

ANNUAL REPORT &
SUSTAINABILITY REPORT



Content

● Operations	
Attendo at a glance	2
CEO's statement	4
Attendo on the corona pandemic	6
Market	8
Vision, strategy and goals	12
● Sustainability	
Attendo's sustainability work	16
Focus area: Development of society	20
Focus area: Quality	22
Focus area: Employees	24
Social issues and diversity	26
Anti-corruption and human rights	28
Environment and climate	29
UN Sustainable Development Goals	30
Sustainability risks and risk management	31
Sustainability indicators	32
Auditor's report	34
● Corporate Governance	
Corporate governance report	35
Board of directors and auditors	38
Executive Management	40
Auditor's report	44
Risks and risk management	45
● Financial reports	
Board of director's report	50
● Consolidated financial statements	
Consolidated income statement	57
Consolidated statement of comprehensive income	57
Consolidated balance sheet	58
Consolidated statement of cash flow	59
Consolidated statement of changes in equity	60
Notes to the consolidated financial statements	61
● Parent company financial statements	
Parent company income statement	85
Parent company balance sheet	85
Parent company statement of changes in equity	86
Parent company statement of cash flow	86
Notes to parent company financial statements	87
● Other information	
Assurance	89
Auditor's report	90
The Attendo share	96
Five-year summary	98
Quarterly summary	99
Definitions	100
Annual general meeting	102

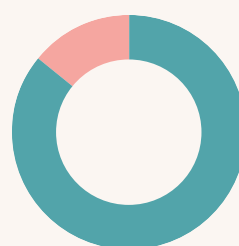
This is a translation of the original Annual Report in Swedish. In the event of differences between the English translation and the Swedish original, the Annual Report in Swedish shall prevail.

2020 IN REVIEW

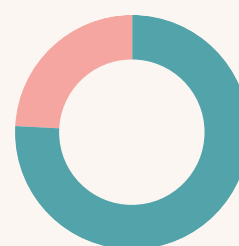
Significant events during the year

- The year 2020 was marked by the corona pandemic. A majority of Attendo's customers are among the risk groups for covid-19 and the entire organization has been focused on preventing infection for both customers and employees.
- Attendo delivered positive organic growth of 5 percent and a stable underlying result, despite the ongoing pandemic resulting in a weak customer inflow in Sweden. During the year, positive effects of the turnaround programme in Finland were seen, with higher customer satisfaction, more sold beds, positive price effects and a lower opening rate.
- Early 2021, Attendo launched new financial targets. The goal is to achieve an adjusted earnings per share of at least SEK 4 in 2023, driven by the restructuring in Finland, an improved operational model, organic growth in existing and planned nursing homes and smaller bolt-on acquisitions.
- Committed employees are Attendo's greatest asset and during the pandemic year 2020, it has been even more important to show employees our appreciation. Employee satisfaction increased significantly in 2020 in all countries. The largest improvement is seen in the share of people recommending Attendo as an employer.

FINANCIAL OVERVIEW



Sales by contract model



Sales by service offering

Key figures (SEKm)	2020	2019
Net sales	12,288	11,935
Operating profit (EBITA)	797	812
Operating margin, (EBITA), %	6.5	6.8
Profit for the year ¹⁾	-904	81
Operating cash flow	428	196

¹⁾ Including items affecting comparability of SEK 955m

Measures to prevent Covid-19 and make meetings possible

The coronavirus pandemic posed difficult challenges for Attendo's customers and employees (see page 6). In addition to taking early resolute measures to prevent transmission, Attendo also took numerous initiatives to address isolation and prevent loneliness when homes were closed to outside visitors.

PPE and employee health checks. Attendo acted quickly and implemented a higher level of protection for employees during the spring, requiring use of PPE in all situations in which care is provided, as well as health checks of employees before each shift.



Safe meetings. Several of Attendo's local operations arranged safe meeting spaces indoors with plexiglass dividers or outdoors, where residents and their loved ones could meet with no risk of spreading infection without violating applicable restrictions.

Safe activities and entertainment. During isolation, Attendo continued focusing on activities, but under safe conditions. These included balcony concerts for residents and their relatives at many local units. Popular Swedish singer Carola Häggkvist appeared at Attendo Sabbatsbergsbyn in Stockholm during the summer.

Digital tools. Attendo launched two new digital tools during the year. The Attendo Nära app is designed to let relatives follow a customer in

Attendo's operations. Appendo/ATSO is an app for Attendo employees internal communication, education, information and surveys.

88 %

Attendo LSS and IOF received a customer satisfaction score of 88 percent in the national user survey of people receiving social services. All but one region improved their results compared to 2019.²⁾

86 %

Attendos home care received a customer satisfaction score of 86 percent and nursing homes 77 percent in the national user survey. The scores are 1 percentage point higher than in 2019.²⁾

Turnaround in the Finnish operations

Attendo's action programme in the Finnish operations showed progress in the second half of 2020. The programme includes quality initiatives, lowering the rate of new establishment and renegotiation of contracts. The "Change Journey", a programme aimed at improving conditions for providing better care, was launched in Finland during the autumn. The programme covers methods as well as digital tools and new support functions. The goal is to promote relationships among employees, customers and their relatives in order to increase trust in Attendo's operations in Finland.

²⁾ Source: SALAR, National Board of Health and Welfare



Preschoolers made stars at nursing home

The TV series "Four-Year-Olds at the Nursing Home", filmed at Attendo Maria Winkvist in Norrtälje, was broadcast on Swedish TV4 in the autumn. Viewers followed along with residents of the nursing home where, as an experiment, the older people did various activities with children from the nearby preschool. The series was a huge hit and showed substantial benefit to the older people in terms of both cognition and health.

"It was amazing! Our residents blossomed, becoming alert, quick and happy. I can heartily recommend partnerships between nursing homes and preschools," says Ingela Unosson, Activities Director at Attendo Maria Winkvist.

Lovelyn is the "Care Hero of the Year"

Attendo took a company-wide initiative on the theme of Care Heroes aimed at putting the spotlight on employees importance to good care. Each region nominated a Regional Care Hero, and a national vote named the Care Hero of the Year. The winner was Lovelyn Buki, a member of Attendo's mobile nursing team in Västerås.

The first issue of Magasinet Omsorg, the new magazine for Attendo's employees, customers and their relatives, features in-depth interviews with all of the nominated Care Heroes.



THE NORDIC CARE LEADER

Attendo is the largest private care provider in the Nordic countries, with more than 700 units in operation and around 25,000 employees in Sweden, Finland and Denmark. We are industry leaders in quality, technology and new, cost-effective methods. Attendo offers care for older people, care for people with disabilities and care for individuals and families.

EMPOWERING THE INDIVIDUAL

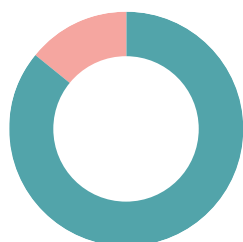
Attendo’s vision is “Empowering the individual”, which means to see, support and strengthen every person in our care. Our aim is to ensure that everyone can lead independent and meaningful lives. Every aspect of our work is based on our values - care, commitment and competence. They guide us every single day, in everything we do.

ADDRESSING COMPLEX CARE CHALLENGES

We are experts at addressing complex care challenges in close partnership with the public sector organisations that engage us. Most of our business is run in own operations, but we also perform outsourcing contracts for local authorities.

In the own operations contract model, Attendo designs, builds, equips and staffs its own homes and offers care beds to local authorities. The model is based on long-term partnership, which creates security and peace of mind for the local authority, residents, relatives and employees. It gives Attendo good opportunities to influence the care experience through, for example, lifestyle nursing homes.

In the outsourcing contract model, Attendo runs operations under contract for a predetermined term, usually 4-7 years with an option to extend. The staff are employed by Attendo for the duration of the contract, while the local authority is responsible for the premises where services are delivered.

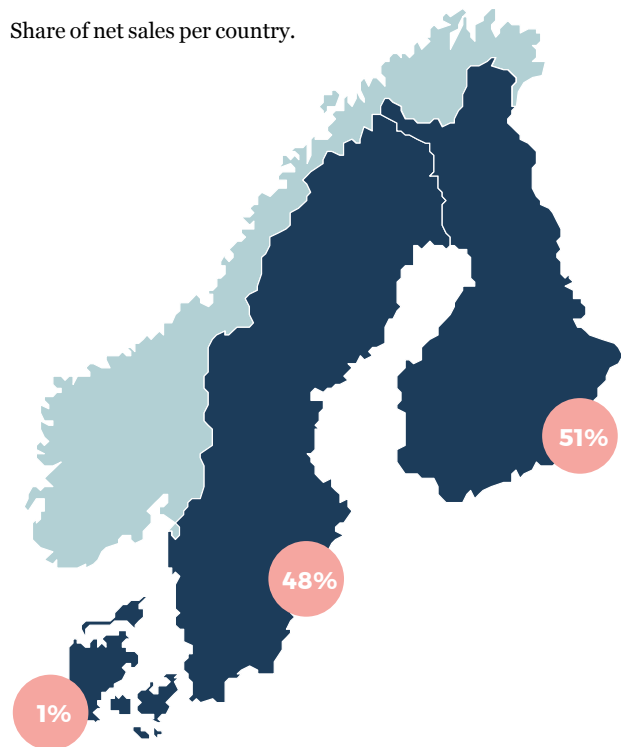


Sales by contract model

● Own operations, 86%
● Outsourcing, 14%

OUR GEOGRAPHIES

Share of net sales per country.



Service offerings by country	Sweden	Finland	Denmark
Care for older people	✓	✓	✓
Care for people with disabilities (LSS)	✓	✓	
Individual and family care	✓	✓	

Key figures by country	Sweden	Finland	Denmark
Net sales (MSEK)	5,684	6,261	165
No. of customers/beds*	16,284	14,470	688
No. of units	292	413	5

* Refers to number of nursing home beds and home care customers

Our care services

CARE FOR OLDER PEOPLE

Nursing homes

Attendo offers homes for people with dementia or physical care requirements. The customers live in their own apartments with access to common areas and social interaction. The days are planned in close collaboration with the resident, their contact person and the charge nurse.

Home care services

Attendo offers a complete undertaking that covers everything from care and meal services to cleaning, laundry and evening and night-time services. Many assignments also include home health care. Care provision is planned in partnership with the customer, based on the applicable municipal care assessment.



DISABILITY CARE (LSS)

Group homes and supportive housing

Attendo offers homes for people of various ages with a range of disabilities or permanent needs for care. The days are planned together with customers so that they will be able to live active and independent lives.

Daily activities, respite care and short-term accommodation

Attendo provides activities to provide respite to families in their day-to-day lives. We create meaningful lives for young people and adults in daily activities programmes and offer respite and companion services as well as short-term accommodation.



INDIVIDUAL AND FAMILY CARE

Social psychiatry

Attendo operates care homes, training and daily activities programmes in areas related to neuropsychiatric and psychosocial disorders. Treatment is individualised, with focus on reinforcing what works and providing training in areas that need to be improved.

Emergency shelters and family support homes

Attendo provides consultant-supported family homes, crisis and emergency homes, addiction care and various forms of supportive housing for people in different age groups. We provide support, protection or treatment as required, where the goal is often to transition to independent living.



PROTECTING LIVES AND HEALTH

As the largest private care provider in the region with more than 350 nursing homes in the Nordic countries, there is no question that 2020 was marked by the ongoing coronavirus pandemic. A majority of Attendo's customers are in the risk groups for Covid-19. Accordingly, the entire organisation has been focused on preventing transmission among customers and staff.

We will take many lessons learnt from the pandemic with us as we continue developing the care of the future. These involve how we can best protect our customers from illness, work more closely with the healthcare system and - not least importantly - maintain safety, security, joy and community even in more trying times. Although the year was operationally very challenging, we delivered sales growth and stable underlying earnings.

Covid-19

Attendo devoted intense and unceasing effort during the year to preventing transmission and caring for infected customers in order to protect life and health. Early in the pandemic, Attendo was the first care provider to suspend visiting and implement health checks of all staff before each and every shift. In May, Attendo was the first provider to require masks to be worn in connection with all care services provided to older people and people with disabilities, and we have regularly communicated our experiences to our colleagues in the industry and public authorities in Sweden and Finland. We began vaccinating our customers during the Christmas holidays and we estimate that all customers in care for older people will be vaccinated during the first quarter of 2021. We have outlined our approach to Covid-19 in more detail on the next page.

Sales and profit

Sales in 2020 amounted to SEK 12.3 billion, an increase of approximately 4 percent, primarily due to newly opened homes in Finland and Sweden. Underlying EBITA was almost flat at SEK 797 million. Profits in Attendo Scandinavia were affected by the pandemic; costs for personnel and PPE were higher and occupancy was lower because many people in need of care chose not to move into nursing homes in 2020 out of fear of infection. In accordance with the turnaround programme we launched in 2019, profits in Attendo Finland have clearly begun to recover from the declining trend over the last several years.

Platform for value creation

Attendo is the leading private care provider in the Nordic region. For 35 years, we have been further developing our approach to delivering care based on the needs and preferences of the individual. We have been pioneers in many areas, such as measuring and reporting quality and developing methods and processes that assure health and wellbeing. And the fact is, we are the provider that has established the highest number of

new, purpose-designed homes to the benefit of both the people who need care and local authorities.

We do business in a market that is forecast to grow over the next ten years due to demographic trends, higher demands from citizens for access to care and pressure on the public sector to deliver high-quality care, efficiently.

Attendo is in prime position to share in this growth. Our two main goals for the business are to provide good care that leads to higher satisfaction and better health for our customers and to deliver more care to contracting local authorities for the tax money they invest. We have a proud history of successfully delivering quality of care equal or better than the public sector at lower cost to local authorities.

For 35 years, we have developed our way of conducting care based on the individual's needs and wishes. We have been pioneers in many areas.

Attendo has been working strategically to establish care businesses in own operations, where we deliver care in our own units built from the ground up, for a long time. The advantage is that we can build modern, customised care homes with the conditions for providing good, safe care while ensuring resource-efficient operations. For more than a decade, these establishments delivered very stable margins.

Focus on economic recovery

Attendo has experienced a significant decline in profitability in recent years, a function of a rate of establishment that was far too high for Attendo as well as our competitors in Finland, new staffing requirements in Finland, the costs of which have not yet been compensated for in contracts, and the impact of the pandemic on operations in Sweden. We now see a period of economic recovery ahead as we open fewer new homes in Finland and successively adjust prices in the Finnish contracts, and as the effects of the pandemic begin to subside in pace with the roll-out of the vaccination programme.

Value creation model

Attendo's value creation model is built on three fundamental principles: a scalable platform and common tools, a model for operational excellence at the local level and a values-based culture among managers and staff. We see opportunities to increase customer satisfaction and quality, thus strengthening the conditions for higher occupancy. In 2020, we further developed our operational model under the name "Attendo Way", which provides support to local units to ensure high-quality care while encouraging local commitment. We also added to our common tools in 2020 with the launch of apps for communications among employees and with the relatives of our customers, as well as the roll-out of a mobile staffing and service planning system in care for older people.

New financial targets

Over the next few years, we see a period of profit growth ahead linked to the changes in Finland, an improved operational model that will enhance our capacity to take market shares in a growing market and complementary acquisitions. We also see potential to make acquisitions and, long-term, establish Attendo in new markets. Our target is to achieve a profit per share of at least SEK 4 by 2023.

Our employees are Attendo's most important resource

Committed employees are our greatest asset. In the pandemic, it became more important than ever to show our employees our appreciation. As part of that effort, we are highlighting talented employees of Attendo who make a difference, have the courage to try new methods, have a particular ability to boost care and be a role model for others. The "Care Heroes" award has been given out in every region in Scandinavia and a winner for the entire business area has been recognised. We have presented digital concerts and praised outstanding units for their efforts. We have also launched an employee app where our employees can find information, communicate with each other, get practical guidance and complete short digital trainings. Therefore, it is very gratifying that employee engagement (eNPS) increased during the year to the highest level measured.

Lessons learnt from the pandemic

We will take many lessons learnt from the pandemic with us as we continue developing the care of the future. By maintaining strict hygiene and infection control routines, we see an oppor-



tunity to also reduce the incidence of seasonal flu and other infections that affect older people. We also see a need to improve and deepen the relationship with the healthcare system to ensure that our residents receive optimal, individualised care. We became more digital and creative during the period when visits from the outside were suspended. We will be rolling out additional tools to make it easier for our residents to have digital visits and we are providing avenues for dialogue and communication with our recently developed app for relatives. Last but not least, we have learned to arrange safe, fun and engaging activities - everything from rollator races to balcony concerts.

Finally, I would like to extend my sincere thanks to our employees and customers. I am incredibly proud of our employees efforts to keep our customers safe. I am also deeply grateful for the support from customers and relatives during this challenging time.

Danderyd 11 March 2021

Martin Tivéus,
CEO

ATTENDO AND THE CORONA PANDEMIC

The coronavirus pandemic had profound impact on Attendo’s operations in 2020. Attendo took action early on to protect customers and employees from infection, implementing measures that went above and beyond official recommendations. The transmission and mortality rates differ markedly among the Nordic countries and align with transmission in societies overall. By gathering data from four countries and making use of extensive external contacts, Attendo was able to quickly implement effective measures. Preliminary data has shown that Attendo protected customers more effectively than the care sector as a whole.

A novel virus

The first reports of a novel coronavirus (SARS-CoV2) in China came just after the New Year. A significant proportion of the people infected by the virus fall ill with an infectious disease, Covid-19, which primarily attacks the lungs and respiratory passages. Studies show that older people and those with multiple underlying conditions are at elevated risk of severe Covid-19.

The first cases of infection outside China were identified in late January, with local outbreaks in areas including Iran, Italy and Austria in the latter half of February. Infectious disease authorities in the Nordic countries, however, assessed the risk of community transmission as minimal.

Rapid spread of infection in Swedish operations during the spring

The first cases of Covid-19 were confirmed in Attendo’s operations in early March at homes in the Stockholm and Oslo areas. A sharp increase in transmission in Attendo’s Swedish operations soon followed. At peak, around 160 customers had been infected at Attendo’s Swedish nursing homes in mid-April. All operations were free of infection again by July.

Stronger measures were taken in the other Nordic countries to reduce community transmission, which mitigated the course of events in Attendo’s operations. At peak, the number of customers infected outside Sweden were counted in the tens, and the operations were free of infection by the end of May.

Protective actions beyond recommendations

Aimed at protecting people in high-risk groups, Attendo implemented a general visiting ban by the 10th of March at all homes, as well as daily health checks of all employees. In addition, Attendo followed all national guidelines related to testing, hygiene procedures and use of personal protective equipment (PPE).

There were increasing signs in March that infection was being spread by asymptomatic employees (as confirmed in a study in June). Based on that information, Attendo decided to

implement a higher protection level, at which the use of PPE, mainly masks, was required in all care situations in nursing homes and home care.

Due to a global shortage of PPE, this was implemented successively, reaching full coverage by May. After implementing the use of masks in all care situations, transmission was sharply reduced in all operations.

New wave of transmission in autumn

Community transmission surged anew in the last quarter of 2020, again primarily in Sweden. The measures taken meant less spread of infection, and the number of deceased was considerably less than in the first wave. At Christmas, the vaccination programme for Attendo’s customers and staff was started, and it is expected to be finished in the first quarter of 2021.

Attendos measures during Corona (beyond recommendations)

February	<ul style="list-style-type: none"> • Emergency response organisation established • Updated basic hygiene procedures • Quarantine for employees who have travelled abroad
March	<ul style="list-style-type: none"> • Visiting ban • Health checks of employees before each shift • Decision to raise the level of PPE • Safe meeting places at several local operations
April	<ul style="list-style-type: none"> • Higher level of PPE implemented at affected care homes • Antibody tests for employees returning from sick leave
May	<ul style="list-style-type: none"> • Higher level of PPE at all local operations
August	<ul style="list-style-type: none"> • Regular testing of care staff • Measures to minimize contact between staff groups through scheduling and changes in physical environment.



Impact of the pandemic on Attendo’s operations

Many customers fell ill with Covid-19 during the year, the majority of them in Sweden. Although a reassuring majority recovered, many also passed away. A certain level of excess mortality was recorded for the full year in Sweden, linked to the transmission of infection during the spring.

The pandemic has affected occupancy in Attendo’s operations, primarily due to fear of infection, which has led customers to refrain from moving into a nursing home or to refuse home care services that they had been granted. This was especially apparent in the first half of 2020.

Attendo’s employees have worked resolutely during the pandemic to protect customers and themselves. Health checks before each shift were implemented and because employees were not allowed to work if any symptoms whatsoever, absenteeism was intermittently high. Local infection control actions also increased needs for staffing, PPE and operational adjustments, the costs of which have not been fully compensated through government support.

Overall, Attendo’s profits were reduced by an estimated SEK 120 million in Covid-related items, including government support.

