freedom of choice and dividend in private welfare creates a significant uncertainty about the conditions for investment in the Swedish welfare. It is difficult to assess the conclusions from the inquiry and support potential proposals will have in the Parliament. The Finnish care and health care system will undergo a significant change when the planned SOTE reform comes into force as per January 1, 2019. This implies that a new administrative level with 18 regions with responsibility for care and health care is implemented. Attendo follows the work with the SOTE reform but it is still difficult to assess its impact on Attendo's operation, result and financial position.

Quality and safety requirements within care and health care are demanded by various stakeholders, in particular clients, relatives and customers. In addition Attendo has very high internal quality requirements on its operations. Constant work with quality and safety improvements for clients and patients is crucial for Attendo's success and is a key area within the Group's strategic activities. A large number of Attendo's customer contracts extend over several years why the pricing of these contracts are deemed as a financial risk. The own units operations are conducted in own homes and premises which means that Attendo enters the long rental agreements. If the demand for Attendo's services is low the long rental agreements are deemed as a financial risk. Attendo uses internally developed proven models and processes aiming to minimize risk both for pricing errors and that Attendo enter rental agreements in regions with unfavorable demand.

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

For further information of risks see Attendo's annual report 2015 page 48.

Accounting principles

The group applies International Financial Reporting Standards (IFRS) as adopted by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups.

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and shall be read together with the annual report for 2015. The accounting policies adopted are consistent with those in the annual report for 2015.

The interim information on page 1-17 is an integrated part of this financial report.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies adopted are consistent with those in the annual report for 2015.

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

New standards and interpretation not yet adopted

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

Outlook

Attendo does not report any forecast.

This interim report has not been reviewed by the group's auditors.

Attendo's Annual reports are available on www.attendo.com

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

The Board of Directors and the CEO certify that this half year report gives a fair view of the financial position of the parent company and group, and that it describes all significant risks related to the parent company and group.

Danderyd, on July 28, 2016

Erik Lautmann
Chairman of the board

Mona Boström
Board member

Catarina Fagerholm
Board member

Jan Frykhammar
Board member

Ulf Lundahl
Board member

Tobias Lönnevall
Board member

Anssi Soila
Board member

Anitra Steen
Board member

Christoffer Zilliacus
Board member

Henrik Borelius
CEO and Board member

Arja Pohjamäki
Union representative

Consolidated Income Statement

SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Net sales	2,525	2,421	4,997	4,812	9,831
Other operating income	6	8	10	11	39
Total revenue	2,531	2,429	5,007	4,823	9,870
Personnel costs	-1,629	-1,676	-3,260	-3,315	-6,552
Other external costs	-645	-532	-1,262	-1,065	-2,241
Amortization, depreciation and impairment of tangible and intangible assets	-33	-35	-64	-70	-144
Operating profit (EBITA)	224	186	421	373	933
Operating margin (EBITA) %	8.9	7.7	8.4	7.8	9.5
Amortization and impairment of acquisition related intangible assets	-17	-11	-30	-20	-46
Operating profit (EBIT)	207	175	391	353	887
Operating margin (EBIT), %	8.2	7.2	7.8	7.3	9.0
Net financial items	-21	-104	-42	-208	-537
Profit before tax	186	71	349	145	350
Income tax	-40	-15	-75	-32	-64
Profit for the period	146	56	274	113	286
Profit margin %	5.8	2.3	5.5	2.3	2.9
Profit for the period attributable to the Parent company shareholders	146	56	274	113	286
Basic earnings per share ¹ , SEK	0.91	0.35	1.71	0.71	1.79
Diluted earnings per share ¹ , SEK	0.91	0.35	1.70	0.71	1.79
Basic average number of shares ¹ , thousands	160,000	160,000	160,000	160,000	160,000
Diluted average number of shares ¹ , thousands	161,323	160,000	161,168	160,000	160,083

Consolidated Statement of Comprehensive Income

SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Profit for the period	146	56	274	113	286
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans, net of tax	-3	0	-8	0	10
Items that may be reclassified to profit or loss					
Cash flow hedges, net of tax	-	5	-	7	15
Exchange rate differences on translating foreign operations	36	-9	51	-27	-44
Other comprehensive income for the period	33	-4	43	-20	-19
Total comprehensive income for the period	179	52	317	93	267
Total comprehensive income attributable to the Parent company shareholders	179	52	317	93	267

¹ Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions on page 27.