COMMUNITY TRANSMISSION EXPLAINS DIFFERENCES IN OUTCOME

Community transmission is the key factor behind the impact of Covid-19 on care for older people (see for example the report from the Swedish Corona Commission) and the differences between countries. The strategies and measures aimed at care for older people also differ among the Nordic countries with regard to matters including testing and contact tracing. By year-end, Sweden recorded about twice as many confirmed cases per capita as Denmark, four times more than Norway and six times more than Finland. The differences are even greater in when it comes to the proportion of hospitalisations, patients in intensive care and deaths. In terms of the proportion of deceased in nursing homes, Finland has had the lowest outcome among the Nordic countries.

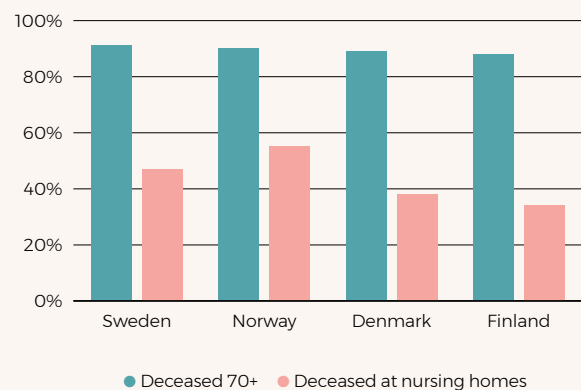


Country specific covid-19 measures in care

- Denmark: Testing of all customers and employees as of initial infection since the end of March. As of 22 April, the standard raised to weekly tests until all have had two consecutive negative tests.
- Finland: Testing of all customers and employees as of initial infection since the beginning of April.
- Norway: Extensive contact tracing and quarantine of customers and employees since mid-March.
- Sweden: Limited testing of customers starting at the end of March. No contact tracing. Testing of employees available from mid-June.

Proportion of deceased in Covid-19

Statistics until 2020-12-31



Source: National statistics

A photograph showing a woman in a blue uniform, likely a caregiver, looking towards an elderly person with white hair who is seated in a wheelchair. The woman has a thoughtful expression. The background is softly blurred.

Market

Growing need
for high quality care

FAVOURABLE CONDITIONS FOR GROWTH

Attendo operates in markets with good conditions for structural growth. The number of older people is growing due to demographic changes; customers and their relatives are voicing greater demands on care services and contracting local authorities need support to establish new capacity.

LARGE MARKET WITH GROWING SHARE OF PRIVATE PROVIDERS

The Nordic market for care services is large by international comparison, a consequence of the decades-long expansion of social welfare systems. Services are financed mainly by taxes and there is consensus in all Nordic countries that needs for care services are set to increase. The total size of the care markets in the segments and countries where Attendo operates is about SEK 290 billion.

Sweden

The Swedish market is worth about SEK 170 billion and is the largest, due to having the largest population and that Attendo operates in several segments. The private share of the market has increased gradually and is now around 20 percent. The metropolitan regions in Sweden have been opened to private alternatives, but a large share of local authorities in the country still only provide care through own care operations.

Finland

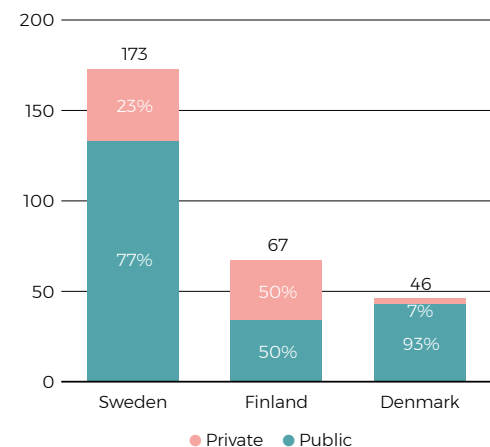
The market is estimated at around SEK 70 billion, with private providers accounting for around 50 percent. The majority of local authorities in Finland have been opened to private alternatives and the private share of the market has risen steeply in the past five years. This development is expected to continue.

Denmark

The estimated worth of the Danish care market is around SEK 45 billion in the segments in which Attendo is present. The private share is low, at around 7 percent, but is expected to grow. Legislation aimed at giving people freedom of choice through private alternatives was enacted a few years ago.

Attendo's care markets

Market size and private share, SEK billion



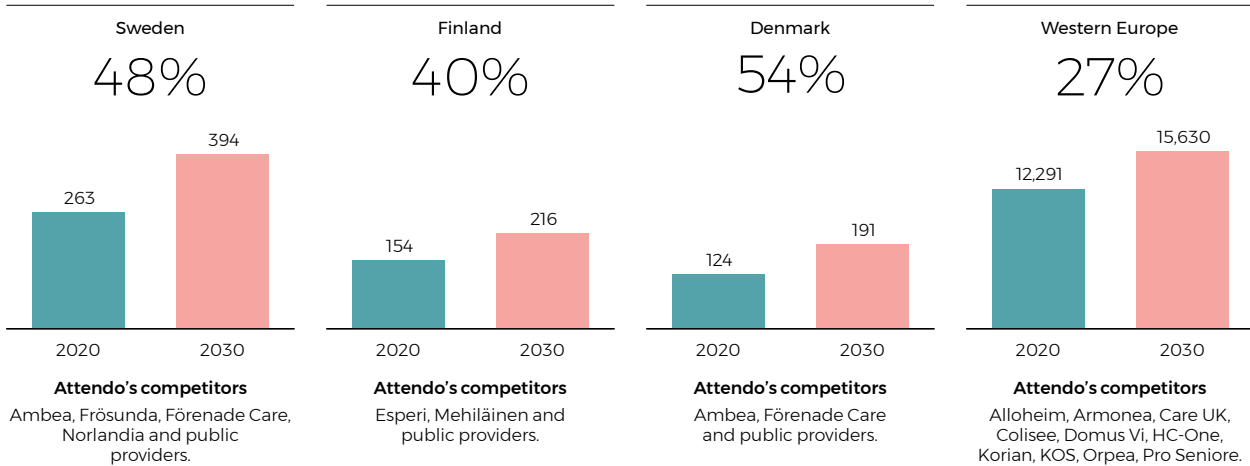
GROWTH IN THE OLDER POPULATION INCREASING THE NEED FOR CARE SERVICES

Due to the demographic trend towards a higher percentage of older people and rising life expectancy, demand and need for care services in society are going to increase - particularly

demand for homes for older people and home care. Demographic trends are positive in all Attendo markets and the increase in the older population is greatest in Denmark.

Growth of population aged 85+

2020-2030, thousands



NEW CAPACITY ESTABLISHED TO A GREATER EXTENT BY PRIVATE PROVIDERS

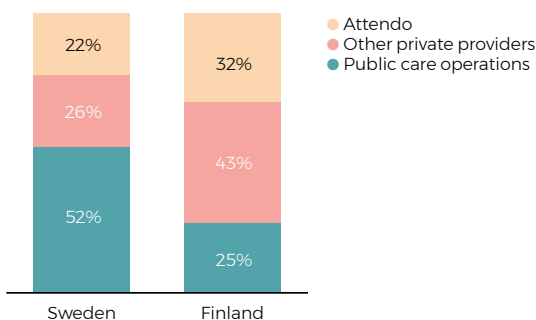
Although the share of care services delivered by private providers has successively increased, it varies widely in Attendo's markets. In several European countries, the share of nursing homes operated by private providers is larger than in the Nordic countries. However, the number of private providers in the Nordic countries has grown faster than public sector care operations in the past five years.

75,000 NEW NURSING HOME BEDS NEEDED

Attendo has estimated the need of new nursing home beds in the markets where the company operates based on the number of older people, the forecast average care need and how many beds of the existing capacity need to be replaced. The estimate takes into consideration that older people in the future will be more active and healthier later into life, which reduces the need for care and postpones the need. In total, Attendo estimates that about 75,000 new beds in care for older people will be required during the period of 2020 to 2030 in Sweden, Finland and Denmark combined. This can be related to existing capacity of around 200,000 beds.

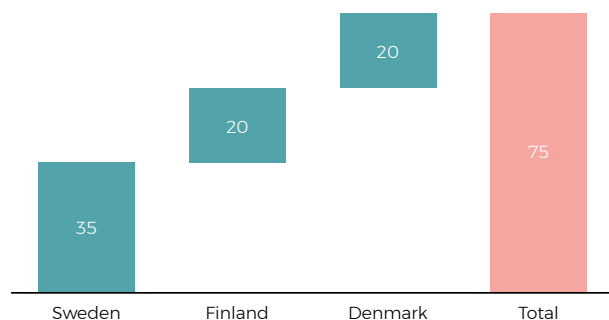
Share of beds under construction

2016-2020, percent



Anticipated need for nursing home beds

2020-2030, thousands

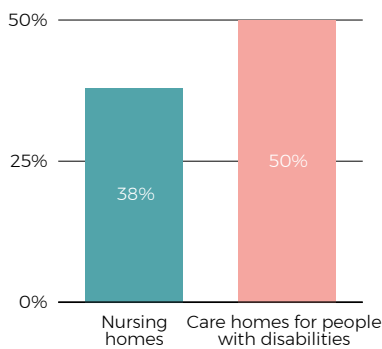


SHORTAGE OF CARE BEDS

We are facing a need to make substantial investments in care homes to cover care needs. The public sector in the Nordic countries is going to struggle to make these investments independently and investments by private care providers will become crucial. The Swedish National Board of Housing, Building and Planning (Boverket) carries out an annual survey of local authorities in the country to pinpoint needs. The 2020 survey shows that about 38 percent of local authorities in Sweden already have a shortage of nursing home beds and the corresponding figure for homes for people with disabilities is a full 50 percent.

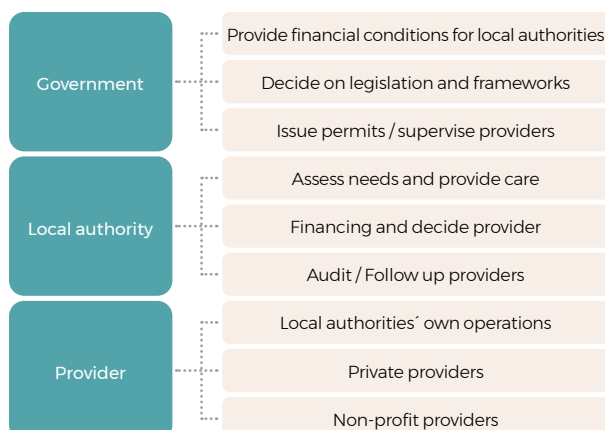
Percentage of local authorities reporting a shortage of nursing home beds

2020, Sweden



THE CARE SERVICES SYSTEM

The Nordic system for delivering social care services is based on public financing, local government responsibility and comprehensive state regulations governing public procurement and quality supervision. The system has gradually been opened to alternative providers.



MORE CARE AT LOWER COST

Care in the Nordic countries is financed mainly by local authorities, which have the independent right to levy certain taxes and also receive state funding. Fundamentally, this constitutes a secure source of financing and high capacity to pay.

Over the next decade, municipal finances will be challenged by demographic developments. According to Swedish Association of Local Authorities and Regions, the gap between the demographic needs in Swedish municipalities and the tax base will double by 2030. Higher municipal taxes, increased state funding, reassessment of priorities or comprehensive efficiency improvements will be required to meet care needs in the future.

Attendo can help local authorities manage the financing challenge. By challenging old methods, testing new technology and staffing according to need, Attendo can contribute cost-efficient care capacity, even in the face of growing demands for care. By building new homes, Attendo also takes the pressure off the local authority's investment budget.

HIGHER QUALITY STANDARDS, CLOSER MONITORING AND SUPERVISION

Issues related to inspection and quality have taken on greater significance in the care sector in recent years. Most of Attendo's operations currently require permits and are regularly inspected by national authorities as well as contracting local authorities. National requirements related to staffing and quality are also increasing in scope.

As a major provider, it is often easier for Attendo to meet the more stringent regulatory and quality requirements than it is for smaller providers, whether private or public. Attendo has centrally placed experts and processes - which are often lacking in small municipalities and small companies - to ensure high customer satisfaction, high quality and effective governance.

MORE FREEDOM OF CHOICE AND RISING CONSUMER DEMANDS

Private providers and freedom of choice have long been generally accepted elements of care for older people in many European countries. Older people in the Nordic countries have become increasingly eager to choose their own care services. As living standards improve, the behaviour of customers and their relatives is changing. Today, care consumers are more active in their choices and are more likely to evaluate several care options before deciding.

Many local authorities have also chosen to implement freedom of choice systems or "customer cheques" to expand the individual's options to choose their preferred provider. In 2020, 160 out of 290 local authorities in Sweden offered some form of freedom of choice system in care for older people, as provided by the Freedom of Choice Act. About 25 percent of Attendo's revenues in Finland are generated in municipalities that offer care vouchers to customers.

LONG-TERM VALUE CREATION

For 35 years, Attendo has developed individualized and high-quality care. Today, we are the leading private care provider in the Nordic region and have strong potential to continue growing by increasing occupancy in existing beds, establishing new nursing homes and acquiring companies.

Value for customers and local authorities

Attendo’s vision is “empowering the individual”, which means that we strive to see, support and strengthen every person in our care. Attendo’s overall operational goal is to provide high-quality care to achieve the highest customer satisfaction in every location where we operate. At the same time, the payors – contracting local authorities - must obtain the most care possible for the tax money they spend. We have a long history of successfully delivering quality of care equal or better than the public sector at lower cost for taxpayers.

OPERATIONAL GOALS

- The highest customer satisfaction in every location where we operate
- High and stable quality of care and a leader in quality development
- The provider that gives local authorities the most care for the tax money spent

We are active in markets with potential for positive development:

Attendo operates in markets where structural growth is expected. The older population is growing and citizens are making greater demands for access to high quality, individualised care. This is putting pressure on the public sector to provide more care, with higher efficiency and quality. Read more about these drivers in the market section on pages 8-11.

Attendo is in prime position to benefit from the growth of the care market

Attendo has been establishing care in own operations, where we deliver care in our own units built from the ground up, for a long time. The advantage is that we can build modern, customised care homes with the conditions for providing good, safe care while ensuring resource-efficient operations. Over time, Attendo’s own operations business has generated the bulk of growth and profitability.

In the home care services segment, Attendo has developed an attractive offering over many years, in which services are tailored to the customer’s needs and efficiently planned. Services are provided to customers by only a few people to ensure personal service and greater peace of mind. The home care services market is growing structurally and Attendo is the leading provider in Sweden.

Attendo will continue to operate in the outsourcing market in care for older people and people with disabilities, although growth potential has been assessed as limited.

Moreover, Attendo recognises opportunities to acquire small or medium-sized companies in existing segments and geographies and over the long term acquisitions are a potential route to establishing Attendo in new markets.

Turnaround of the Finnish operations

Attendo Finland has experienced a significant decline in profitability in recent years, a function of a rate of establishment that was far too high for Attendo as well as our competitors in Finland, along with new staffing and regulatory requirements, the costs of which have not yet been compensated for in contracts. Attendo initiated an action programme in 2019 to reverse the profitability trend by making higher investments in quality, slowing the rate of new openings, renegotiating older contracts that do not reflect staffing requirements and sharpening focus on improving bed occupancy and optimising the structure of existing homes. We now foresee a period of economic recovery in Finland as we open fewer new nursing homes, successively adjust prices in the Finnish contracts and where we gradually will see higher occupancy.

Refinement of the operative model - Attendo Way:

Attendo further developed the operational model in 2020 under the name “Attendo Way”. Attendo Way entails even better conditions for increasing customer satisfaction, quality and local engagement. Attendo’s operational value creation model is built on three fundamental principles:

- Customer-centric and values-based culture
- Operational excellence
- Shared and scalable platform



Empowering the individual

We strive to see, support and strengthen every person



Attendo Way – our operational model

Customer-centric values and culture

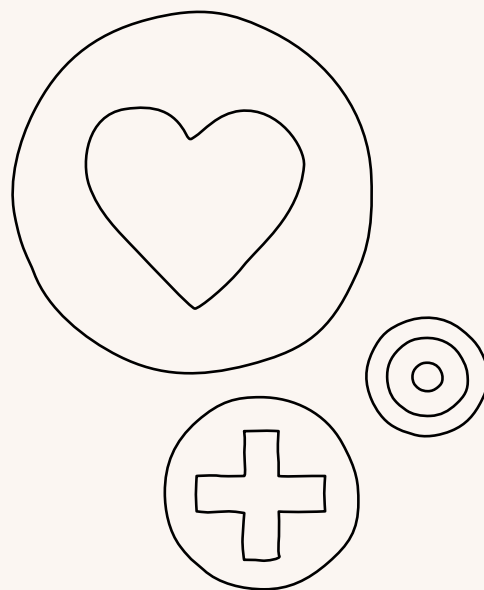
Attendo's culture is based on our vision - Empowering the individual - which means to see, support and strengthen every person in our care. Our values - Care, Commitment and Competence - are guiding us in our day-to-day efforts to fulfil the vision. Attendo takes a systematic approach to working with issues of service and interaction with customers and other stakeholders, in which the focus is on discussions of the values. Attendo's organisation is decentralised, which means that decisions are taken faster and in closer proximity to customers and their relatives, employees and local authorities.

Operational excellence

Through many years of experience, Attendo has developed comprehensive competence in several areas. The lessons learned are spread among all operational units and countries. In this way, local operations gain access to Attendo's collective talent pool and experience base. The work is focused on: customer satisfaction, health and quality of life; employee commitment; and tools for planning and executing day-to-day operations.

Shared and scalable platform

As the leading private care provider in the Nordics, Attendo has the resources to develop support systems, methods and innovations that support local efforts to ensure quality and customer satisfaction, cut the time spent on administration and create opportunities to improve efficiency. These efforts include centralised IT support, development and implementation of digital tools and further development of the quality system. Attendo has been working with planning and documenting care services using mobile devices for several years now, and has recently introduced apps for communicating internally and with relatives of our customers. A project to develop a new and leading quality system is underway.



Our values Care, Commitment and Competence are guiding us in our day-to-day efforts to fulfil the vision - Empowering the individual.

New financial targets

In connection with Attendo's initial public offering in 2015, financial targets linked to growth, margins, dividend policy and debt were set. Attendo has undergone major changes in recent years and conditions in Finland, Attendo's second-largest market, have changed. As a result of these factors, combined with the new IFRS 16 accounting standard, the previous targets have been revised to reflect the current circumstances.

As Attendo is in a phase of turnaround in which gradual profit recovery is expected, Attendo has established a profit target over a three-year horizon. The primary drivers of the anticipated profit growth are the action programme in Finland, an improved operational model, organic growth in existing and new units and also smaller acquisitions.

PROFIT TARGET

Attendo's ambition is to achieve adjusted earnings per share of SEK 4 or better by 2023, calculated on the basis of the IAS 17 accounting standard (which provides better comparability) and excluding amortisation of acquisition-related intangible assets and items affecting comparability. This measurement replaces the previous growth and margin target.

>4 SEK

Adjusted net profit per share above SEK 4 by 2023.

DIVIDEND POLICY

Attendo's target is to distribute 30 percent of the company's adjusted profits as dividends. Like the profit target, this measurement is calculated based on the earlier IAS 17 accounting standard. Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position.

30 %

30 percent of adjusted net profit annually.

CAPITAL STRUCTURE

Attendo's capital structure target is based on financial stability and the opportunity to execute long-term decisions. Attendo has set a target that adjusted net debt in relation to adjusted EBITDA should not exceed 3.75 over the long term (calculated based on IAS 17).

3.75

Net debt/EBITDA below 3.75 over the long term.





Sustainability

We work for long-term sustainable care



SUSTAINABILITY AT ATTENDO

Attendo is working actively to conduct sustainable operations that support the fulfillment of the UN’s sustainable development goals. Our sustainability strategy and practical sustainability work is focused on three main areas: development of society, quality and employees.

SUSTAINABLE CARE

Care services are a vital part of a sustainable society. When people who need care are supported in their everyday lives, their fundamental rights to life, health and well-being, as well as empowerment, equal opportunity and gender equality are met.

Attendo is a significant provider of care services and adds new capacity, new methods and innovations to society. By giving more people access to cost-effective, high-quality care, Attendo is contributing to sustainable social development.

As an employer, we are also contributing to decent working conditions, career opportunities and influence for more than 25,000 employees. Attendo works systematically to ensure that the environmental and climate impact of the business is sustainable.

OUR FOCUS AREAS

- Development of society
- Quality
- Employees

Focus area	Key indicator	Outcome 2020	Outcome 2019
Development of society	• New beds under construction, number	1,036	1,980
	• New beds in own operations, number	1,349	1,950
Quality	• Internal Quality Thermometer score, 0-100 (excl Finland 2020)	85%	84%
Employees	• Employee job satisfaction, 1-5	3.9 av 5.0	3.9 av 5.0
	• Employee satisfaction with immediate manager, 1-5	3.9 av 5.0	3.9 av 5.0

SUSTAINABILITY REPORTING AT ATTENDO

Attendo’s sustainability report covers the group and all subsidiaries. It provides a general description of sustainability aspects relevant to Attendo’s area of operations, business model and stakeholders, as well as the strategy, targets and outcomes of our sustainability work.

The report concludes our sustainability efforts in our focus areas and the areas required by law, Attendo’s contributions to achieving the UN Sustainable Development Goals (SDGs), sustainability risks and risk management, and sustainability indicators according to the Nasdaq guidelines.

ATTENDO'S BUSINESS MODEL AND STAKEHOLDERS

Values-based care characterised by experience, quality and efficiency

Attendo's business concept is to deliver cost-effective, high-quality care services to customers and their families and contracting local authorities. On the strength of values, experience, shared knowledge of the best methods and structured quality improvement, Attendo is able to deliver higher customer satisfaction, higher quality and more care for the tax money spent.

Revenues stems from care allowances or contractually agreed remuneration for care delivered. Contracts are typically multi-year and refer to publicly procured services, outsourcing agreements and customer choice systems of various kinds. Operational costs consist mainly of wages and salaries, supplies used in operations and rent for premises.

STAKEHOLDERS

Customers

Attendo's customers have been assessed as having care needs that must be met under national law. The care services are delivered as ordered by the payor, usually a local authority.

Attendo's vision is "empowering the individual", which means that we must see, support and strengthen everyone so that the people under our care can lead safe, secure and independent lives.

Relatives

Relatives are the people who have personal ties to the customer, such as their spouses, other family members, or close friends. They are the closest stakeholders surrounding the customer - the people who look out for the customer's safety, security and well-being.

Attendo provides experienced, committed care. We aim to make relatives feel that the people they love are living good lives in safe hands.

Employees

Attendo's values-based work is aimed at giving employees a sense of participation, meaning and commitment in their work. Short decision paths and a decentralised organisation with access to support functions helps generate motivation and development in everyday work. Attendo offers employees meaningful jobs where they can exert influence, develop personally and professionally - and make a difference.

Contracting local authorities

Contracting local authorities expect Attendo to deliver care services in accordance with contracts and regulatory requirements, and in a manner that leads to higher customer satisfaction and higher quality for the tax money they have invested.

Attendo's constant endeavour is to be a reliable, solutions-oriented partner that delivers safe, secure and cost-effective care.

ATTENDO'S SUSTAINABILITY WORK: STRATEGY, TARGETS AND OUTCOMES

Attendo works according to a sustainability strategy focused on stakeholder preferences and priorities. Our practical sustainability work concentrates on three main areas: social development, quality and employees. Through our work, we are also contributing actively to attaining six of the UN Sustainable Development Goals.

Stakeholder dialogue and follow-up

Attendo engages in ongoing dialogue with the company's main stakeholders - customers and their families and local authorities - as well as suppliers, investors, politicians and government agencies. The stakeholder dialogue results in greater understanding of their expectations on Attendo and pinpoints the focus areas for our work.

We track satisfaction among our customers and their families as well as contracting local authorities through regular surveys and ongoing discussions. Employee preferences and opinions

are discovered through employee surveys, workplace meetings and performance and development dialogues.

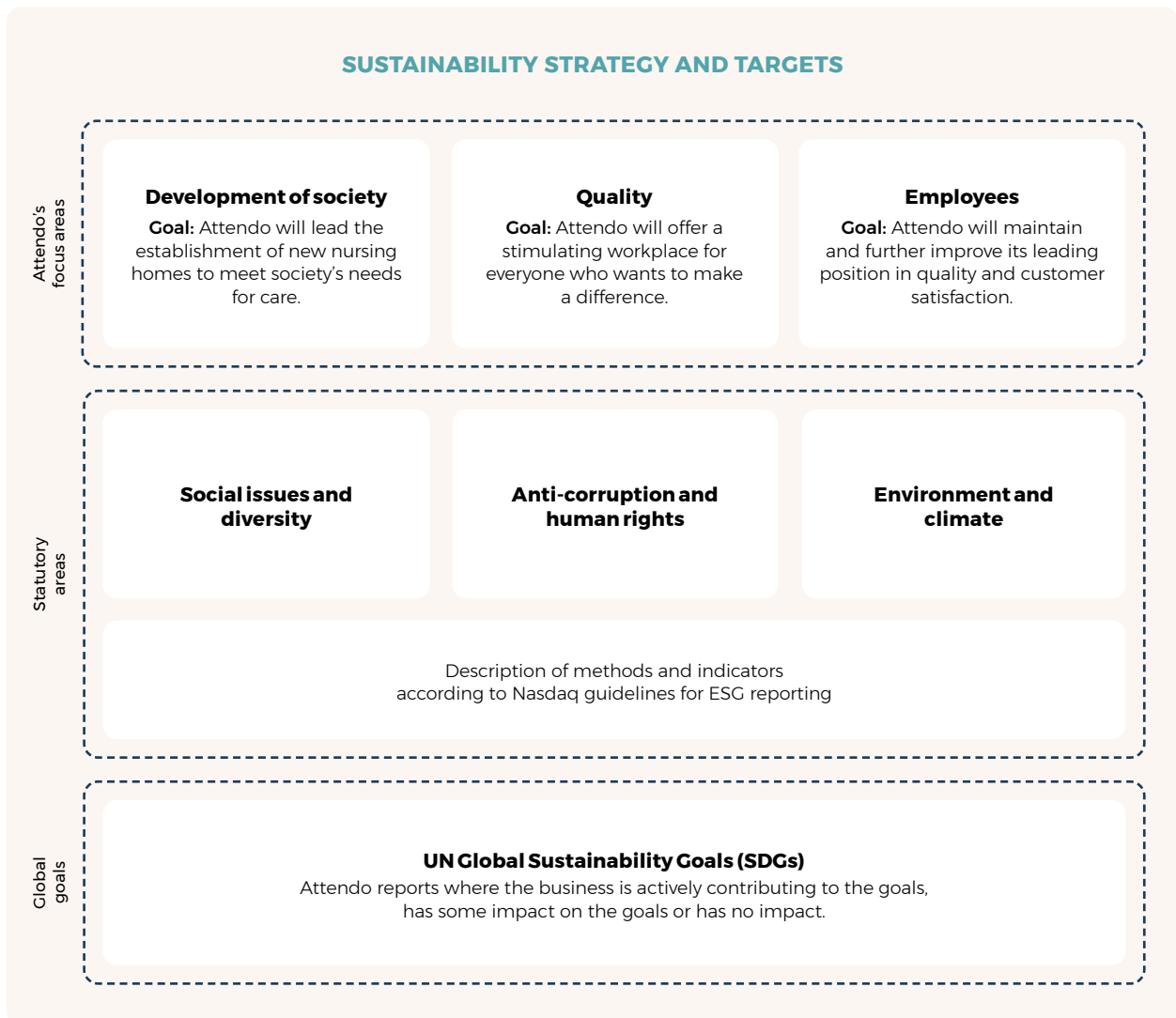
Materiality analysis

Materiality analysis is used to identify the topics that are most important to Attendo's stakeholders. They cover about 30 sustainability topics in various subject areas, three of which have been identified as the most significant: social development, quality and employees. Overall targets and relevant key figures have been defined for each of these focus areas.

Targets, key figures and outcomes

Sustainability targets, key figures and outcomes for 2020 in each focus area are shown on page 17.

Additional indicators are presented on page 32-33: environment and climate, social sustainability and diversity and



anti-corruption and human rights. Attendo reports these indicators in compliance with ESG reporting guidelines issued by Nasdaq. There are no group-wide targets for these indicators.

Following up on outcomes

Attendo follows up on the outcomes of the sustainability programme every year. This is accomplished through dialogue with business area management and key functions including quality, HR, new establishment and purchasing. Initiatives are summarised and reported and a dialogue is held about which priorities should be set for future years. This approach leads to continuous development of sustainability efforts in Attendo's focus areas, as well as the aspects specified in legislation.

Policy documents and guidelines

Sustainability work at Attendo is manifest in a central sustainability policy that covers all sub-areas. Other existing policy documents and the sustainability areas they govern are specified in the table. The documents are regularly updated to include new priorities or changes that have emerged in stakeholder dialogues or in accordance with new legal or contractual requirements.

Sustainability risks and risk management

Attendo is exposed to direct and indirect sustainability risks that could impact our stakeholders in day-to-day operations, as well as contractual conditions and the company's brand and reputation. Sustainability risks and risk management are reported on page 31. For other operational risks, see the "Risks and risk management" section on page 45.

Area	Policy documents and guidelines beyond Attendo's Sustainability policy
Development of society	Code of Conduct
Quality	Guidelines for Quality Work, Quality Index
Employees	Code of Conduct
Social issues and diversity	Code of Conduct
Anti-corruption and human rights	Code of Conduct
Environment and climate:	Environmental Policy, Purchasing Policy, Travel and Lodging Guidelines



CARE THAT BENEFITS SOCIETY

Care is profoundly important to customers and their families, employees and society as a whole. The public demand is that every individual must be offered good care that provides safety, independence and quality of life. Attendo is making a goal-oriented contribution to that effort.

Society is facing higher care needs

There is a shortage of care beds in the Nordic countries. According to the National Board of Housing, Building and Planning (Boverket), 109 out of 290 local authorities in Sweden had a shortage of nursing homes in 2020 and 144 local authorities reported a shortage of homes for people with disabilities.

The demographic trend indicates a steep rise in the population aged 85+ in the Nordic countries in the next 15 years. In our assessment, we are going to need to build about 75,000 new nursing home beds in Sweden, Finland and Denmark by 2030. The forecast includes new capacity as well as replacement of existing homes that no longer meet current standards.

Leaders in new establishment

Private providers accounted for more than half of all new production of nursing homes in Sweden and Finland in recent years. Attendo alone has provided more than one out of five new nursing home beds since 2008.

Establishment of a new care home also leads to several benefits to society. A home with about 60 apartments creates more than 30 annual jobs during the building phase and more than 50 jobs once it is up and running.

When Attendo continuously builds new facilities, the company also supports local authorities with expertise in nursing home establishment, from the identification of suitable land, the property developer and investors to staff recruitment and moving in of residents.

The high rate of openings in the last three years has led to significant occupancy problems with significant vacancies related to total beds available within Attendo. The rate of openings was therefore decelerated in 2020 compared to the peak years of 2018 and 2019. The intent is to maintain a more sustainable rate of opening of new care homes in the next few years.

Goal-oriented efforts to manage skills shortages

An expanded care system is going to require more employees. There are already shortages in several care occupations in the Nordic countries. Alongside this, a high rate of retirement is expected among care workers in the next few years.

Attendo is making goal-oriented efforts to persuade more people to seek out careers in the occupations where there are shortages and participates regularly at various job fairs. In one particular project ongoing since 2015, Attendo has recruited nurses from The Philippines to Sweden and Finland. Attendo initiated a new programme in 2020 aimed at recruiting an additional 1,000 nurses from The Philippines over the next four years.

Addressing complex care and health care challenges

Attendo is addressing complex care and health care challenges. The services we provide include care for individuals with multiple diagnoses and individuals with multiple disabilities or especially complex diagnoses, such as Huntington's disease and Parkinson's disease. In the area of individual and family care, we are helping local authorities create qualified care and good lives for young people with a range of needs, by recruiting and certifying family care homes for example.

Attendo has strong expertise in several aspects of care for people with disabilities. We have, for example, established two of only three care homes in Sweden that specialise in Prader-Willi Syndrome, whose main effect is uncontrollable appetite.

We offer meaningful activities for people with mental health

OBJECTIVE AND OUTCOME

Attendo aims to lead the establishment of new homes and meet society's needs for new nursing home beds.

1,036

Number of new beds under construction at year-end 2020/2021.

1,349

Number of new beds opened in own operations during 2020.

issues and work actively to match individuals enrolled in daily activities programmes with work opportunities.

In Finland, we are helping to secure access to care in numerous small communities. Many local authorities choose to partner with Attendo because it helps promote new methods and quality improvement in care. At the same time, this gives municipalities a clear view of their own costs, which leads to more efficient use of taxpayers' money.

A significant taxpayer

Attendo is one of the private care services providers in Sweden and Finland that pays the most tax. During the period 2016-2020, Attendo paid an average of SEK 140 million in corporate taxes per year, whereof SEK 80 million in Sweden and SEK 58 million in Finland. Attendo always pays taxes in the country where profits are generated.

In addition to tax on the company's profits, Attendo also pays payroll taxes and social fees. In 2020, social expenses were SEK 1.062 billion, whereof SEK 955 million in Sweden and SEK 107 million in Finland.



GOOD RESULTS OF SYSTEMATIC QUALITY IMPROVEMENT

Attendo's quality improvement goes further than what is required by law and contracting local authorities. The ambition is to offer high and stable technical quality and drive the development of new methods and new technology in the industry. Attendo works systematically to constantly monitor and enhance quality improvement.

Quality that is measured and followed up

Attendo constantly strives to improve both technical and perceived quality. Accordingly, we work systematically to further develop, measure and follow up our operations. Much of what is now considered industry standards, such as social documentation, contact persons and personal time, are the results of Attendo's development work.

For a long time, the focus remained on measured "technical" quality. We are now working to also improve perceived quality: how satisfied our customers and relatives are with the service Attendo delivers. Two new apps were launched in 2020 to improve communication among employees and between Attendo and relatives. Along with apps for mobile planning and documentation, they are examples of how we are working to improve the care we deliver.

Above and beyond legal and contractual requirements

The content of our care services is regulated in contracts, laws and provisions. This also applies to requirements in areas including health and safety (work environment), information security, infection prevention, food handling and fire prevention. Supervisory authorities and local authorities are jointly responsible for ensuring that care is of good quality and regularly inspect our operations.

Attendo documents and regularly evaluates care services and overall operations. Quality work is based on guidelines, support and follow-up from central quality functions in each business area and is led locally by specially appointed quality coaches or other local managers.

After the care crisis in 2019, Attendo Finland has through systematic improvements increased customer and relatives satisfaction, and also reduced both the number of inspections and remarks from supervisory authorities.

New way of working with quality improvement

In 2020, work began on developing a new systematic working method around quality. The new quality model will focus on three areas: 1) perceived quality, 2) results of care interventions, and 3) technical quality and processes. The new way of working will be gradually developed and introduced in operations in the coming years, starting in Finland. As a consequence, there are no numbers for comparison for Finland for the year 2020.



OBJECTIVE AND OUTCOME

Attendo will strive to maintain and further improve its leadin position in quality and customer satisfaction.

85 / 100

Outcome in the internal quality thermometer (excl. Finland)

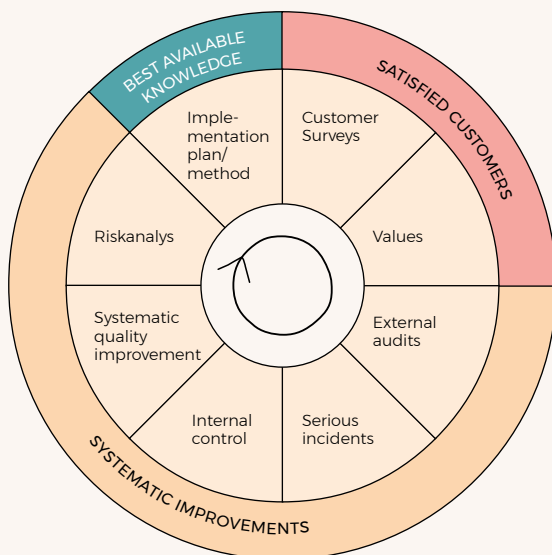
INDUSTRY-LEADING QUALITY IMPROVEMENT

Attendo was the first care provider in the industry to establish a digital quality system. The latest version is called AQ20. The quality initiatives for each local operation are entered into the system and evaluated based on three aspects: customer satisfaction, systematic improvement and best available knowledge.

The system is used to generate Attendo's own quality index, the Quality Thermometer. It consists of nine components within the three mainstays. Each component and the weight assigned to it is adapted to local operations.

Outcomes at the unit, regional and group level provide a comprehensive view of how well quality improvement is working and what needs to be done to further enhance quality. Central quality functions regularly carry out internal inspections and audits and provide training and support to local quality coaches.

QUALITY THERMOMETER (AQ20)



Attendo's quality monitoring system is based on three mainstays:

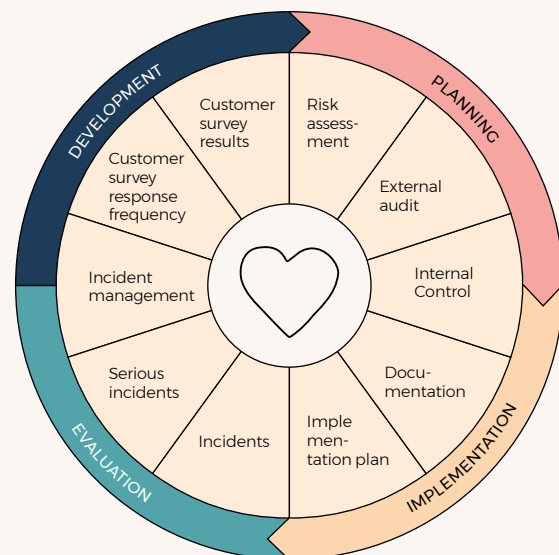
- 1 Customer satisfaction.** Our efforts are always based on the needs and preferences of the customer. We work constantly to enhance the customer's experience and satisfaction with our services.
- 2 Systematic improvements.** We work systematically with every aspect of planning, execution, monitoring and development. Systematic quality improvement ensures that we comply with laws and regulations and take advantage of opportunities for operational improvements.
- 3 Best available knowledge.** Attendo gathers and spreads the best available knowledge and methods across the organisation. We compare outcomes among units to identify and spread optimal work procedures.

SYSTEMATIC IMPROVEMENTS

The Quality Wheel is our model for systematic quality improvement. The four parts of the wheel - planning, implementation, evaluation and development - contain approaches and methods used in day-to-day work as well as tools for measuring, monitoring and improving our initiatives.

A comprehensive review of quality work was initiated in Finland in 2020, which will lead to new group-wide quality methods. In conjunction, AQ20 has been phased out of the Finnish operations. The new quality model will be introduced in Scandinavia in 2021 and new key figures will be defined.

QUALITY WHEEL



Planning: Our work is planned digitally, based on customer preferences and needs, and is described in up-to-date implementation, health, care and rehabilitation plans.

Implementation: Day-to-day work is supported by guidelines in the form of handbooks in the areas of quality, employees, activities and mealtimes. Digital tools are used to ensure that no care services are inadvertently omitted.

Monitoring: We monitor quality in every local operation through regular audits and customer and employee surveys in order to learn lessons from initiatives and identify potential improvements.

Development: Results from monitoring lays the foundation for operational development and action plans. Employee skills development is a key component of quality improvement. The Quality Department monitors news, innovations and the latest research and regularly communicates the information to the organisation.

A STIMULATING WORKPLACE FOR PEOPLE WHO WANT TO MAKE A DIFFERENCE

Our employees are Attendo's most vital resource. Their care, commitment and competence are critical to ensuring that our customers and their families are satisfied with our efforts. We are committed to offering a stimulating workplace to everyone who wants to make a difference.

A company with clear values

Attendo is a large company with a large workforce. Our vision and our values both express ambitions and are the tools for achieving them. The values - care, commitment and competence - function as signposts towards fulfilling the vision: Empowering the individual. The vision means that we must see, support and strengthen everyone in everything we do. The aim is to ensure that everyone can lead independent and meaningful lives.

Our values work is based on the circumstances in individual units and local situations. A regional values organisation is gathered under a national umbrella responsible for delivering training, spreading information and developing practical tools used in values work. Regular "values weeks" ensure special focus on values work.

Care Heroes in the spotlight

Attendo intensified its focus during 2020 on employees who make a difference in care. Each region in Scandinavia has recognised a regional Care Hero – someone who has tested new methods, demonstrated particular ability to boost care or has been a role model to others. After a vote by all employees, Lovelyn Buring, a nurse at Attendo HSL Västerås, was named Care Hero of the Year.

In Finland, extensive work to improve the employee experience launched in 2020. Under the term "the Change Journey" a number of initiatives are taken to improve communication and feedback, in order to get employees involved in the work to improve both the practical work and Attendos reputation.

A Code of Conduct guides our work

Attendo's Code of Conduct contains guidelines and support for our day-to-day work. The Code covers business ethics as well as areas including human rights, discrimination, whistle blower protection, employment conditions and health and safety. All Attendo employees are regularly informed of their obligation to understand and comply with the Code.

Committed employees

Attendo is firmly committed to being an attractive employer and believes employees should be happy with their personal work situation and their immediate managers. We continuously track employee opinion through annual performance and development dialogues, monthly workplace meetings and daily dialogue. Regular "temperature readings" are used to keep tabs on our employees' job situations and how satisfied they are with their jobs and workplace. In 2020, employee engagement (eNPS) increased to the highest listing ever, with an eNPS result of 16 (Scandinavia) and 7 (Finland), respectively.

At Attendo, leadership is all about accountability, visibility and accessibility. Local managers bear personal responsibility for their operations while delegating responsibility so that employees feel empowered. Support functions and procedures ensure that operations maintain a consistently high minimum level.

Ongoing skills development

Attendo offers training to new and existing employees. New employees are provided a thorough introduction including supervised shifts and a mentor programme. All skills development is based on individual plans. In addition, employees can participate in local, central and digital trainings. We also offer on-the-job learning and encourage job rotation.