Consolidated Balance Sheet

SEKm	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Goodwill	6,601	6,495	6,472
Other intangible assets	544	305	304
Property, Plant and Equipment	417	455	382
Other non-current assets	101	81	89
Total non-current assets	7,663	7,336	7,247
Current assets			
Trade receivables	832	761	901
Other current assets	500	652	357
Cash and cash equivalents	504	856	782
Total current assets	1,836	2,269	2,040
Total assets	9,499	9,605	9,287
EQUITY AND LIABILITIES			
Equity	4,450	2,559	4,219
Non-current liabilities			
Liabilities to credit institutions	3,216	4,711	3,554
Provisions for post-employment benefits	44	67	29
Other provisions	10	9	9
Other non-current liabilities	110	408	62
Total non-current liabilities	3,380	5,195	3,654
Current liabilities			
Liabilities to credit institutions	32	296	26
Trade payables	148	149	205
Other current liabilities	1,489	1,406	1,183
Total current liabilities	1,669	1,851	1,414
Total equity and liabilities	9,499	9,605	9,287

Pledged assets and contingent liabilities

SEKm	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Assets pledged as collateral	218	6,273	141
Contingent liabilities	-	-	-

Consolidated Cash Flow Statement

Operational cash flow, SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Operating profit (EBITA)	224	186	421	373	933
Depreciation and amortization of tangible and intangible assets	33	35	64	70	144
Changes in working capital and other items	18	35	10	-70	-4
Paid income tax	-74	-18	-102	-35	-86
Other non-cash items	0	-4	-3	-9	-57
Cash flow after change in working capital	201	234	390	329	930
Investments in tangible and intangible assets	-46	-69	-99	-123	-212
Divestment of tangible and intangible assets	2	13	9	29	47
Operating cash flow	157	178	300	235	765
Interest received/paid	-18	-69	-30	-144	-292
Free cash flow	139	109	270	91	473
Acquisition of operations	-78	-14	-91	-93	-128
Divestment of operations	-	-	-	-	15
Share redemption TT (cash and cash equivalents)	-	-	-	-	-139
New share issue	-	-	-	-	1,160
Warrants	-	-	-	-	12
Dividend	-86	-	-86	-	-
Repayment of loans	-188	-201	-385	-209	-5,202
New borrowings	-	-	-	-	3,531
Total cash flow	-213	-106	-292	-211	-278
Cash and cash equivalents at the beginning of the period	708	966	782	1,084	1,084
Exchange rate differences related to cash and cash equivalents	9	-4	14	-17	-24
Cash and cash equivalents at the end of the period	504	856	504	856	782
Cash flow, SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Cash flow from operations	183	165	360	185	638
Cash flow from investing activities	-122	-70	-181	-187	-417
Cash flow from financing activities	-274	-201	-471	-209	-499
Total cash flow	-213	-106	-292	-211	-278

Consolidated Statement of Changes in Equity

SEKm	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Opening balance	4,219	2,569	2,569
Total comprehensive income	317	93	267
Transactions with owner			
New share issue	-	-	1,169
Warrants	-	-	9
Dividend	-86	-	-
Total transactions with owner	-86	0	1,178
Transactions with non-controlling interests			
Revaluation of share option liability	-	-103	205
Total Transactions with non-controlling interests	-	-103	205
Closing balance	4,450	2,559	4,219

Investments

SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Investments					
Investments in intangible assets	7	15	14	20	34
Investments in tangible assets	39	54	85	103	178
Divestments of tangible and intangible assets	-2	-13	-9	-29	-47
Total net investments	44	56	90	94	165
Intangible assets acquired through business combination					
Goodwill	51	1	56	16	17
Customer relations	245	4	259	82	109
Total intangible assets acquired through business combination	296	5	315	98	126

For further information regarding acquisitions, see page 13.

Financial assets and liabilities

SEKm	Level	Jun 30, 2016	Jun 30, 2015
ASSETS			
Financial assets at fair value through profit or loss			
Derivatives (currency swap)	2	-	78
Loans and receivables			
Trade receivables		832	761
Cash and cash equivalents		504	856
Total financial assets		1,336	1,695
LIABILITIES			
Derivatives used for hedge-accounting			
Derivatives (interest swap)	2	-	10
Financial liabilities at fair value through profit or loss			
Share option liability	3	-	313
Contingent considerations	3	35	51
Other financial liabilities			
Borrowings		3,248	5,007
Trade payables		148	149
Total financial liabilities		3,431	5,530

The table shows the Group's significant financial assets and liabilities. Asset and liabilities accounted for as loans and receivables, and other financial liabilities are carried at amortized cost. Fair value for all financial assets and liabilities are equal to the carrying value. For complete table and further information see Attendo's Annual report 2015, note 23.