In 2020, newly established development grants were awarded to an outstanding employee and to a local operation for demonstrating particularly good ideas for improving care.



Managers with extensive personal responsibility

Attendo works systematically to recruit and develop outstanding managers. At Attendo, leadership is all about accountability, visibility and accessibility. Local managers bear personal responsibility for their operations while delegating responsibility so that employees feel empowered. Support functions and procedures ensure that operations maintain a consistently high minimum level.

A good work environment

Attendo works actively, systematically and preventively to reduce risks and promote employee health and safety. We train managers and employees to assess risks and act in a manner that ensures safe and secure workplaces and prevents the risk of threats and violence. Periods of sickness leave are followed up to help employees quickly return to work.

OBJECTIVE AND OUTCOME

Attendo shall offer a stimulation workplace for everyone who wants to make a difference.

3.9

Employee job satisfaction
(1-5)

3.9

Employee satisfaction with
immediate manager (1-5)

A COMPANY THAT REFLECTS SOCIETY

Attendo is committed to diversity among our employees, which makes it easier to meet our customers' needs and cater for their preferences. We are actively contributing to increasing the percentage of women managers in business.

Attendo is a diverse company

Attendo is made up of a diverse family of employees, which is a prerequisite for providing care to every customer by employees who understand their needs. Dementia care imposes particular demands that employees understand and can relate to residents' linguistic and cultural background, as for many people, losing languages and cultural expressions learnt later in life is part of the condition.

Attendo's operations in Sweden provide care in at least one other language in addition to Swedish. Finnish, which is offered by at least half of all operations in care for older people, is the most common. All nursing homes have employees who are fluent in one or more foreign languages.

Respect for human differences

Attendo welcomes employees from various cultural and ethnic backgrounds. Every Attendo employee must be treated respectfully and given equal conditions of employment, working conditions and opportunities for career development.

Attendo wants proud employees who uphold the principle of the equal dignity of all human beings. We actively work against all forms of discrimination - among employees, among customers, and between customers and employees. Managers discuss and regularly inform employees about Attendo's efforts to prevent discrimination. Employees are encouraged to report suspected discrimination to their immediate managers or via Attendo's service for anonymous reporting of unsatisfactory conditions.

Majority women managers

Most Attendo employees are women, at all levels of the company. More than 8 out of 10 managers at Attendo are women, which is much higher than the average in private enterprise. In the Executive Management, both managers with operational responsibility are female

Attendo is working actively and successfully to give talented employees the opportunity to advance and become local, regional or function managers. Employees who retrain for occupations where there are shortages of employees can be offered study leave and a guaranteed pay rise after they finish their education.



Governance with breadth and expertise

Attendo's owners strive for the Board to have a composition characterized by expertise and breadth regarding the members' competence, experience and background. The board should also be in balance according to gender. During 2020, the board of directors of Attendo AB consisted of four men and five women.





EVERYONE'S RIGHT TO NEEDS-BASED CARE

Attendo works systematically to safeguard all customers' right to care based on their needs and preferences. Our Code of Conduct reduces the risk of discrimination and dubious business relationships.

Inclusive care that safeguards human rights

People who seek care from Attendo reflect the diversity of society. It is important that all human beings are respected, regardless of cultural background, gender, sexual orientation or religious beliefs.

Attendo works to ensure that all customers can independently express their wishes and have their needs met. The image support tool Pict-O-Stat is used in care for people with disabilities to create empowerment. The Mobile Care app is used to individualise care for older people and the customer's needs and preferences are continuously documented.

Attendo's anti-discrimination work is followed up through ongoing employee dialogues and central follow-up of reported cases of discrimination.

Protect life and health

Attendo's activities aim to protect every person's right to life and health, regardless of diagnoses, conditions or stages of life. During the Corona pandemic, emphasis has been placed on protecting risk groups from infection, where especially the elderly were among the most vulnerable. Attendo has consistently taken measures that have gone beyond the authorities'

recommendations to limit the pandemic's repercussions on customers, relatives and employees. Read more on pages 6-7.

Clear standards for employees and suppliers

Attendo is a significant supplier to the public sector. In order not to jeopardise our business relationships, Attendo's brand or reputation, we strive to ensure that our services always meet or exceed contractual and legal requirements.

Attendo's Code of Conduct regulates how people who represent or have a business relationship with Attendo are expected to conduct themselves in relation to our stakeholders. All employees and suppliers must follow the Code. Breaches may lead to warnings and/or termination of agreements. In 2020, one deviation has been concluded according to routine.

Good relationships with trade unions

Attendo strives to maintain good and close dialogue with our employees' local and central union representatives to rapidly resolve labour conflicts. Attendo complies with collective agreements as regards pay and other working conditions. All Attendo employees are covered by collective agreements.





RESOURCE-EFFICIENT AND SUSTAINABLE CARE

Society expect businesses to contribute to the transition to an environmentally sustainable future. Attendo is working systematically to conserve resources and make choices that reduce the environmental and climate impact of our business.

Smart and effective choices for the environment

Attendo is a service company with clearly limited environmental load. The environmental and climate impact that arises in our business comes primarily from buildings and vehicles, as well as food and other consumables used in operations.

Attendo’s Environmental Policy guides us towards making greener choices in the areas of purchasing, transport, energy and water consumption and waste management (including environmentally hazardous waste). The results include a travel policy in which rail is the preferred mode for trips of up to 500 km. Attendo implemented Microsoft Teams in 2020, which has facilitated online meetings and digital work processes during the Covid pandemic.

Environmental management for continuous improvement

Attendo’s environmental management system complies with the ISO 14001 standard. The management system governs the initiatives we take, how they are carried out, the extent to which they are used and their results.

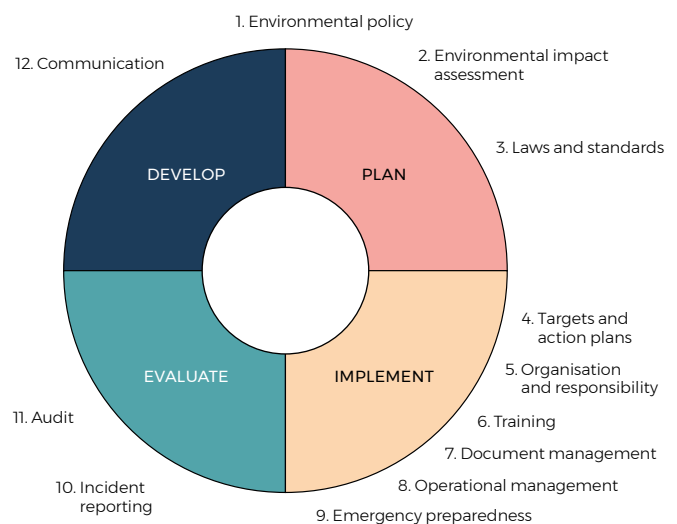
Improvements and novel solutions are planned based on the conclusions, from which we select and implement measures and subsequently analyse the results. Thereafter, we go back to the drawing board. In this way, Attendo’s environmental work is developed and improved from one year to the next.

Attendo’s business areas conduct their own projects and set targets within the framework of the environmental management system. Within Attendo Scandinavia in 2020, actions included introducing two vegetarian meal options per week, reducing food waste, exploring and considering eco-labelled products and preparing a roadmap to a fossil-free vehicle fleet. Corresponding projects in Finland in 2020 were about reducing energy use, purchases of consumables and improve food handling.

Purchasing to reduce environmental impact

Attendo coordinates all purchasing to achieve advantages and ensure environmental benefit. To qualify for Attendo’s central purchasing system, suppliers must meet the requirements specified in Attendo’s Environmental Policy.

ATTENDO’S ENVIRONMENTAL MANAGEMENT SYSTEM









ATTENDO'S CONTRIBUTION TO THE UN GLOBAL GOALS

Attendo's operations are contributing to several of the UN Sustainable Development Goals (SDGs) under Agenda 2030. A review of the SDGs to which Attendo is making direct and indirect contributions through its operations and examples of direct contributions in 2020 are presented below.

Attendo's contribution to UN's Sustainable Development Goals (SDG)

Direct contribution

Goal	Definition	Attendo's contribution	Examples of initiatives in 2020
 3 GOOD HEALTH AND WELL-BEING	Health and well-being	Attendo provides innovative, high-quality care services, which helps promote good health and well-being for people of all ages.	In 2020, Attendo worked forcefully to limit the impact of Covid-19 on older people and consistently went above and beyond official recommendations concerning, for example, the use of PPE.
 5 GENDER EQUALITY	Gender equality	Attendo has a high proportion of women employees, including managers, which contributes to increasing women's influence and empowerment in business and in society as a whole.	The company appointed a new female business area director for Attendo Scandinavia. Since 2019, the top executives of both Attendo business areas are women and members of executive management. Five out of nine board members are women.
 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Attendo has a good and close relationship and cooperation with local units and complies with applicable collective agreements that offer employees good working conditions and benefits.	Attendo has closed new wage agreements for all employees with wage increases on par with the industry. A new career development grant for outstanding employees and local operations has been established.
 10 REDUCED INEQUALITIES	Reduced inequalities	Attendo actively spreads the best working methods throughout its operational geographies, which increases health and care equality for people who need care.	A new, group-wide operational model - Attendo Way - has been developed and implementation has begun in all countries where Attendo operates. A new model for quality improvement is being developed.
 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities	Attendo builds care properties that contribute to urban development, make society inclusive, safe and sustainable and helps local authorities offer high-quality, publicly financed care to more people who need it.	During the year, Attendo began construction of 1,036 new beds in care homes and opened 1,349 finished beds in own operations.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, justice and strong institutions	Attendo contributes to providing greater freedom of choice and influence over their care to older people and people with disabilities, which increases their participation in society.	Attendo launched two new apps in 2020 to improve communication between Attendo and relatives and between Attendo's employees.

Indirect contribution

Goal 4: Quality education, Goal 6: Clean water and sanitation, Goal 7: Affordable and clean energy, Goal 9: Industry, innovation and infrastructure, Goal 12: Consumption and production, Goal 13: Climate action, Goal 14: Life below water, Goal 15: Life on land

No impact

Goal 1: No poverty, Goal 2: Zero hunger, Goal 17: Partnerships for the goals



Sustainability risks and risk management

Area	Risks	Risk management
Development of society	Risks include that Attendo will establish operations for which there is no local demand, either due to over-establishment, declining payment capacity or unwillingness to contract private providers, or operations that do not fulfil the requirements set by the contracting local authority or national supervisory authorities regarding the design of operations.	Attendo works to establish new homes only in geographical areas where there is a long-term, structural shortage of care beds and where the prerequisites for closing agreements with the local contracting authority exist. Attendo also works strategically to influence conditions for private providers (see "Risks and risk management" section).
Quality	Substandard quality can lead to dissatisfaction, inconvenience or risk of health and social care injuries to individuals, which in more serious cases can entail risk of fines, lost contracts, legal sanctions and loss of reputation for both the individual operating unit and Attendo as a whole.	Attendo works in a systematic and goal-oriented manner to measure and follow up quality work at individual operations and in the company as a whole. Aimed at ensuring a high minimum quality level, Attendo applies common working methods that apply to all operations and a quality system designed to quickly discover and correct shortcomings.
Employees	The competence, commitment and care of Attendo's employees are critical to ensuring that our customers and their families, as well as contracting local authorities, are satisfied with our efforts. If Attendo's employees cannot perform their tasks, are unhappy or are no longer committed, there is risk they will resign or go out on sick leave. If the employer brand is damaged, there is also risk that it will be more difficult for Attendo to attract new employees. Attendo shares the general risk in the sector of shortages of various skills that are essential to performing the care work that Attendo has undertaken to deliver.	Attendo measures employee job satisfaction, monitors local absenteeism and employee turnover and helps local managers prepare action plans as needed. Employees are offered opportunities to build their skills by means including web-based training. Further training to gain managerial or specialist skills is encouraged. Central projects are ongoing to secure recruitment in occupations where there are shortages, such as nursing. Systematic health and safety management is applied to ensure a safe and secure work environment. Analyses and actions are regularly discussed at workplace meetings. In addition to regional monitoring, random checks are carried out in which the work environment is audited and managers and employees are interviewed. Action plans are prepared as necessary.
Social issues and diversity	Risks include lost contracts, legal sanctions and/or that the Attendo brand will be jeopardised or damaged if Attendo violates labour agreements and rules or discriminates on the basis of gender, religion or sexual orientation in operations or in connection with hiring situations.	Attendo complies with applicable collective agreements and strives to maintain good dialogue with union representatives and central union organisations. The Attendo Code of Conduct imposes clear demands on employees, partners and suppliers concerning respect for human rights.
Anti-corruption and human rights	Risks of corruption are associated with tenders to contracting local authorities and Attendo's own sourcing of suppliers, e.g., in relation to new construction or strategic purchases. Human rights risks exist if the company fails to provide care without discrimination based on e.g. religion, gender and sexual orientation or to provide care in a dignified manner and according to need - regardless of the situation. Potential effects include legal ramifications, lost contracts and adverse impact on the brand.	The Attendo Code of Conduct contains clear guidelines for how employees, partners and suppliers are permitted to act in relation to human rights as well as in business relationships, in procurement situations and in relation to ongoing contracts. Breaches of the Code may lead to warnings and/or contract termination for both individual employees and/or involved suppliers. Attendo does not accept gifts to/from customers, contracting local authorities or suppliers.
Environment and climate:	Environmental and climate risks are primarily related to the buildings in which Attendo operates and the company's vehicle fleet. According to the Swedish Environmental Code, operators are responsible for any pollution or other environmental damage and for remediation. There are also risks associated with climate change, such as higher risk of flooding, landslide, erosion and heatwaves, which can have impact on the health of customers and employees.	Attendo works strategically to reduce its environmental impact. Efforts are ongoing in accordance with the company's Environmental Policy, which dictates how operations must be run with care and concern for the environment and how employees, partners and suppliers are expected to act. All managers are responsible for ensuring that operations comply with applicable environmental laws and for taking national and local environmental aspects into consideration with regard to products and services, buildings, transport, energy and water use and waste management.

SUSTAINABILITY INDICATORS 2020

Attendo seeks to follow Nasdaq’s guidelines for reporting Environmental, Social and Governance (ESG) sustainability indicators. The reported indicators consist of actual performance or estimations that reflect Attendo as a whole.

Environment and climate

Area	Indicators	2020	2019*
Use of land and buildings^{1,2)}	Gross floor space controlled by local Attendo units ¹⁾ , m ²	1,017,000	989,000
Energy usage^{2,3)}	Direct energy consumption, kWh per m ²	137	132
	Direct energy consumption, kWh/FTE	7,700	6,900
	Total direct energy consumption, MWh	139,600	130,500
	Indirect energy consumptions (purchased mains electricity), MWh	29,200	31,600
Greenhouse gas emissions	Direct GHG emissions from buildings and vehicles (Scope 1), t	3,350	3,650
	Indirect GHG emissions from purchased electricity (Scope 2), t	3,300	6,600
	Indirect GHG emissions from other purchases (Scope 3), t	-	-
	Emissions per EUR revenue, g	5.8	7.1
Energy mix, purchased mains electricity³⁾	Renewable	70%	53%
	Nuclear	20%	26%
	Fossil fuel and peat	9%	21%
Water usage⁴⁾	Thousands m ³	928	866
Waste management and recycling^{4,5)}	Total waste produced, t	10,400	10,100
	Of which hazardous waste, t	0,83	0,81
	Of which recycled waste, t	3,500	3,400

* Revised 2019 according to updated template for mains electricity.

¹⁾ Gross floor area is calculated based on the average area per bed (Finland), adjusted for the standard area per bed in other countries.

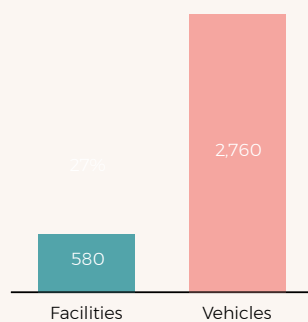
²⁾ Direct energy consumption refers to building-related energy usage (excluding mains electricity), calculated based on available data (Finland). Note that base rent (rent excluding heating and water) applies to the majority of leases in Finland.

³⁾ Indirect energy consumption and energy mix refer to purchased mains electricity as per agreement (Sweden) or the grid energy mix (Finland).

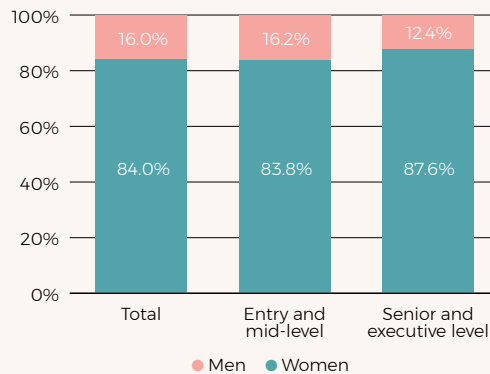
⁴⁾ Water usage and waste are calculated based on average water usage and waste produced per bed based on available data (Finland).

⁵⁾ Recycled waste refers to waste sorted into categories and weighed (Finland).

Direct GHG emissions, tonnes

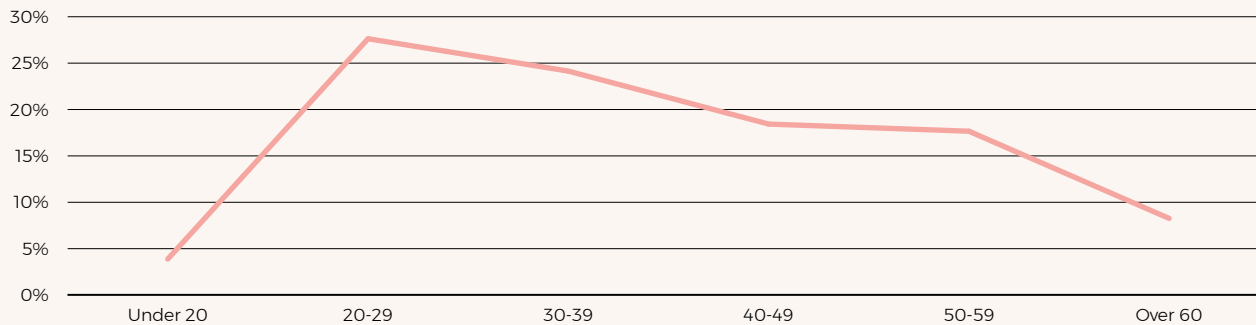


Employee gender diversity





Employee age distribution



Social metrics

Area	Indicators	2020	2019
Employee gender diversity	Number of total full-time employees (FTE)	18,178	16,499
	Of whom women	15,268	13,795
	Percentage women	84%	84%
Gender diversity in entry and mid-level positions	Number of employees	17,323	15,780
	Of whom women	14,519	13,172
	Percentage women in entry and mid-level positions	84%	84%
Gender diversity, managerial and executive level¹⁾	Number of managers	855	719
	Of whom women	749	623
	Percentage women in managerial or executive positions	88%	87%
Age distribution	Average age	39	39
Languages	Number of spoken languages care for older people	57	57
CEO compensation	Total pay and benefits incl. pension and social fees (kSEK/EUR)	12,890 / 1,283,100	11,067 / 1,089,150
Employee compensation²⁾	Median pay and benefits incl. social fees (SEK/EUR)	414,000 / 41,212	445,845 / 42,105
	CEO/employee pay ratio	0.03:1	0.04:1
Wage gap, men/women	Median salary men (SEK/EUR)	417,900 / 41,600	452,644 / 42,747
	Median salary women (SEK/EUR)	413,300 / 41,140	444,513 / 41,979
	Pay gap, women/men	-1.12%	-1.82%
Serious incidents	Number of serious incidents reported and critical observations by regulatory authorities ³⁾	31/1	31 / 20
	Number of incidents per 1,000 employees	2	2

¹⁾ Senior and executive-level employees include all local managers, regional managers and function managers.

²⁾ Median pay and benefits to employees refers to the total cost of compensation per FTE.

³⁾ Refers to the number of investigated and reported incidents under Lex Sarah/Lex Maria and official matters handled (Finland).

Corporate governance

Area	Indicators	2020	2019
Board diversity	Number of board members	9	9
	Of whom women	5	4
	Percentage women governors	56%	44%
Board independence	Number of independent governors ¹⁾	7	7
	Number of union representative governors	3	3
	Percentage of independent governors	78%	78%
Board committees	Number of committees	2	3
	Number of committees chaired by women	1	1
	Percentage committees chaired by women	50%	33%
Collective wage agreements	Percentage of FTE covered by collective wage agreements	100%	100%
UN Sustainable Development Goals	Direct material impact	6	6
	Some material impact	8	8
	No impact	3	3

¹⁾ Independent in relation to the company and/or owners.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

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

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2020 on pages 16-33 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

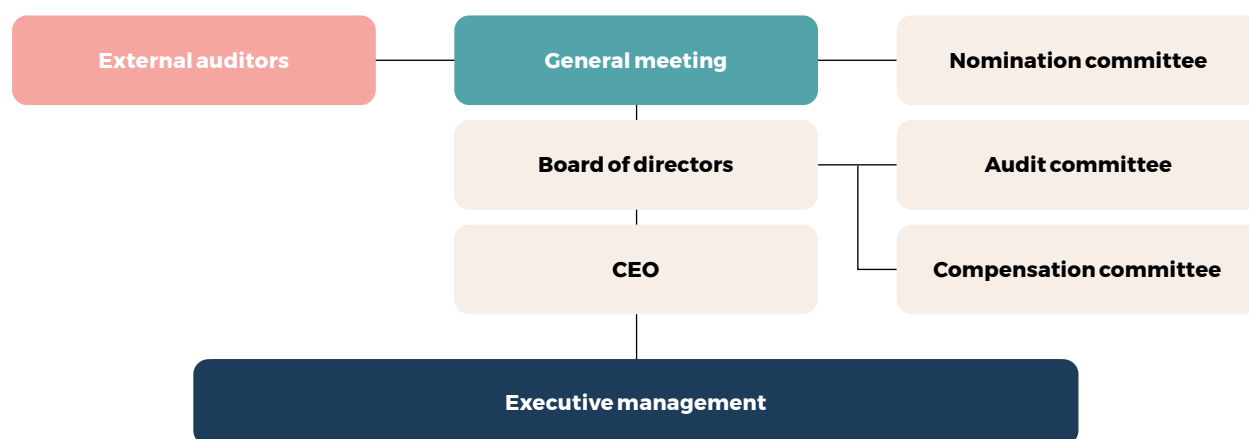
Stockholm 12 March 2021
PricewaterhouseCoopers AB

Patrik Adolfson

Authorised Public Accountant
Auditor in charge

CORPORATE GOVERNANCE REPORT

Attendo AB (publ) is a Swedish public limited company (corporate identity number 559026-7885). The company's shares are traded on Nasdaq Stockholm. Attendo's registered office is in Danderyd. The address of the head office is Vendevägen 85, 182 91, Danderyd.



Good corporate governance is important for supporting Attendo's vision, to reach the strategic goals and to strengthen the corporate culture. Corporate governance at Attendo is based on external regulations such as the Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rulebook for Issuers, and the Swedish Code of Corporate Governance (the Code), as well as other applicable Swedish and foreign laws and regulations. As a complement to the external regulations, the Board of Directors of Attendo has adopted rules of procedures that govern the work of the Board and its committees, as well as instructions for the CEO and the operations. This Corporate Governance report has been prepared in accordance with the Annual Accounts Act and the Code and aims to describe the corporate governance in Attendo during the year 2020. Attendo has not deviated from the Code, Nasdaq Stockholm's Rule Book for Issuers or from good stock market practice during 2020.

Shares and shareholders

Attendo had 161,386,592 registered shares as of 31 December, 2020 and the shareholders include both institutional shareholders, Attendo's management and a large number of private investors. Each share represents one vote at the Annual General Meeting (AGM) and an equal right to a share in the company's assets and profits. The largest owners as per 31 December, 2020 are Nordstjernan AB (19 percent) and Pertti Karjalainen

(11 percent). The 20 largest shareholders hold about 70.5 percent of share capital and votes. In total, Attendo owns 473,744 own shares as per 31 December, 2020. The 2020 AGM authorised the Board to issue new shares in Attendo corresponding to a maximum of 10 percent of the total number of shares and to resolve on the repurchase of shares, either to assign to the participants in the company's incentive programs or to adapt the company's capital structure, or to finance company acquisitions. As of 31 December, 2020, this mandate has not been utilised. The 2021 AGM is proposed to authorize the Board with corresponding mandates

Nomination committee

Instructions for Attendo's Nomination Committee were adopted by the 2020 AGM and describe the composition of the Nomination Committee and how its work must proceed. According to these instructions, the Nomination Committee must consist of at least three and no more than four members who are elected directly by the AGM. At the 2020 AGM the following members were elected (nominating shareholders within brackets): Peter Hofvenstam (Nordstjernan AB), Anssi Soila (Pertti Karjalainen), Niklas Antman (Incentive) and Marianne Nilsson (Swedbank Robur Fonder). The chair of the Board, Ulf Lundahl, shall be a co-opted member of the Nomination Committee. The Nomination Committee has judged that

there are no conflicts of interest that affect the members' involvement in Attendo's nomination committee and that the composition of the committee is consistent with the rules set out in the Code. The duties of the Nomination Committee are to fulfil the tasks set out in the instructions for the Nomination Committee and the Code. The Nomination Committee applies Rule 4.1 of the Code regarding the Diversity Policy of the Company's Board of Directors. The Nomination Committee also takes into account the need to ensure that the independence requirements are met. The Nomination Committee's complete proposal to the 2021 AGM are included in the notice of the meeting and available on Attendo's website.

General meeting

The general meeting, which is the group's highest decision-making body, is the forum in which shareholders exercise their influence.

All shareholders that are recorded in the share register and that have notified the company, prior to the deadline, of their intention to attend are entitled to participate at the general meeting and vote for their total holdings of shares. Shareholders unable to personally attend are entitled to appoint proxies if they notify the company in time prior to the general meeting. Individual shareholders who wish to have a matter considered at a general meeting must, well in advance of the meeting, notify the Board of Directors of Attendo through the address stated on Attendo's website.

Documentation from general meetings including minutes from the meetings are available on Attendo's website, www.attendo.com.

AGM 2020

The AGM 2020 was held on 15 April, 2020, at Restaurant Bra Mat in Danderyd, Sweden.

AGM 2021

The AGM 2021 will be held on 14 April, 2021. Please refer to page 101 for further information.

Board of directors

The Board of Directors, which is the highest governing body after the general meeting, bears ultimate responsibility for Attendo's organisation and management as well as control of the company's financial conditions. The duties of the Board include appointing, evaluating and, if necessary, dismissing the CEO and ensuring that systems exist for monitoring and controlling operations, taking into consideration the risks to which Attendo is exposed. The work of the Board is governed by the Companies Act, the Articles of Association, the Code and the rules of procedures for the Board, among else. According to Attendo's Articles of Association, the Board must have a minimum of three and a maximum of ten Board members. In addition to Board members elected by general meetings, trade unions may appoint employee representatives to the Board. Since the AGM 2020, the Board has consisted of six Board members elected by the general meeting. The trade union Kommunal has elected one employee representative and two alternate members. At Attendo's Board meetings the CEO and CFO participates, as well as the general counsel who is Board secretary. Other member of group management and other employees are participating if necessary. For a presentation of the Board please refer to pages 38–39.

Board composition and meeting attendance in 2020

Board member	Title	Independent of shareholders/company	Attendance		
			Board	Audit Committee	Compensation Committee
Ulf Lundahl	Chair and committee member	Yes/Yes	10/11	-	4/4
Catarina Fagerholm	Board and committee member	Yes/Yes	11/11	5/5	-
Alf Göransson	Board and committee member	Yes/Yes	11/11	5/5	4/4
Tobias Lönnevall	Board and committee member	No/Yes	11/11	5/5	4/4
Anssi Soila	Board and committee member	No/Yes	11/11	-	-
Anitra Steen ¹⁾	Board member	Yes/Yes	3/4	-	-
Suvi-Anne Siimes ²⁾	Board member	Yes/Yes	7/7	-	-
Arja Pohjamäki ¹⁾	Employee representative	-	2/4	-	-
Robin Filipsson ¹⁾	Employee representative	-	0/4	-	-
Faya Lahdou ³⁾	Employee representative	-	4/9	-	-
Katarina Nirhammar ³⁾	Employee representative, deputy	-	5/5	-	-
Amanda Hellström ³⁾	Employee representative, deputy	-	4/5	-	-

¹⁾ Left in connection to the AGM in April 2020.

²⁾ Elected by the AGM in April 2020.

³⁾ All employee representatives are appointed by union Kommunal. Joined the board in July 2020.



The work of the Board of directors in 2020

The Board held 11 meetings during 2020, including the constituent meeting. The attendance among Board members is presented in the adjacent table. Attendo's General Counsel is Board secretary. Board members obtain the agenda and documentation related to each item on the agenda in advance of the meeting. The agenda includes a recurring item for Board own time without management present. The Board deals with matters related to the company's progress in the areas of quality and business development, finance and budget, risk management, compliance, internal control, payors, strategy and sustainability, and managers and employees.

The Board of Directors considers and decides on financial reports, and follows the financial development and value creation and action plans. During 2020, the Board has paid particular attention to the development and actions with respect to Covid-19 and the effects of the pandemic on Attendo, including write-down of goodwill relating to the Finnish operations. The board has been regularly updated on the Covid-19 situation between regular meetings. The Board has also focused on developing the company's strategy to ensure long term profitability and growth. The Board has also met with the company's auditors without the presence of management (in addition to the auditor regularly attending the audit committee meetings).

Chair of the Board

The Chair of the Board is responsible for presiding over Board meetings, allocating duties, organising the work of the Board and ensuring that decisions are executed. The Chair continuously monitors operations through regular contact with the CEO and is responsible for ensuring that all Board members receive the information and documentation they require.

Board committees

The Board had two committees during 2020: the Audit Committee and the Compensation Committee. After each committee meeting, the Chair of each committee presents a report to the entire Board.

Audit committee

The Audit Committee consists of three members who are independent of the company and its management: Catarina Fagerholm (Chair), Tobias Lönnevall and Alf Göransson. The CEO, CFO, General Counsel, and the Communications and IR Director attend meetings of the Audit Committee. The company's auditors regularly attend. The Audit Committee prepares matters related to Attendo's risk management and internal control, as well as accounting, financial reporting and auditing. The Audit Committee held 5 meetings during 2020.

Compensation committee

The Compensation Committee consists of three members who are independent of the company and its management: Tobias Lönnevall (Chair), Ulf Lundahl and Alf Göransson. The CEO, CFO and General Counsel also attends meetings of the Compensation Committee, apart from when decisions are taken that directly affect own remuneration. The Compensation Committee prepares matters relating to terms of employment and remuneration to Attendo's Executive Management. The Compensation Committee held 4 meetings during 2020.

Evaluation of Board and CEO

The Board of Directors conducts an annual Board evaluation in which all Board members evaluate the work of the Board during the year. The Board evaluation includes areas such as Board composition, reporting, governance, and working methods as well as what items should be focused on. The Board evaluates the CEO's work continuously by following the businesses development. A formal evaluation is performed annually.

Auditor

The 2020 AGM re-elected PricewaterhouseCoopers AB (PwC) as Attendo's auditor for a term of one year, with Patrik Adolfsen as lead auditor.

Board of Directors



Ulf Lundahl

Chairman of the Board, Member of the Compensation Committee

Born 1952. B.L. and MSc in Business and Administration from Lund University

Voted to the Board: 2014

Position and Board Directorships: Chair of the Board of Fidelio Capital AB, Nordstjernan Kredit AB, Handelsbanken regionbank Stockholm. Board Member of Holmen AB and Indutrade AB.

Previous positions: Vice President and Deputy CEO LE Lundbergföretagen AB, CEO Danske Securities, CEO Östgöta Enskilda Bank/Danske Bank Sweden.

Independence: Ulf is independent in relation to major shareholders and the company.

Attendo holdings: 20,000 shares.



Catarina Fagerholm

Board Member, Chair of the Audit Committee

Born 1963. MSc from Hanken School of Economics Helsinki.

Voted to the Board: 2016

Positions and Board Directorships: Board Member of Restel Oy and CapMan Oyj.

Previous positions: CEO of Instru Optiikka Oy, CEO of BSH Kodinkoneet Oy and Management Team Member of BSH Hausgeräte Northern Europe, managerial positions in Electrolux/AEG including Country Director AEG Household Appliances, Finland and Russia, and several positions within Amer Group Ltd.

Independence: Catarina is independent in relation to major shareholders and the company.

Attendo holdings: 10,000 shares.



Alf Göransson

Board Member, Member of Audit Committee and Compensation Committee

Born 1957. International BSc in Economics and Business Administration from University of Gothenburg.

Voted to the board: 2018

Position and Board Directorships: Chair of the Board of Loomis AB, Hexpol AB, NCC AB and Axfast AB. Board Member of iSweco AB, Melker Schörling AB and Sandberg Development Group.

Previous positions: CEO and president of Securitas AB, CEO and president of NCC AB, CEO and president of Svedala Industri AB.

Independence: Alf is independent in relation to major shareholders and the company.

Attendo holdings: 0 shares.



Tobias Lönnevall

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

Born 1980. MSc from Stockholm School of Economics.

Voted to the board: 2016

Positions and Board Directorships: Investment Director at Nordstjernan. Board member at Diös AB.

Previous positions: Chair of the Board of Ramirent Group and KMT Precision Grinding. Acting CEO of NH Logistics 2010, Finance Manager at Landic Property and Management Consultant at Accenture.

Independence: Tobias is dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 6,000 shares.



Anssi Soila
Board Member

Born 1949. MSc from Helsinki University of Technology and MSc from Hanken School of Economics Helsinki.

Voted to the Board: 2007

Position and Board Directorships: Advisor IK Investment Partners, Chair of the Board of Orox Oy and Sopix Oy and Board Member of Ankkalampi Oy, Finlands Trafikkmedicinska Förening and Stödstitelsen för Finlands Flygförbund.

Previous positions: Chair of the Board of Kemira Abp and Sponda Abp. CEO Kone Corporation Oy, and other leading positions within Kone Corporation Oy.

Independence: Anssi is dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 1,255,455 shares.



Suvi-Anne Siimes
Board Member

Born: 1963. Science (Economics) from Helsingfors Universitet.

Voted to the board: 2020

Position and Board Directorships: CEO Finnish Pension Alliance TELA. Board member in AEIP (European Association of Paritarian Institutions of Social Protection).

Previous positions: CEO Pharma Industry Finland, Chairman of the Board in Veikkaus Oy, Board member in Yrjö Jahnesson Foundation and Board member and vice chairman of the Board in Posti Group Oyj. Has held several ministerial posts in the Finnish government.

Independence: Suvi-Anne is independent in relation to major shareholders and the company.

Attendo holdings: 0 shares.

Faya Lahdou

Employee representative from Union Kommunal

Born: 1983

Elected to the board: 2019/2020

Attendo holdings: -

Katarina Nirhammar

Employee representative from Union Kommunal, deputy

Born: 1963

Elected to the board: 2020

Attendo holdings: -

Amanda Hellström

Employee representative from Union Kommunal, deputy

Born: 1988

Elected to the board: 2020

Attendo holdings: -

Auditors

PricewaterhouseCoopers AB

Patrik Adolfson

Principal auditor

Born 1973. Authorized auditor and member of FAR. Principal Auditor for Attendo AB since 2015.

Other audit assignments: AcadeMedia AB (publ), Bonava AB (publ), Nordstjernen AB, Pandox AB (publ), Securitas AB (publ) and SHH Bostad AB (publ)

Executive Management



Martin Tivéus
CEO and president

Born 1970. BSc, Stockholm University

Employed: 2018

Member of Executive Management: 2018

Positions and Board Directorships: Board Member of Telia Company.

Previous positions: CEO and president at Avanza, Chief Commercial Officer Nordics at Klarna and CEO at Evidensia and Glocalnet.

Attendo holdings: Shares 45,695 Call option 1,083,892.



Virpi Holmqvist
Business Area Director Attendo Finland

Born 1970. MSc in Economics and Business Administration, Hanken School of Economics

Employed: 2019

Member of Executive Management: 2019

Previous positions: CEO Touhola Group, SVP Primary and Social Care and CFO at Pihlajalinna. Virpi worked at Attendo between the years 2008-2015.

Attendo holdings: 123,287 call options.



Ulrika Eriksson
Business Area Director Attendo Scandinavia

Born 1969. MSc from Stockholm School of Economics

Employed: 2020

Member of Executive Management: 2021

Positions and Board Directorships: Board member, Systembolaget AB

Previous positions: CEO at KungSängen Sverige, leading positions, including deputy CEO, at Apoteket AB and deputy CEO at Reitangruppen (Pressbyrå/7-Eleven)

Attendo holdings: Shares 2,500.



Andreas Koch
Communications and IR Director

Born 1977. MSc from Stockholm School of Economics.

Employed: 2016

Member of Executive Management: 2016

Previous positions: Head of Investor Relations at SSAB 2013-2016. Head of Communications at Carnegie 2007-2013. Head of Investor Relations at SCA 2005-2007, Business Analyst at SCA 2002-2005.

Attendo holdings: Shares 26,413 Call option 68,493.



Fredrik Lagercrantz
Chief Financial Officer

Born 1977. MSc from Stockholm School of Economics.

Employed: Starting 2018

Member of Executive Management: Starting 2018

Previous positions: Senior Vice President Business Control Swedish Match 2013-2017, Vice President Group Business Control Swedish Match 2009-2013, Management consultant McKinsey & Co 2004-2009.

Attendo holdings: Shares 10,000 Call option 240,934.



Eric Wåhlgren
Business Development Director

Born 1979. Civil Engineer from Linköping University

Employed: 2020 (March)

Positions and Board Directorships: Board member: BCB Medical Oy.

Member of Executive Management: 2020

Previous positions: Vice President & Head of Group Strategy at Elekta 2017-2020, Management Consultant The Boston Consulting Group 2005-2017.

Attendo holdings: -

Johan Spångö

Business Development Director

Member of the Executive Management: 2016 - 2020

Former Business Development Director Johan Spångö left Attendo in March 2020.

Ammy Wehlin

Business Area Director Scandinavia

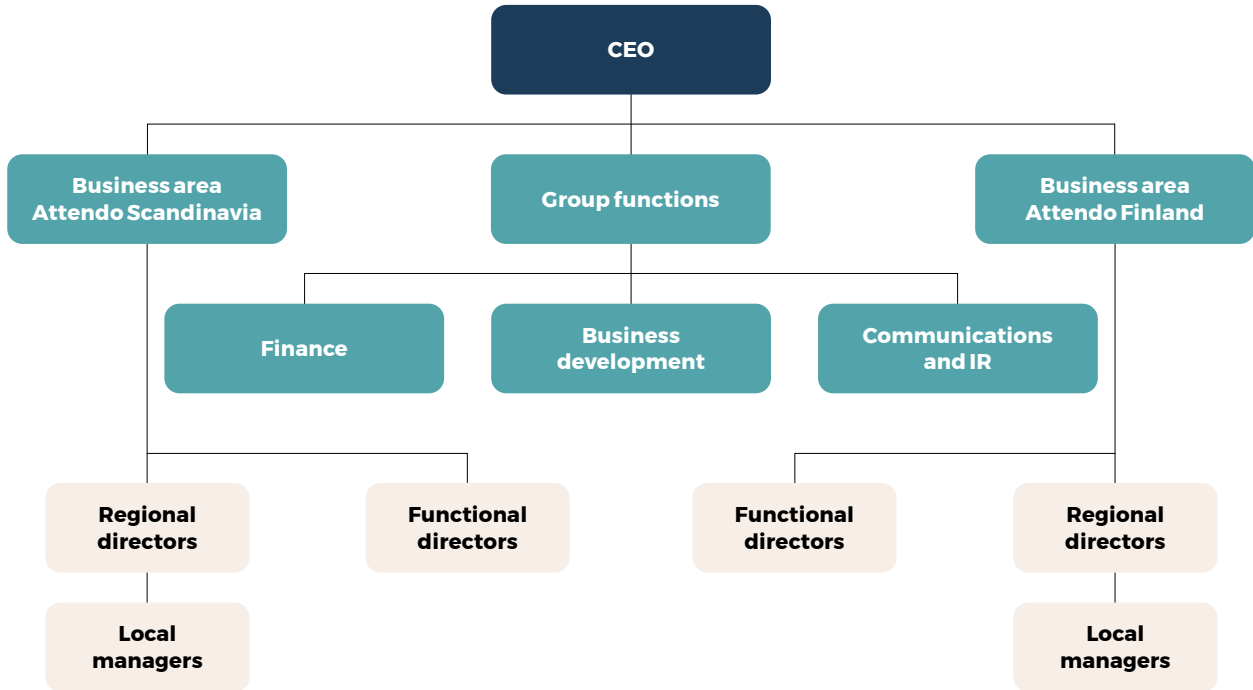
Member of the Executive Management: 2003 - 2020. Former Business Area Director for Attendo Scandinavia. Ammy Wehlin left Attendo at year-end 2020/2021.

Pertti Karjalainen

Business Area Director Attendo Finland

Member of Executive Management: 2007 - 2020. Previous Business Area Director for Attendo Finland Pertti Karjalainen transitioned to a role as Director of Sales and Public Affairs in November 2019. Pertti left the Executive Management in February 2020.

CEO and Executive Management



Attendo’s organisation is founded on a common vision and strong values, but with decentralised responsibility for retaining an entrepreneurial spirit and local anchoring. The CEO has general responsibility for day-to-day management of the company’s affairs in accordance with Board directives. Operations are divided into two Business Areas, each of which is managed by a Business Area Director. The division of responsibility is based on geographical regions. Both Business Area Directors report to the CEO. In addition, there are three group functions: Finance, Business Development, and Communication and Investor Relations, which all report directly to the CEO. Executive Management meets regularly and deals with matters including the company’s financial performance and position, strategy and business plans, group quality improvement work, human resources, and organisational matters.