Valuation technique

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

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

Key Data

		Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Net sales	SEKm	2,525	2,421	4,997	4,812	9,831
Organic growth	%	3.7	3.6	3.3	4.2	5.6
Acquired growth	%	1.0	2.1	1.0	1.9	1.9
Changes in currencies	%	-0.4	1.3	-0.5	2.1	1.2
Operating profit (EBITA)	SEKm	224	186	421	373	933
<i>Operating margin(EBITA)</i>	%	8.9	7.7	8.4	7.8	9.5
Profit for the period	SEKm	146	56	274	113	286
<i>Profit margin</i>	%	5.8	2.3	5.5	2.3	2.9
Working capital	SEKm	-305	-210	-305	-210	-130
Return on capital employed ²	%	12.1	10.5	12.1	10.5	11.4
Net debt to equity ratio	times	0.6	1.6	0.6	1.6	0.7
Equity to asset ratio	%	47	27	47	27	45
Operating cash flow	SEKm	157	178	300	235	765
Net investments	SEKm	44	56	90	94	165
Average number of employees		14,304	14,378	14,183	14,238	14,512
Key data per share						
Earnings per share ¹ , basic	SEK	0.91	0.35	1.71	0.71	1.79
Earnings per share ¹ , diluted	SEK	0.91	0.35	1.70	0.71	1.79
Equity per share ¹ , basic	SEK	-	-	27.81	15.99	26.37
Equity per share ¹ , diluted	SEK	-	-	27.61	15.99	26.36
Average number of outstanding shares ¹ , basic	thousands	160,000	160,000	160,000	160,000	160,000
Average number of outstanding shares ¹ , diluted	thousands	161,323	160,000	161,168	160,000	160,083
Number of outstanding shares ¹ at end of the period	thousands	160,000	160,000	160,000	160,000	160,000

Quarterly Data

SEKm	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Total net sales	2,282	2,316	2,391	2,421	2,455	2,564	2,472	2,525
- Net sales, own operations	1,217	1,280	1,322	1,354	1,415	1,498	1,511	1,557
- Net sales, outsourcing	802	776	818	803	810	805	769	775
- Net sales, staffing	263	260	251	264	230	261	192	193

SEKm	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Total net sales	2,282	2,316	2,391	2,421	2,455	2,564	2,472	2,525
- Net sales Sweden	1,225	1,238	1,248	1,257	1,282	1,339	1,332	1,369
- Net sales Finland	933	972	1,037	1,049	1,051	1,088	1,009	1,024
- Net sales Norway	83	60	60	61	65	78	77	78
- Net sales Denmark	41	46	46	54	57	59	54	54
Operating profit (EBITA)	298	153	187	186	345	215	197	224
<i>Operating margin (EBITA), %</i>	13.1	6.6	7.8	7.7	14.1	8.4	8.0	8.9
Profit for the period	163	-27	57	56	182	-9	128	146
<i>Profit margin, %</i>	7.1	-1.2	2.4	2.3	7.4	-0.4	5.2	5.8
Earnings per share ¹ basic, SEK	1.02	-0.17	0.36	0.35	1.14	-0.06	0.80	0.91
Earnings per share ¹ , diluted, SEK	1.02	-0.17	0.36	0.35	1.14	-0.06	0.80	0.91
Average number of employees	15,137	13,918	14,097	14,378	15,294	14,285	14,061	14,304

¹ Earnings per share in the comparable period have been calculated based on the number of shares after the listing. See definitions page 27.

² As from the first quarter 2016 return on capital employed is calculated based on EBIT, see definition on page 27. To improve comparison, the comparable periods previously calculated on EBITA has been restated.

Redemption of shares in the subsidiary Terveiden Tuottajat Oy

The subsidiary Terveiden Tuottajat Oy (TT) was deconsolidated as of 31 December 2015, which means that TT is included in the Group's income statement during the full year 2015, but not in the balance sheet as of 31 December 2015. Net sales from TT were fully recognized in the contract model Staffing. The table below shows the impact on key measures with TT fully consolidated and deconsolidated.