Business areas

The Business Area Directors are responsible for monitoring operations and financial performance in their respective Business Areas. Reporting is made monthly to the CEO and the group functions (see also “Internal control over financial Reporting” on page 37). The nature of services, payors, processes, and procedures for delivering services is similar across the group. Operations are divided into Business area primarily to create local ownership of Attendo businesses. Prior Business Area Director Pertti Karjalainen transitioned to a new role as Attendo’s units are backed up by a number of support functions at Business Area level including Marketing, Real-Estate Development, Quality and HR.

Group functions

The group functions are responsible for all group-wide matters within Attendo, such as issuing policies, procedures, and processes. The group functions are also responsible for supporting the CEO and Executive Management with expertise in their respective fields. These include business development, accounting, controlling and reporting, legal matters and risk management, internal control, finance, insurance, external communications and investor relations.



Internal control 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 is ultimately responsible for internal control and continuously evaluates risk management and internal control at Attendo via the Audit Committee. Please refer to pages 45–48 for further information about risks and risk management. Internal control at Attendo is based on principles drafted by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Areas of responsibility

Attendo has a function responsible for risk management and internal control, which supports the Business Areas in their internal control work. The function works continuously to develop and improve internal control over financial reporting by means of preventative measures and annual reviews, which are reported continuously to the Audit Committee. The function works according to an annual plan approved by the Audit Committee. Based on the work of the legal and 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. The Board of Directors regularly evaluates the need for an internal audit function.

Control environment

Attendo's vision and values are the foundation of the company culture and control environment. The Board of Directors has overall responsibility for group internal control. This is executed through written instructions and working plans, which define the Board's responsibilities and the allocation of duties among Board members, Board committees and the CEO. Internal control is based on group policies, procedures, and instructions, which are communicated within the group, along with the implemented structure of responsibility and authority. The Audit Committee has a particular duty to represent the Board of Directors in matters concerning the consolidated accounts, taxation, risk management, internal control, external reporting, and auditing. The Audit Committee is also to regularly review and monitor the independence and impartiality of the auditor and support the AGM in connection with appointment of auditors. Responsibility for maintaining good internal control has been delegated to the CEO.

Risk assessment

Attendo's risk management process is monitored by the Audit Committee and implemented by the legal function. Risk assessment regarding financial reporting proceeds from the degree of risk; that is, the impact on financial reporting and the likelihood that misstatements will occur. The control measures Attendo has implemented to manage the risk are also considered. The risk assessment is updated annually and the results are reported to the Audit Committee.

Control activities

The Business Area Directors and their organisations are responsible for internal control in their Business Areas. Attendo has based its control environment on the risks identified during the risk assessment process. The internal control function has devised a number of common controls for critical processes to ensure a consistent control environment. The Business Areas are responsible for ensuring that these controls are implemented. Attendo has several activities for following up financial reporting and ensuring that any misstatements are discovered and corrected, as described below.

Information and communication

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

Attendo's Group Accounting Department is responsible for legal accounting and for implementing and communicating group-wide accounting policies. At the beginning of the year, a plan for risk assessment is presented and is reported to the Audit Committee throughout the year through written reports and presentations.

Monitoring

The group's internal control function reviews compliance with group control activities based on the internal control plan approved by the Audit Committee each year. Attendo works in several ways to ensure that internal control meets group standards, such as self-assessment, internal reviews, and with the assistance of the company's external auditors.

Internal control in 2020

During 2020, the work around risk assessment and monitoring, including internal control, has continued to be highly prioritized. The internal control work has particularly focused on the control environment and activities related to occupancy as well as external reporting, mainly with regard to IFRS 16.

Danderyd, 11 March 2021
Attendo AB (publ)

Board of Directors

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the AGM of Attendo AB (publ), corporate identity number 559026-7885

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2020 on pages 35 –43 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report 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 Report 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 Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm 12 March 2021
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Auditor in Charge

RISKS AND RISK MANAGEMENT

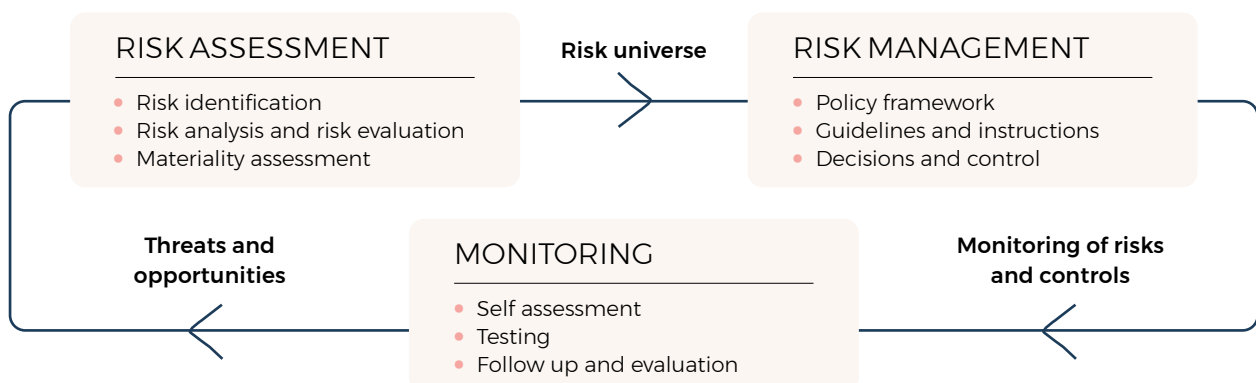
All business requires companies to take risks in various forms and to various extent. Risk management, defined as the work involved in identifying, managing, and monitoring risks, is an important part of Attendo's strategy and operations.

Attendo takes a structured approach to managing risks, based on a framework that covers external risks, operational risks, and financial risks. External risks relate to the conditions for private companies to operate care businesses, political risks, regulatory risks and reputational risks. Operational risks refer to risks linked directly to Attendo's operations, such as occupancy, pricing and access to skilled employees. Financial risks are related to factors including access to capital, exchange rates, interest rates and liquidity. A broad and structured approach to working with risks ensures that risk management is well-integrated in the board's and management's decisions about the company's strategy, as well as in management's work with execution of the strategy. Operational risks are monitored by the Business Area Directors, who are responsible for risk management within their areas of operation. Attendo's group functions focus on risk management, legal matters and compliance as well as internal control and support the board and management as well as Attendo's various specialist functions in their work with risk management. Identifying and managing risks is also a central part of Attendo's strategic process, where the risks that may prevent the company from reaching its strategic goals are evaluated on a continuous basis in a structured framework, taking into account the effect each risk would have if it occurred as well as the likelihood that it will occur. Based on this group wide risk assessment, different mitigating tools are implemented, such as common policies, guidelines, instructions and control documentation. The risk assessment also has an impact on the company's business decisions and strategic plan. Specific projects and initiatives

are also carried out to improve and strengthen the risk management and internal control, based on the most critical needs according to the latest risk assessment. The risk assessment is also taken into account in the company's day-to-day decisions and planning. Furthermore, the continuous risk management processes include an annually recurring self-assessment, which ensures that the business tests the implemented controls' effectiveness and assess whether they should be modified or improved. The self-assessment is supported by testing and ongoing follow-up by the internal control function.

Current risks and risk management

The corona pandemic had profound impact on Attendo's operations and financial performance in 2020. As a result of the pandemic, known risks such as occupancy in our units and access to qualified employees have become more apparent. Occupancy declined significantly during 2020 in Attendo Scandinavia, mainly due to the ban on visits to nursing homes for older people and concerns about the pandemic. In addition, the entire organisation has been forced to work under very challenging circumstances, with rapid changes of method and direction to protect our customers, many of whom are at high risk of contracting covid-19. From a risk perspective, the past year has thus been characterised by operational risks. Efforts to further develop Attendo also continued during 2020. In that context, the rate of expansion, regulatory conditions and risks and staffing and human capital risks have been assessed in the light of Attendo's overall business objectives.



In Finland, a comprehensive care reform has been implemented, where, among other things, staffing requirements are now being raised in several steps. Increased staffing requirements mean increased costs for all providers. The government is responsible to ensure that the local authorities receive the necessary funding to be able to implement the new law. Private providers must negotiate with each local authority or county, which means uncertainty about how the compensation to private providers will be handled. Costs linked to the new law, such as new recruitment, arise some time before the various steps, which means that compensation can be obtained with a time lag.

Vaccination of customers in nursing homes is ongoing in all markets, which is a prerequisite for the normalization of opera-

tions. In Sweden, which has been hardest hit by the pandemic, the vaccination of customers in nursing homes has largely been carried out and vaccination of employees is ongoing.

Lower occupancy is presently the risk that is having the most short-term financial impact on the business. Due to the rapid development that has characterised both the spread of the covid-19 virus and the measures that can and must be taken by Attendo and other social actors, there is significant uncertainty associated with all types of estimates of the operational or financial impact of the pandemic.

For further details on Attendo’s work in relation to these and other risks, an overall summary of identified risk areas and how we work in managing these is presented below.

Risk	Description of risk	Risk management
EXTERNAL RISKS		
Market risks and political risk	The care and health care market is characterised by competition between public and private providers of varying size on a market affected by demographic development and access to public funds. The ability for private providers to conduct care business is dependent on political decisions on national and municipal level. In addition, political decisions that leads to regulatory changes or changes in political willingness to engage private providers may have a significant impact on Attendo’s operations and financials. Furthermore, there is a risk for margin deterioration as a result of price pressure on Attendo’s services, which may occur as a consequence of challenging financial conditions on municipal level or increased requirements in regulations or customer contracts.	Attendo has many years of experience of conducting care and health care services in the Nordic markets. For more than 35 years, Attendo has developed the business in a manner that has enhanced the company’s competitive offering, which upholds high quality services for customers at a price that is attractive to the payor. Part of this work is Attendo’s continuous efforts to create a service offering based on quality and innovative solutions improving customer experience and employee working conditions. Attendo carefully follows the political development in order to manage and prepare the operations for changed regulations or conditions. Attendo also collaborates in different industry bodies, for example Vårdföretagarna in Sweden and Hali in Finland, to influence the conditions in the industry for the better.
Reputational risk	Reputational risk is the risk that Attendo’s reputation among customers and their relatives or the general public is damaged due to negative media attention. Operations conducted by private care and health care providers are often heavily monitored by the media, whose coverage from time to time is extensive. Negative publicity concerning Attendo, one of our competitors, or the industry as a whole may have negative impact on Attendo’s reputation and thus reduce the ability to receive or renew customer contracts, attract employees or lead to increased surveillance costs.	Attendo takes a structured approach to offer superior care with high quality, characterised by transparency, both internally and towards the media. The company also strives to offer employees an attractive and stimulating workplace. Attendo’s efforts to spread and anchor the vision and values throughout the organisation are important to create a positive culture that encourages providing good care to customers and patients. These are important tools for reducing the risk of negative publicity.
Regulatory risk	The formal starting point for high quality and safety in Attendo’s operations is based on applicable external and internal regulations and requirements in permits and customer agreements. If Attendo does not comply with requirements or if new rules or requirements are introduced or if the application/interpretation of these are changed, this could lead to changes in the conditions for the operations, e.g. increased costs. Furthermore, severe non-compliance can give payors the right to cancel contracts or demand that an operation is shut down. The principles for quality control and regulatory enforcement from authorities and payors vary and the consequences for Attendo may therefore be hard to project.	The legislative process in the countries where Attendo operates is transparent, meaning that regulatory changes are normally announced well in advance of implementation and that Attendo can adapt its operations thereafter. In addition, Attendo carefully monitors changing requirements in terms of quality and safety. Ensuring regulatory compliance is an area of high importance in which Attendo spends substantial effort and resources. Attendo has a well-defined system of policies, procedures, guidelines, and documentation implemented in the day-to-day operations. On Group level, Attendo takes a structured approach to participation and collaboration in various discussion forums relevant for the regulations that apply to Attendo’s business, including that Attendo participates as a consultation body or with its expertise to support the regulatory development within the area.

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Occupancy and lease agreement risk	<p>Attendo is exposed to financial risks associated with the occupancy levels in the units. This is primarily a result of Attendo's operations under own management being conducted in facilities owned by external facility owners, which Attendo enters into lease agreements with. If Attendo does not obtain a customer contract for a planned unit, but has a signed lease agreement for the facility, significant costs arise which are not matched against any revenues. Since the lease agreements normally have longer maturities than the customer contracts, the company has to estimate future supply and demand already when lease agreements are entered into without having binding customer contracts for the entire lease period. If Attendo operates more units than needed with respect to demand, and cannot modify the operations to other use in non-occupied units, this may have a significant negative impact on Attendo's business, financial result or financial position.</p>	<p>Conducting care in own care units is part of Attendo's core business. Managing these risks is hence a highly prioritized area, and managed throughout the process for new units – from project phase to construction and completion. A thorough analysis of the supply and demand on the applicable market is done during the initial project phase. Throughout the years, Attendo has developed models and processes to minimize the risk that long-term lease agreements are entered into in areas where the demand for Attendo's services is to be considered unfavourable.</p>
Staffing and human capital risk	<p>Access to competent employees is critical to the company's business. Attendo's operations are highly labour intensive and the company has around 25,000 employees in several occupational categories, including nurses, assistant nurses, and social workers. The decentralized organization within the company also means that local and regional managers have extensive responsibilities and mandates and are central in carrying out Attendo's strategy and goals. It is thus very important that Attendo can employ and retain qualified executives, managers, nurses, and other care and health care personnel.</p>	<p>Attendo continually develops and strengthens its models for attracting, developing, and retaining skilled and dedicated employees. This includes for instance to have well balanced HR functions to support the operations, to continuously evaluate the regional and local organization and to work actively with Attendo's vision and values. Recruitment of key employees is critical for Attendo and the company is highly experienced in recruiting employees in areas where there currently is a shortage. Examples of this are projects aimed at recruiting nurses in both Finland and Sweden. Attendo is taking various actions to retain key employees through incentive programmes as well as opportunities for competence development and job rotation.</p>
Pricing risk	<p>Attendo's pricing is based on a number of assumptions regarding future conditions. In addition, Attendo's contracts with payors span over several years and Attendo receives payment based on occupancy. Since the payor contracts usually do not include guaranteed service volumes it means that Attendo is dependent on making accurate forecasts of future supply and demand in its pricing models. As wages are Attendo's largest cost, significant wage increases or changed staffing requirement imply a financial risk for the company.</p>	<p>Attendo's pricing is based on careful models and processes developed throughout the years. The risk of loss in profitability due to increased wages is minimised for most payor contracts by connecting prices to a labour market index. Attendo strive to proactively follow and renegotiate prices, e.g. as a result of increased staffing requirements.</p>
Permit risk	<p>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. These requirements, as well as conditions and processes relating to obtaining permits may change, which may have an effect on Attendo's operations. By example, long permit processing times may lead to delayed start of new operations, changes in the direction of operations or change of local manager. Since operations cannot be conducted or changed without permit, such lead times may result in occupancy challenges and loss in revenues.</p>	<p>Attendo has long experience running care and health care operations and is well-equipped to meet regulatory requirements. When a new unit is planned, the risk that a permit cannot be obtained within a reasonable time frame is always taken into account and is thus included in the estimated start-up costs.</p>

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Acquisition risk	Acquisition risk entails that Attendo may not identify suitable acquisition targets, that the company will not successfully negotiate acceptable terms, or be able to finance the acquisitions, or that overly optimistic assumptions support acquisitions that otherwise would not have been made. Acquisitions also entails the risk that Attendo will be exposed to unknown obligations in the acquired company or that the costs of acquisition and/or integration will be higher than expected. In addition, acquisitions of less profitable businesses may have negative impact on Attendo's margins. If acquisitions are not developing according to plan, write-downs may be necessary.	Over the years, Attendo has established and implemented a structured and systematic acquisition process that requires analysis, documentation and sufficient approval prior to each specific acquisition. In addition, Attendo establishes a detailed integration plan in connection with the acquisition decision.
Quality and customer satisfaction risk	Attendo's work with quality, related risks and how Attendo is working to continuously increase both technical and experienced quality and manage quality related risks as set out in detail in the sustainability report, see page 31.	
FINANCIAL RISKS		
Liquidity and financing risk and risks related to interest, currency, etc.	Through its business, Attendo is exposed to several financial risks, such as currency risk, interest rate risk, liquidity and financing risk and credit/counterparty risk. These risks and how Attendo mitigates each of them is described in detail in note K26.	As of year-end 2020, Attendo has two financial covenants (net debt/EBITDA and interest coverage ratio) linked to the group's loan facilities. The central treasury department analyses compliance with the financial covenants on an ongoing basis and ensures that Attendo has adequate liquidity for its operations.

Contents financial reports

Board of directors' report

Board of directors' report	50
----------------------------	----

Consolidated financial statements

Consolidated income statement	57
Consolidated statement of comprehensive income	57
Consolidated balance sheet	58
Consolidated statement of cash flow	59
Consolidated statement of changes in equity	60

Notes to the consolidated financial statements

c1 Significant accounting policies	61
c2 Key accounting judgements, estimates and assumptions	66
c3 Segment reporting and income	67
c4 Other operating income	69
c5 Information on board members, senior executives and employees	69
c6 Government grants	71
c7 Other external costs	71
c8 Audit fees	72
c9 Items affecting comparability	72
c10 Financial income and expense	72
c11 Taxes	72
c12 Earnings per share	73
c13 Intangible assets	74
c14 Property, plant and equipment	74
c15 Right-of-use assets	75
c16 Other non-current receivables	76
c17 Trade receivables	76
c18 Other current receivables	77
c19 Assets and liabilities classified as held for sale	77
c20 Equity	77
c21 Liabilities to credit institutions	77
c22 Lease liabilities	78
c23 Pension provisions	78
c24 Provisions	79
c25 Other non-current liabilities	80
c26 Financial risk management and financial instruments	80
c27 Other current liabilities	81
c28 Cash flow statement	81
c29 Acquisitions	81
c30 Pledged assets	82
c31 Contingent liabilities	82
c32 Divested operations	82
c33 Related-party transactions	83
c34 Events after the reporting date	83
c35 Reconciliations of alternative performance measures	83

Notes to the parent company financial statements

Parent company income statement	85
Parent company balance sheet	85
Parent company statement of changes in equity	86
Parent company statement of cash flow	86

Notes to the parent company financial statements

p1 Significant accounting policies	87
p2 Net sales	87
p3 Salaries and other remuneration	87
p4 Other external costs	87
p5 Audit fee	87
p6 Tax	87
p7 Shares and participations	88
p8 Equity	88
p9 Events after the reporting date	88

Other information

Assurance	89
Auditor's report	90
The Attendo share	96
Five-year summary	98
Quarterly summary	99
Definitions	100
Annual general meeting	102

BOARD OF DIRECTORS' REPORT

The Board of Directors and the Chief Executive Officer of Attendo AB (publ), corporate ID no. 559026-7885, with its registered office in Danderyd, Sweden, hereby present the annual accounts and consolidated accounts for the financial year 2020.

Operations

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland and Denmark. Attendo is the largest private provider of care for older people in Sweden and Finland. Attendo is a locally based company and has more than 700 units in operation and about 25,000 employees. With the vision of empowering the individual, Attendo provides services within care for older people, care for people with disabilities and care for individuals and families.

Attendo conducts business through two business areas, Attendo Scandinavia and Attendo Finland. Attendo provides care and health care under two contract models:

Own operations, Attendo provides services in units/premises controlled by the company or provides home care in customer choice models. Attendo has own units within care for older people, people with disabilities, social psychiatry and care for individuals and families.

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.

Municipalities are usually Attendo's contracting authorities, but contract types and duration of contracts vary depending on the contract model and service offering. Own operations are normally based on framework agreements and outsourcing operations are based on outsourcing contracts, following a tender process. The contract term is typically two to five years.

Financial overview

Net sales and operating profit

Net sales for the year increased by 3.0 percent to SEK 12,288m (11,935). Adjusted for currency effects, net sales increased by 3.7 percent. Organic growth accounted for 4.4 percent and acquired growth for -0.7 percent. Own homes demonstrated sustained strong growth, driven primarily by homes opened in Finland in 2019 and 2020. Price increases, particularly in Attendo Finland, and the leap day in 2020 had positive effect on organic growth. The pandemic has negatively affected organic growth. Attendo is working actively to close down operations where the conditions for quality and profitability are lacking. Since the comparison year, Attendo has closed several own homes and home care operations, which has constrained organic growth.

Operating profit (EBITA)¹ amounted to SEK 797m (812) and the operating margin (EBIT)¹ was 6.5 percent (6.8). Profit increased in Attendo Finland, but decreased in Attendo Scandinavia. Currency effects had marginal impact on profits.

In relation to the comparison period, EBITA was affected negatively by higher costs due to increased staffing requirements and other related costs that only partially affected the comparison year in the Attendo Finland business area. In addition, EBITA was negatively affected by new own homes opened in 2020, as occupancy is initially low in new units.

Attendo is investing in strengthening the organisation and has expanded central and regional managerial and support functions, which has entailed increased costs in Attendo Finland. The pandemic has reduced profit by an estimated SEK -120m due to the profit impact of the sales loss and cost increases, including public compensation.

Price effects in Finland, better financial performance in outsourcing and home care operations and higher occupancy in own homes opened in 2017-2019 had positive impact on operating profit.

Adjusted EBITA¹, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 375m (441). The adjusted operating margin (EBITA)¹ was 3.1 percent (3.7).

Operating profit (EBIT)¹ amounted to SEK 673m (672), corresponding to an operating margin (EBIT)¹ of 5.5 percent (5.6). The change is explained by lower amortisation of acquisition-related intangible assets.

Items affecting comparability refer to the impairment of goodwill and right-of-use assets related to operations in Finland. Impairment losses recognised in the second quarter on goodwill and right-of-use assets, which reduced profit for the period by SEK -955m.

The operating loss (EBIT) amounted to SEK -282m (672), corresponding to an operating margin (EBIT) of -2.3 percent (5.6).

Attendo opened 31 homes during the year with a total of 1,349 beds, closed 367 beds and began construction on 8 homes with a total of 424 beds.

Net financial items

Net financial items amounted to SEK -644m (-565) for the year, including net interest expense of SEK -57m (-57). Interest expense related to the lease liability for land and buildings amounted to SEK 559m (-473).

Income tax

Tax expense for the year amounted to SEK +22m (-26), corresponding to a tax rate of 20.9 percent (24.1), adjusted for the impairment of goodwill during the period.

¹Excluding items affecting comparability

Profit and earnings per share

The loss for the year was SEK -904m (81), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -5.63 (0.51). Adjusted earnings per share after dilution and excluding items affecting comparability were SEK 1.43 (1.71).

Five-year summary

SEKm	2020	2019	2018	2017 ^{2,3)}	2016 ^{2,3)}
Net sales	12,288	11,935	10,987	8,977	10,212
Operating profit (EBITA) ^{1,5)}	797	812	1,008	890	1,002
Operating margin (EBITA), % ⁵⁾	6.5	6.8	9.2	9.9	9.8
Profit for the year	-904	81	955	542	649
Profit margin, %	-7.4	0.7	8.7	6.0	6.4
Capital employed ⁴⁾	17,833	18,186	19,063	10,657	8,217
Free cashflow ⁴⁾	428	196	593	691	473

¹⁾ See page 100 for definitions of alternative performance measures.

²⁾ Including divested operations

³⁾ Figures for the comparison years 2017-2016 have not been restated according to IFRS 16.

⁴⁾ Including divested operations 2018-2016.

⁵⁾ Operating profit excluding items affecting comparability for year 2020.

Cash flow

Free cash flow during the period was SEK 428m (196), whereof changes in working capital amounted to SEK 246m (-60).

Cash flow from operations was SEK 1,645m (1,227). Cash used for net investments in non-current assets was SEK -319m (-241) and cash flow from assets and liabilities held for sale amounted to SEK 196m (260). Business acquisitions reduced cash flow by SEK -114m (-239). Divestment of subsidiaries reduced cash flow by SEK -22m (87). Cash flow from investing activities thus amounted to SEK -259m (-133). Cash flow from financing activities was SEK -1,172m (-3,485). Financing activities include loan repayments of SEK -475m (-5,388) and new borrowings of SEK 199m (2,789), Total cash flow amounted to SEK 214m (-2,391).

Financial position

Equity attributable to shareholders in the parent company amounted to SEK 4,849m (5,831) as of 31 December 2020, representing diluted equity per share attributable to shareholders in the parent company of SEK 30.13 (36.24). Net debt amounted to SEK 12,268m (11,831). Adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,573m (2,360). Loans of SEK 475m were repaid during the year, of which SEK 225m on the revolving credit facility and SEK 250m on long-term loan facilities. Loans in the amount of SEK 297m were also divested in conjunction with the divestment of the wholly owned subsidiary Suomen Hoiva ja Asunto Oy.

Financial position

SEKm	31 Dec 2020	31 Dec 2019
Interest-bearing liabilities	12,976	12,339
Provisions for post-employment benefits	8	15
Cash and cash equivalents	-716	-523
Net debt	12,268	11,831
Lease liability real estate	-10,695	-9,471
Adjusted net debt¹⁾	1,573	2,360

¹⁾ See page 100 for definitions of alternative performance measures.

Interest-bearing liabilities as of 31 December 2020 amounted to SEK 12,976m (12,339). Cash and cash equivalents as of 31 December 2020 amounted to SEK 716m (523) and Attendo had SEK 1,800m (1,575) in unutilised credit facilities.

Items affecting comparability

Consequent upon the corona situation, Attendo has carried out an updated test of recorded goodwill for impairment. Considering the impact of and uncertainty caused by the pandemic, the test was performed with assumptions of weaker short-term profitability and a higher cost of capital due to a higher risk premium. The test resulted in recognition of an impairment loss of SEK 821m for the Finnish operations. As in previous years, the impairment test was done separately for Attendo Scandinavia (AS) and Attendo Finland (AF) and with a 10-year forecast period. For more information see note C13, Intangible assets.

In addition to the impairment of goodwill, Attendo has reviewed the need for any impairment of right-of-use assets. As a result, right-of-use assets in Finland have been impaired by SEK 134m. Most of this write-down is due to the fact that losses during the start-up period for new units are expected to be extended, as the inflow of new customers has decreased as a consequence of concerns related to corona pandemic, and the value in use has thus decreased. Current value in use for assets in Attendo Scandinavia is deemed to exceed the carrying amounts.

Impairment of goodwill and impairment of right-of-use assets has been reported as items affecting comparability during the year.

Financial performance business area Scandinavia

SEKm	Jan-Dec 2020	Jan-Dec 2019
Net sales	6,027	6,305
Operating profit (EBITA)	658	715
Operating margin (EBITA), %	10.9	11.3
Adjusted EBITA ¹⁾	481	555
Adjusted EBITA-margin, % ¹⁾	8.0	8.8

¹⁾ See page 100 for definitions of alternative performance measures.

Net sales in Attendo Scandinavia amounted to SEK 6,027m (6,305), corresponding to a change of -4.4 percent. Adjusted for currency effects, the change was -4.1 percent. The decline in sales is attributable mainly to lower sales due to the pandemic, divestment of the Norwegian operations and discontinued operations within home care. Total occupancy and occupancy in mature units in own operations decreased during the year due to the pandemic.

Operating profit (EBITA) amounted to SEK 658m (715), corresponding to an operating margin (EBITA) of 10.9 percent (11.3). Currency effects had marginal impact on profits. Translations differences had a marginal impact on the profit for the year.

Underlying EBITA excluding the effects of the pandemic and capital gains improved due to better financial performance in outsourcing and home care operations through improved planning and processes and discontinued operations in Denmark, as well as improved occupancy in own homes opened in 2018. Attendo Scandinavia has opened several own homes since the

beginning of the year, which significantly reduced profits because initial occupancy is low. The estimated profit impact of the pandemic was SEK - 120m related to effect on profits due to the sales loss and cost increases, including public compensation. Adjusted EBITA, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 481m (555), corresponding to an adjusted operating margin of 8.0 percent (8.8).

Finland

SEKm	Jan-Dec 2020	Jan-Dec 2019
Net sales	6,261	5,630
Operating profit (EBITA)	200	163
Operating margin (EBITA), %	3.2	2.9
Adjusted EBITA	-45	-48
Adjusted EBITA-margin, %	-0.7	-0.9

Net sales in Attendo Finland during the year amounted to SEK 6,261m (5,630) corresponding to growth of 11.2 percent. Adjusted for currency effects, net sales increased by 12.3 percent. The growth is primarily attributable to new own homes opened in 2019 and 2020, price increases and acquisitions. The price increases correspond to about 3 percent of total net sales. Since the comparison year, Attendo Finland has discontinued several units in own operations and most residents have been moved to newly built and modern Attendo homes, although a few units were discontinued entirely. The leap day in 2020 had positive impact on growth.

Operating profit (EBITA)¹ amounted to SEK 200m (163) and the operating margin (EBITA)¹ was 3.2 percent (2.9). Currency effects had marginal impact. Price effects and higher occupancy in own homes opened in 2017-2019 had positive impact on EBITA. Following the increased staffing requirements imposed by public authorities, Attendo Finland has since the comparison year increased staffing which has entailed significantly higher costs in relation to the comparison year. Profit in relation to the comparison year was therefore negatively affected by increased staffing, but also by new own homes, where occupancy is initially low. Attendo's investments in strengthening central and regional managerial and support functions have entailed increased costs. The estimated net impact on profit of the pandemic during the year is zero, as the profit impact of the sales loss and higher costs has been offset by public compensation.

Adjusted EBITA¹ amounted to SEK -45m (-48) and the adjusted EBITA margin was -0.7 percent (-0.9).

Market

Demand for Attendo's own operations offering in care for older people was lower than in previous years due to the corona pandemic. During large parts of 2020, nursing homes in Sweden had visiting restrictions in order to reduce the spread of infection. This, in combination with concerns about the pandemic, has dampened the demand for nursing home beds as many people with assessed care needs have chosen not to move into nursing homes.

Attendo estimates that construction began of around 1,950 nursing home beds in Sweden in 2020 and that private providers accounted for about 40 percent of these. Volumes in the

outsourcing market in care for older people were in principle unchanged compared to 2019. Outsourcing volumes in care for people with disabilities, on the other hand, were halved in terms of turnover of renegotiated contracts.

Own operations in Finland had stable demand in 2020 despite the corona pandemic. The general spread of infection in society and in nursing homes was significantly lower in comparison with the situation in Sweden. The demand for employees in the care sector remains high and will increase as the law on increased staffing is being introduced in several steps. The number of new nursing home projects decreased during the year and Attendo estimates that in 2020 around 1,000 new nursing home beds in care for older people and care homes for people with disabilities and housing in social psychiatry began to be built, which in total is halved compared to 2019. Private providers accounted for about 80 percent of the new beds. In the coming years, the number of new projects is expected to continue at a low level.

A new law covering staffing in care for older people in Finland entered into force on 1 October 2020. The new law regulates how staffing should be calculated and causes a general increase in the staffing ratio from 0.5 care workers per resident to 0.7, to be fully implemented from April 2023. The increases will take effect in the following stages:

- 0.55 as of 1 January 2021
- 0.60 as of 1 January 2022
- 0.70 as of 1 April 2023

The Finnish state is responsible for ensuring that local authorities receive the necessary funding to implement the new law. Private providers must negotiate with each local authority or region, which entails uncertainty about how compensation to private providers will be calculated. Costs related to the new law, such as hiring of new employees, are incurred some time before each of the various phases, meaning that it is likely that compensation will be delayed.

Risks and uncertainties

Attendo is exposed to external risks, business risks and financial risks. The primary risks are the conditions for private providers to run care operations, exposure to political decisions and regulatory conditions, occupancy in Attendo's units as well as access to competent personnel. Identified risk areas and how Attendo manages these risks, as well as a summary of significant focus areas for risk management in 2020, is described in detail on pages 45-48.

The corona pandemic had profound impact on Attendo's operations and financial performance in 2020. As a result of the pandemic, known risks such as occupancy in our units and access to qualified employees have become more apparent. Occupancy declined significantly during 2020 in Attendo Scandinavia, mainly due to the ban on visits to nursing homes for older people and concerns about the pandemic. In addition, the entire organisation has been forced to work under very challenging circumstances, with rapid changes of method and direction to protect our customers, many of whom are at high risk of contracting covid-19. From a risk perspective, the past year has thus been characterised by operational risks. Efforts to further develop Attendo also continued during 2020. In that context, the rate of expansion, regulatory conditions and risks

¹ See page 100 for definitions of alternative performance measures.

and staffing and human capital risks have been assessed in the light of Attendo's overall business objectives.

Seasonal variations

Attendo's profitability is affected by factors including seasonal variations, weekends and national public holidays. For Attendo, public holidays and weekends have a negative effect on profitability mainly due to wage compensation for unsocial working hours. For example, profitability is affected by Easter in either the first or second quarter, depending on the quarter in which Easter falls, while the first and fourth quarters are affected by the Christmas and New Year's holidays.

Acquisitions and divestment

Acquisitions

The group completed a number of minor acquisitions during the year. The group also acquired nursing homes and, in some cases local medical centres from local authorities in Finland during the year. These transactions were aimed at acquiring nursing homes in attractive locations with existing customers and employees. Refer to Note C29 Divested operations and Note C32 Acquisitions, for more information about all acquisitions and divested operations during the year.

Divestment

Effective 1 July 2020, Attendo has divested its Norwegian operations to the non-profit organisation Lovisenberg Omsorg. In total, the Norwegian operations generated about SEK 370m in annual revenue and made a marginal contribution to Attendo's profits.

Operations were deconsolidated in the third quarter of 2020. The divestment generated a loss of SEK 16m. In addition, currency gains of SEK 6m were realised in earnings. The net effect in the profit for the year amounted to SEK -10m.

The subsidiary Suomen Hoiva ja Asunto Oy was divested in December 2020. The company owns and manages 11 properties in Finland in which Attendo operates. As the properties were financed using specially regulated loans and state subsidies in Finland (ARA), the company is classified as a public benefit enterprise, which entails restrictions on the withdrawal of profits. The company was acquired by a consortium led by Pertti Karjalainen (employee of Attendo and major shareholder). The transaction was executed with principles and valuation established by the ARA authority and the valuation has been determined by independent valuation institute. As part of the sale of the company, bank loans of SEK 297m were divested along with buildings and land at a total book value of SEK 320m. The effect on Attendo's net sales and profits is immaterial. Attendo will continue to operate in the premises.

Employees

The average number of full-time equivalent employees was 18,178 (16,499), of whom 15,268 (13,795) women. Attendo seeks to offer good working conditions and the potential for personal development. This means that we respect and comply with labour market legislation, agreements, safety requirements and other regulations governing operations. For more information about Attendo's employees, see the section on Employees on page 24 and in Note C5, Information on directors, senior executives and employees.

Organisational changes

As of February 13, Pertti Karjalainen is no longer a member of the executive management. Attendo's business development director Johan Spångö left Attendo and the position in the executive management team effective March 2020. He was succeeded by Eric Wåhlgren.

Ammy Wehlin resigned from the position as business area director for Attendo Scandinavia in connection with the year-end 2020, and has been succeeded by Ulrika Eriksson, who took up the position as business area director for Attendo Scandinavia and member of the executive management team on 1 January 2021.

Policy for remuneration to senior executives in 2020

The following policy for remuneration to executive executives was adopted by the 2020 annual general meeting.

These principles for remuneration shall apply to Attendo's executive management. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Attendo's business strategy, in short, is to provide and develop high-quality care, mainly by the establishment of care homes in own operations. Attendo's offer includes care services for elderly people, people with disabilities, social psychiatry and care for individuals and families.

Care is highly important to customers, relatives, employees, as well as the society as a whole. The demographic trend indicates a sharp increase in the population aged 85+ in Attendo's markets in the next 15 years. For a company like Attendo, the key for long-term success is the ability to provide high and stable quality with satisfied customers, well-supported relatives and with competent and committed employees.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Performance criteria for variable remuneration and the company's business strategy

Long-term share-related incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines.

The performance criteria used to assess the outcome of the long-term share-related programs are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. At present, these

performance criteria comprise long-term financial results (EBITA) and the programs are conditional upon a holding period of several years.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. For the CEO, the variable cash remuneration may amount to not more than 75 per cent of the total fixed cash salary under the measurement period for such criteria. The variable cash remuneration to other members of the executive management may amount to not more than 50 per cent, correspondingly.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25 per cent of the fixed annual cash salary and may not be paid more than once each year per individual.

Furthermore, Attendo shall, in order to promote a personal long-term interest in Attendo's development, be able to pay cash remuneration to executive management in relation to acquisitions of shares or share-related instruments under long-term incentive programs, in addition to the maximum variable remuneration in accordance with these guidelines (and any extraordinary remuneration as set out above). Each such payment shall not exceed 25 percent of the fixed cash remuneration during the period for such incentive programs.

Any resolution on remuneration as described in the sections above shall be made by the Board of Directors based on a proposal from the compensation committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. For other executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions.

Other benefits should be on market terms and contribute to the executives' ability to fulfill the employment duties and may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company car. Such benefits may amount to not more than 25 per cent of the fixed annual cash salary.

Termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for two years, and one year for other executives. The period of notice may not to exceed six months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria, which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. Criteria for variable cash remuneration should be based on financial targets (for the group and the respective business areas, as appropriate), as well as measurable quality, customer satisfaction and employee satisfaction. At least 60 percent of the variable cash remuneration should be subject to shareholder value based criteria. The criteria for variable cash remuneration are based on the most important and measurable prerequisites for the long-term success of Attendo, as described above, and thereby contribute to the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The compensation committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a compensation committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Environmental impact

Attendo's environmental policy is the basis for how all employees should relate to environmental matters, something that our customers and contracting local authorities value highly and are keen to be actively involved in. Attendo strives to protect the environment as far as technologically possible and economically feasible. The objective is to minimise Attendo's environmental footprint and continuously develop the environmental initiatives, with focus on the areas assessed as most significant to the business: purchasing of consumables and food, distribution and transportation, energy/water use and waste management. Attendo does not conduct any operations that require permits or registration under the Swedish Environmental Code.

Sustainability

Sustainability is an integral part of Attendo's business strategy and we constantly strive to create benefits for society and our various stakeholders. In accordance with ÅRL, Chapter 6, Section 10, Attendo shall submit a sustainability report as part of its administration report. For more information about Attendo's sustainability work, see the statutory sustainability report on pages 16-34 in this annual report. The sustainability report refers to Attendo AB with all subsidiaries. Further information about Attendo's sustainability work is also available at www.attendo.com.

Outlook

The number of older people will increase sharply in the coming 10-year period in all countries where Attendo operates. Thus, the demand for home care services and nursing home beds is estimated to increase structurally. New investments in nursing homes will be required to meet these needs and for Attendo, which is the leading private provider in care in the Nordic region, this creates prerequisites for long-term growth.

During the corona pandemic, demand for nursing homes in Sweden has been subdued and lower than the trend demand. Occupancy in nursing homes was therefore lower than historically in the beginning of 2021. As vaccination programs are implemented, Attendo estimates that the inflow of new customers will gradually normalize and that occupancy in the market will thus gradually increase.

The Finnish market for nursing homes has been negatively affected by local and regional overcapacity over the past three years, combined with increased staffing requirements that have not yet been fully offset by higher prices. The number of new nursing homes has decreased during 2019 and 2020 and Attendo estimates that the market will gradually come into better balance, which provides conditions for higher occupancy.

Parent company

The business of the parent company is to provide services to the subsidiaries and manage shares in subsidiaries. The company's expenses relate mainly to executive salaries, directors' fees and costs for external consultants.

Financial information

Net sales for the year were SEK 13m (13), and were entirely related to services provided to subsidiaries. The loss for the year after net financial items was SEK -34m (-31). At the end of the year, cash and cash equivalents amounted to SEK 0m (0), shares in subsidiaries to SEK 6,494m (6,494) and non-restricted equity to SEK 6,010m (5,992).

New financial targets

In connection with Attendo's IPO (initial public offering) in 2015, financial targets were set, linked to growth, margins, dividend policy and debt. Attendo has undergone major changes in recent years and conditions in Finland, Attendo's second-largest market, have changed. As a result of these factors combined with the new IFRS 16 accounting standard, the previous targets need to be revised based on current circumstances. As the company is in a phase of turnaround in which successive profit recovery is expected, Attendo has established a profit target for three years ahead. Attendo expects profit growth linked to the changes in Finland, an improved operational model, organic growth within current and planned capacity and minor acquisitions. Attendo's ambition is to achieve adjusted earnings per share of SEK 4 or better by 2023, calculated on the basis of the IAS 17 accounting standard (which provides better comparability) and excluding amortisation of acquisition-related intangible assets and items affecting comparability.

Attendo's target is to distribute 30 percent of the company's adjusted profits as dividends. Like the profit target, this measurement is calculated based on the earlier IAS 17 accounting standard. Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position.

Attendo's capital structure target is based on financial stability and the opportunity to execute long-term decisions. Attendo has set a target that adjusted net debt in relation to adjusted EBITDA should not exceed 3.75 over the long term (calculated based on IAS 17).

Share information

The total number of shares outstanding is 161,386,592.

Attendo's holding of treasury shares amounts to 473,744, which means the number of shares outstanding at 31 December 2020 was 160,912,848.

The two largest shareholders at year-end were Nordstjernan AB, with 19 percent of registered shares, and Pertti Karjalainen, with 11 percent.

Proposed distribution of profits

Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position. In both financial and operational terms, 2020 was a challenging year for Attendo that was characterised by the pandemic. In addition, an impairment loss on goodwill was taken in the Finnish operations. In the light of these circumstances, the board of directors is therefore proposing to the 2021 annual general meeting that no dividend should be distributed for the 2020 financial year. For the year 2019 no dividend was distributed.