SEKm	Q2 2015		Jan-Jun 2015		Jan-Dec 2015	
	Excl. TT	Incl. TT	Excl. TT	Incl. TT	Excl. TT	Incl. TT
Net sales	2,348	2,421	4,663	4,812	9,546	9,831
Operating profit before depreciation and amortization (EBITDA)	213	221	427	443	1,044	1,077
Operating profit (EBITA)	186	186	372	373	931	933
<i>Operating margin (EBITA,) %</i>	7.9	7.7	8.0	7.8	9.8	9.5
Operating profit (EBIT)	175	175	352	353	885	887
Profit for the period	56	56	113	113	286	286
Net debt	4 171	4 151	4 171	4 151	2,827	2,756
Working capital	-98	-210	-98	-210	-130	-270
Net investments	-52	-56	-86	-94	152	165

Parent Company Income Statement

SEKm	Q2 2016	Q2 2015	Jan-Jun 2016	Jan-Jun 2015	17 Sep- 31 Dec 2015
Net sales	3	-	7	-	3
Employee costs	-4	-	-10	-	-5
Other external costs	-11	-	-15	-	-32
Operating profit	-12	-	-18	-	-34
Finance net	-1	-	-1	-	-
Profit before tax	-13	-	-19	-	-34
Tax on profit for the period	0	-	0	-	7
Profit for the period	-13	-	-19	-	-27

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

Parent Company Balance Sheet

SEKm	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Shares in subsidiaries	6,494	-	6,494
Deferred tax asset	16	-	16
Total non-current assets	6,510	-	6,510
Current assets			
Receivables on group companies	7	-	0
Other receivables	2	-	7
Cash and cash equivalents	0	-	0
Total current assets	9	-	7
Total assets	6,519	-	6,517
EQUITY AND LIABILITIES			
Equity	6,364	-	6,472
Current liabilities			
Liabilities to group companies	140	-	23
Other liabilities	15	-	22
Total current liabilities	155	-	45
Total equity and liability	6,519	-	6,517

Calendar and contacts

Calendar

- 11 November 2016, Interim report January- September 2016

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Disclosure on publication

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

Forward-looking information

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

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Introduction to Attendo

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

Attendo is the largest private provider of care for older people in Sweden and Finland, and outsourced health care in Finland. Attendo is a locally based company and has more than 500 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 contracts. 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 customers for a large majority of the service offerings, but contract types and duration of contracts vary depending on service model and service offering. Own operations are based on framework agreements and outsourcing operations are based on outsourcing contracts, following a tender process. The customer contract period is typically 2-5 years. Staffing operations are normally based on framework agreements or direct contracts with durations of up to 4 years.

Definitions

Explanations to financial measures

Acquired growth	Increase in net sales related to companies or operations acquired the last 12 months.
Capital employed	Total assets less non-interest bearing liabilities.
Earnings per share	Profit for the period in relation to the average number of shares.
Equity/asset ratio	Equity as a percentage of total assets.
Equity per share	Equity in relation to the average number of shares.
Liquid funds	Cash/cash equivalents, short term investments and derivatives with a positive fair value.
Net debt	Interest bearing liabilities and provisions for post-employment benefits less liquid funds.
Net debt to equity ratio	Net debt as a percentage of total equity.
Net investments	Net of investments and disposals of intangible and tangible assets excluding acquisition related assets.
Number of shares	Shares outstanding as of June 30, 2016. In order to facilitate comparisons, all key measures in the comparable periods have been calculated based on the number of shares after the listing.
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales.
Operating margin (EBITA)	Operating profit (EBITA) as a percentage of net sales.
Operating profit (EBIT)	Profit before net financial items and income tax.
Operating profit (EBITA)	Profit before amortization of acquisition related intangible assets, net financial items and income tax.
Organic growth	Increase of net sales excluding acquisitions and currency effects.
Profit for the period	Profit/loss for the period attributable to parent company shareholders.
Profit for the period adjusted	Profit/loss for the period adjusted for one-time items net after tax.
Profit margin	Profit for the period as a percentage of net sales.
Return on equity	Profit for the period (LTM) in relation to average equity.
Return on capital employed	Operating profit (EBIT) as a percentage of average capital employed.
Working capital	Current assets less liquid funds and interest bearing assets, less short term liabilities and non- interest bearing provisions.

Explanations to operational measures

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

Financial measures not defined in IFRS

The financial reports of the Attendo Group are prepared according to IFRS. See further information regarding accounting principles on page 16 in this interim report. According to IFRS there are only a few financial measures that are defined. As from the second quarter 2016, Attendo has applied ESMA's (European Securities and Markets Authority) new guidelines for Alternative Performance Measures.

An Alternative Performance Measure is, in short, a financial measure of historical or future profit development, financial position or cash flow that are not defined or specified in IFRS. To support the Executive Managements' and other stakeholders analysis of the Groups development, Attendo presents some financial measures not defined in IFRS. This information is complementary information to IFRS and does not replace financial measures defined in IFRS. Attendos definitions of financial measures not defined in IFRS can differ from other companies' definitions. All Attendo's definitions are included above. Calculation of all financial measures can be reconciled to items in the income statement and balance sheet, and information on page 22.