Proposed distribution of profits

Proposed distribution of profits in the company	Amounts in SEK
To be retained	6,009,862,652
Total non-restricted equity in the parent company	6,009,862,652

Refer to the following income statements, balance sheets, statements of cash flow, remarks and notes to the accounts concerning the financial performance and position of the company and the group in other respects.



Consolidated income statement

January-December, SEKm	Note	2020	2019
Operating income			
Net sales	C3	12,288	11,935
Other operating income	C4	73	110
Total revenue		12,361	12,045
Operating costs			
Personnel costs	C5, C6	-8,285	-8,133
Other external costs	C6, C7, C8	-2,023	-1,972
Operating profit before depreciations and amortisation (EBITDA)		2,053	1,940
Amortisation and depreciation of tangible and intangible assets	C13, C14, C15	-1,256	-1,128
Operating profit after depreciation (EBITA)		797	812
Amortization of acquisition related intangible assets	C13	-124	-140
Operating profit, excluding items affecting comparability		673	672
Items affecting comparability	C9	-955	-
Operating profit (EBIT)		-282	672
Profit after Financial items			
Financial income	C10	14	5
Financial expenses	C10	-658	-570
Net financial items		-644	-565
Profit before tax		-926	107
Income tax	C11	22	-26
Profit for the year		-904	81
Profit for the period attributable to:			
The parent company shareholders		-906	81
Non-controlling interests		2	-
Basic earnings per share, SEK	C12	-5.63	0.51
Diluted earnings per share, SEK	C12	-5.63	0.51
Adjusted earnings per share diluted, SEK	C12	1.43	1.71
Average number of shares outstanding, basic, thousands	C12	160,904	160,877
Average number of shares outstanding, diluted, thousands	C12	160,920	160,899

Consolidated statement of comprehensive income

January-December, SEKm	Note	2020	2019
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans, net of tax	C11, C23	-8	-3
Items that may be reclassified to profit or loss			
Exchange rate differences on translation of foreign operations		-56	47
Other comprehensive income for the year, net of tax		-64	44
Profit for the year		-904	81
Total comprehensive income for the year		-968	125
Profit for the period attributable to:			
The parent company shareholders		-970	125
Non-controlling interests		2	-

Consolidated balance sheet

SEKm	Not	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	C13	6,644	7,446
Other intangible assets	C13	493	564
Property, plant and equipment	C14	562	874
Right-of-use assets	C15	9,709	8,856
Deferred tax assets	C11	352	293
Other non-current receivables	C16	58	38
Total non-current assets		17,818	18,071
Current assets			
Trade receivables	C17	1,039	1,090
Current tax assets		82	80
Other current receivables	C18	399	320
Cash and cash equivalents		716	523
Total current assets		2,236	2,013
Assets held for sale	C19	18	186
Total current assets		2,254	2,199
TOTAL ASSETS		20,072	20,270
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Other contributed capital		4,405	4,405
Retained earnings		1,349	1,344
Profit for the year		-906	81
Equity attributable to the Parent company shareholders		4,849	5,831
Non-controlling interests		22	-
Total equity		4,871	5,831
Non-current liabilities			
Liabilities to credit institutions	C21	2,246	2,836
Long-term lease liabilities	C15, C22	9,811	8,640
Deferred tax liabilities	C11	97	88
Provisions for post-employment benefits	C23	8	15
Other provisions	C24	64	142
Other non-current liabilities	C25	23	63
Total non-current liabilities		12,249	11,784
Current liabilities			
Liabilities to credit institutions	C21	0	2
Short-term lease liabilities	C15, C22	919	862
Short-term provisions	C24	117	85
Trade payables		358	256
Current tax liabilities		20	19
Other current liabilities	C27	1,534	1,412
Total current liabilities		2,948	2,636
Liabilities held for sale	C19	4	19
Total current liabilities		2,952	2,655
TOTAL EQUITY AND LIABILITIES		20,072	20,270



Consolidated statement of cash flow

January-December, SEKm	Note	2020	2019
Operating activities			
Profit before tax		-926	107
Adjustments for items not included in cash flow	C28	2,362	1,268
Paid income tax	C11	-37	-88
Cash flow from operating activities before changes in working capital		1,399	1,287
Cash flow from changes in working capital			
Changes in current receivables		-126	-5
Changes in current liabilities		372	-55
Cash flow from operating activities		1,645	1,227
Investing activities			
Net change in assets and liabilities held for sale	C19	196	260
Investments in subsidiaries (net of acquired cash)	C29	-114	-239
Divestment of subsidiaries	C32	-22	87
Investments in intangible assets	C13	-12	-18
Investments of tangible assets	C14	-333	-327
Divestment of tangible and intangible assets	C13, C14	26	104
Cash flow from investing activities		-259	-133
Financing activities			
Repayment of lease liabilities		-898	-790
Dividends paid		-	-96
Warrants		2	-
New borrowings	C21, C26	199	2,789
Repayment of loans	C21, C26	-475	-5,388
Cash flow from financing activities		-1,172	-3,485
Cash Flow for the year			
Cash and cash equivalents at the beginning of the period		523	2,896
Effect of exchange rate changes on cash		-21	18
Cash and cash equivalents at the end of the period		716	523

See Note C28 Cash flow statement for information about interest received/paid.

Consolidated statement of changes in equity

SEKm	Equity attributable to the Parent company shareholders						
	Share capital	Capital contributions	Retained earnings		Total equity	Non-controlling interests	Total equity
			Accumulated translation differences	Other retained earnings			
Opening balance, 1 January 2019	1	4,405	85	1,310	5,801	-	5,801
Profit							
Profit for the year	-	-	-	81	81	-	81
Other comprehensive income							
Re-measurements of defined benefit pension plans, net of tax	-	-	-	-3	-3	-	-3
Exchange rate differences on translation of foreign operations	-	-	47	-	47	-	47
Total other comprehensive income	-	-	47	-3	44	-	44
Total comprehensive income	-	-	47	78	125	-	125
Transactions with shareholders							
Vested shares	-	-	-	2	2	-	2
Share savings programme	-	-	-	-1	-1	-	-1
Dividends paid	-	-	-	-96	-96	-	-96
Total transactions with shareholders	-	-	-	-95	-95	-	-95
Transactions with non-controlling interest	-	-	-	-	-	-	-
Closing balance, 31 December 2019	1	4,405	132	1,293	5,831	-	5,831
Opening balance, 1 January 2020	1	4,405	132	1,293	5,831	-	5,831
Profit							
Profit for the year	-	-	-	-906	-906	2	-904
Other comprehensive income							
Re-measurements of defined benefit pension plans, net of tax	-	-	-	-8	-8	-	-8
Exchange rate differences on translation of foreign operations	-	-	-56	-	-56	-	-56
Total other comprehensive income	-	-	-56	-8	-64	-	-64
Total comprehensive income	-	-	-56	-914	-970	2	-968
Transactions with shareholders							
Vested shares	-	-	-	1	1	-	1
Transactions with non-controlling interest	-	-	-	-14	-14	-	-14
Share savings programme	-	-	-	-1	-1	-	-1
Warrants	-	-	-	2	2	-	2
Total transactions with shareholders	-	-	-	-12	-12	-	-12
Transactions with non-controlling interest	-	-	-	-	-	20	20
Closing balance, 31 December 2020	1	4,405	76	387	4,849	22	4,871

Notes to the Consolidated financial statements

C1 SIGNIFICANT ACCOUNTING POLICIES

Attendo AB (publ), corporate ID no. 559026-7885, with its registered office in Danderyd, Sweden is the parent company of a group that includes the subsidiary Attendo International AB. In turn, Attendo International AB owns companies whose business is to own companies and manage shares in companies whose primary business is 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 50-88 of the printed annual report. The consolidated financial statements will be subject to adoption by the Annual General Meeting (AGM) on April 14, 2021.

Basis of preparation of financial statements

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

The consolidated financial statements are presented in millions of Swedish kronor (SEKm). 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 cover the companies that comprise the group and have been prepared for the same reporting periods and with consistently applied accounting policies. All intragroup dealings, transactions, revenues, costs and profit and losses have been eliminated.

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

Amendments to this year's accounting policies and disclosures

No new or amended accounting principles and improvements have entered into force during the year. IFRIC has issued a number of additional interpretations and amendments. Implementation of these has not led to any restatement of earlier accounts.

As 2020, Attendo has added "Items affecting comparability" as a line item on the income statement. Items classified as items affecting comparability are those where it is important to observe the effects on profit when profit for the year is compared with earlier years, such as significant impairment losses and other significant, non-recurrent costs or income.

Significant estimates and judgements

Preparing financial statements in accordance with IFRS requires the use of certain key accounting estimates. Furthermore, management is required to make certain judgements when applying the accounting policies. Areas that involve extensive judgements, that are complex or where assumptions and estimates are of material significance to reporting are stated in Note C2, Key accounting estimates and judgements.

Accounting policies for the consolidated financial statements

The financial statements include Attendo AB and all entities that the parent company controls. The group controls an investee when it has exposure, or rights, to variable returns from its involvement with the investee and is able to use its power over the investee to affect the amount of the group's returns. Subsidiaries are included in the financial statements from the date the group gains control over the subsidiary. They are excluded from the financial statements from the date it ceases to control the subsidiary.

The acquisition method

Attendo applies the acquisition method to accounting for 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 assumes its liabilities. The value of the acquisition is determined by measuring the fair value of the subsidiary's assets and liabilities on the acquisition date. The measurement includes any additional consideration or share option liability on the acquisition date. Subsequent remeasurements of the additional consideration or share option liability are recognised at fair value through profit or loss and under equity, respectively.

According to IFRS, transactions involving non-controlling interests (NCI) are accounted for as equity transactions. However, there are no specific rules governing the remeasurement of share option liabilities to these NCI. Remeasurements of share option liabilities in NCI are accounted for as equity transactions in the consolidated financial statements. Accordingly, accounting conforms to other transactions with NCI. For each acquisition, a decision is made as to whether all NCI in the acquiree should be measured at fair value or the NCI's proportionate share of the net assets of the acquiree.

Acquisition costs are expensed as they arise. If the aggregate value of the consideration transferred exceeds the fair value of the acquired net assets or other identifiable assets, the surplus is recognised as goodwill. If the fair value of the acquired net assets exceeds the aggregate value of the consideration transferred, the difference is recognised directly in profit or loss.

All intra-group transactions and balance sheet items and intra-group gains and losses from the sale of non-current assets are eliminated in the consolidated financial statements.

Revaluation and translation of foreign currency

The financial statements of all subsidiaries are denominated in local currency. The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional and presentation currency.

Foreign currency transactions have been translated at the spot conversion rate on the date of the transaction. Exchange rate gains and losses arising upon payment for such transactions and upon the conversion of monetary assets and liabilities denominated in foreign currency at the closing rate are recognised in profit or loss. The exception is cases where transactions satisfy the conditions for hedge accounting of cash flows or net investments, when gains/losses are recognised in Other Comprehensive Income (OCI).

Translation of foreign subsidiaries

The results of operations and financial positions of all group companies whose functional currency differs from the presentation currency are translated to the group's presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

Income and expenses for each income statement are translated at the average rate of exchange.

Exchange rate differences are recognised in OCI.

Goodwill and fair value adjustments arising from acquisitions of foreign operations are treated as part of the assets and liabilities of the foreign operation and translated at the closing day rate.

Exchange rate differences are recognised in OCI.

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 disposals of subsidiaries are reported net of cash and cash equivalents acquired or disposed of liquid assets in cash flow from investing activities. Assets and liabilities held by acquired and disposed businesses at the transaction date are not included in the statement of changes in working capital or in changes in balance sheet items presented in investing or financing activities..

Revenue recognition

Attendo's care and health care services are based mainly on multi-year contracts. Compensation is linked to the number of care days, hours performed or services granted by the local authority.

Attendo is normally paid rental income by the residents of Attendo's own homes.

Own operations

In Own operations, Attendo operates in premises controlled by the company. Attendo also provides home care services in customer choice models. Own operations includes care for older people, people with disabilities, social psychiatry and care for individuals and families. Attendo has a lease with the property owner. Attendo owns a very limited number of properties. In the care home business, Attendo is normally compensated for care provision, meal provision and rent. In a typical care home in Own operations, Attendo is compensated by the local authority for care provision, and in many contracts also for meal provision. The customer normally pays rent to Attendo and, in several operations, for meals. Compensation models vary among the local authorities. In Finland, some customers pay for a portion of care services. Compensation for care service and meals is based on care days, while the rent is a monthly charge.

In home care services under the Own operations contract model, Attendo is compensated for hours performed or services granted by the local authority.

Outsourcing

In Outsourcing operations, Attendo provides services in publicly controlled units/premises or provides home care services based on outsourcing contracts. Outsourcing operations include care for older people, people with disabilities, social psychiatry and care for individuals and families. The premises are the responsibility of the local authority.

In the care home business, Attendo is normally compensated by the local authority for care provision and meals. Compensation models vary among the local authorities.

In home care services under the Outsourcing contract model, Attendo is compensated for hours performed or services granted by the local authority.

When revenue is recognised

Revenue is recognised when the services have been rendered and in accordance with agreed prices, by reference to the stage of completion. The revenue is billed monthly. Terms of payment are normally Net 30 Days in Sweden and Net 14 Days in Finland.

Price increases

Price increases are regulated in the absolute majority of contracts and are usually linked to some form of an index. The indices are linked to labour cost increases and/or general price increases.

Price increases in Attendo's rental agreements with customers are linked to local negotiation between market partners or general cost increases.

No performance obligations have been identified that must be reported as the company does not have contracts of that nature.

Segment reporting

Attendo has defined two operating segments that are continuously monitored by the chief operating decision maker, who makes decisions about the allocation of resources and assesses the operating segment's performance

Other and eliminations* in the segment tables covers costs for the head office and group eliminations.

Aid and grants

Attendo is entitled to various state and municipal employee-related aid and grants, as well as grants for other costs. This aid may, for example, be related to education, employment, reduced working hours and compensation for certain additional costs. All aid and grants are recognised in profit or loss as cost reductions in the period in which the aid was received.

Financial assets

Financial assets are recognised when the group becomes party to the contractual provisions of an instrument. Financial assets are derecognised 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 rewards of ownership.

The group's financial assets largely consist of cash and cash equivalents and trade receivables, and are classified in accordance with IFRS 9 Financial Instruments:

Attendo classifies its financial assets in the following three categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

Financial assets measured at fair value are financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets measured at fair value are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Trade receivables, which are a component of financial assets in this category, are recognised in the amounts at which they are expected to be paid. Attendo has devised a collective model for accounting for credit losses attributable to trade receivables because the company's trade receivables are regarded as having the same credit characteristics. The model is tested every year to determine whether any changes are necessary. Expected and incurred credit losses are recognised as operating costs. For further information, see Note C17, Trade receivables.

Financial assets measured at amortised cost

Cash and bank balances are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances through the group's cash pool. Unutilised overdraft facilities are not included in cash and cash equivalents. For further information, see Note C26, Financial risk management and financial instruments.

Financial assets measured at fair value through other comprehensive income

The group has no financial assets measured at fair value through other comprehensive income.

Financial liabilities

Financial liabilities primarily consist of trade payables and loan liabilities. The financial liabilities that are not included in hedge accounting are measured and recognised at amortised cost, applying the effective interest rate method. The direct cost of borrowing is included in the cost. When the overdraft facility is used, the item is included in financial liabilities. Financial liabilities denominated in foreign currency are translated at the closing day rate.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the amount due on settlement is recognised in profit or loss allocated across the term of the loan, using the effective interest rate method. See also Note C21, Liabilities to credit institutions.

Trade payables

Trade payables are initially measured at fair value and subsequently at amortised cost, using the effective interest rate method.

Lease liabilities

At the date the lease was entered into, the company measured at the present value of the lease payments that had not been paid as of that date. Lease payments are discounted using property yields. Changes in the discount rate affect the size of the liability and interest expenses attributable to the liability. A new discount rate is set when a new lease is added when an extension option is used and when there is a material change in the scope of the lease.

Contingent consideration

Contingent consideration is measured at fair value based on the estimated outcome of contractual clauses in share transfer agreements at the acquisition date. At each reporting date, the financial liability is measured at fair value and any changes are recognised in profit or loss under "Other external expenses".

Cash flow hedges

The effective portion of the change in fair value of net investments in subsidiaries identified as cash flow hedges and that meet the criteria for hedge accounting, is recognised in OCI. The profit or loss attributable to the ineffective portion is immediately recognised in profit or loss as financial income or expense.

When a hedging instrument expires or is sold or when the hedge no longer meets the criteria for hedge accounting and the cumulative gain or loss on the hedging instrument is reserved, the gain or loss remains in equity and is recognised when the highly probable forecast transaction is finally recognised in profit or loss. When a highly probable forecast transaction is no longer expected to occur, the cumulative gain or loss reserved in equity is immediately reclassified to profit or loss.

Leasing

Attendo report the lease contracts accordance with IFRS 16, Lease Contracts

A lease under IFRS 16 Leases is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Attendo's analysis shows that the majority of the contracts classified as leases under IFRS 16 refer to premises where Attendo runs own operations, cars used in home care operations and a few other assets.

Attendo has taken advantage of the exemption permitting the exclusion of leases of assets of low value, below SEK 50,000, and leases with terms of less than twelve months. The leases related to land and buildings usually have terms of 10 – 15 years and those for cars have terms of 3 years. Leases for land and buildings also normally include one or more extension options. Because exercise of an extension option requires a new investment decision, IFRS 16 does not cover the calculation of the extension option until a decision to continue the operation is made. Variable costs, such as property tax, VAT and other variable property costs, such as the costs of maintenance, electricity, heat and water, etc., are excluded from the lease liability calculation to the extent the costs can be separated from the cost of rent. Attendo provides care services through two contract models: own operations and outsourcing. In the own operations contract model, Attendo provides care services on Attendo's own premises, i.e., premises that Attendo in most cases rents from external property owners. In outsourcing, Attendo provides care services on local authority premises and thus has no rental agreements for these premises.

The yield for public properties is used as the discount rate to calculate the lease liability (the present value of future lease payments) in order to reflect the implicit interest rate. The yield requirement differs among geographical areas and Attendo's leases have consequently been categorised based on their geographical location. Yield is provided annually by an external party, NewSec, as the basis for the discount rate.

The majority of Attendo's leases contain some form of annual indexation, usually based on the consumer price index. There are leases in Finland where indexation is based on occupancy. According to IFRS 16, recognised right-of-use (ROU) assets include only the value of the discounted leases for assets in use. The obligations must also extend for more than 12 months and have a fixed rent, as opposed to variable rent.

Intangible assets**Goodwill**

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

Goodwill from business combinations is allocated to the cash-generating unit in the group 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 recognised if the carrying amount exceeds the recoverable amount, which is the higher of the value in use and fair value, less costs of disposal. An impairment loss is immediately recognised as an expense in profit or loss and may not be reversed. More information on goodwill impairment is provided in Note C2, Key accounting estimates and judgements and Note C13, Intangible assets.

Customer relations

Customer relations are recognised in conjunction with business combinations when the customer base is a significant part of the combination.

Customer relations are estimated to have a finite useful life. These assets are carried at fair value on the acquisition date and subsequently carried at cost less accumulated amortisation and any impairment losses. Assets are amortised on a straight-line basis 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 the carrying amount and the tax value of the intangible asset. The deferred tax liability is to be dissolved over the same period as the intangible asset is amortised.

The estimated useful lives of the assets are as follows:

Asset	Years
Customer relations	5-10

Impairment testing and the recognition of impairments on 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 and trademarks. Other acquired intangible assets are initially carried at fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset, provided that such useful lives are not indefinite. The useful life of an asset is subject to annual review and when required. Amortisable intangible assets are amortised from the date they become available for use. Attendo acquired nursing homes and, in some cases, local medical centres from local authorities in Finland. These transactions were aimed at acquiring nursing homes in attractive locations with existing customers and employees. The transactions are reported as required under IFRS 3 Business Combinations. Land, buildings and customer relationships acquired in these transactions are carried at fair value and depreciated/ amortised over the useful life of the asset. Liabilities are also measured at fair value. Any surplus value is reported as goodwill. The estimated useful lives of the assets are as follows:

Asset	Years
Customer contracts	6-10
Other intangible assets	3-5

Amortisation is recognised in profit or loss on a straight-line basis over the term of the contract. Impairment testing and the recognition of impairments on other intangible assets are conducted in the same manner as for goodwill.

Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful life of the asset. In cases where part of property, plant and equipment consist of several components, where each component its own cost and estimated useful life that differs significantly from the item as a whole, each component is depreciated individually on the basis of the component's estimated useful life. The estimated useful lives of the assets are as follow:

Asset	Years
Buildings	5-50
Machinery and 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 recognised in profit or loss as other operating income or expense.

Right-of-use assets

Right-of-use assets are recognised at cost at the date of the lease. After acquisition date, the right-of-use is recognised at the discounted value. Depreciation is recognised on a straight-line basis over the life of the lease.

The estimated useful lives of the assets are as follows:

Asset	Years
Land and buildings	1-20
Vehicles	3

Impairment testing, as well as the recognition of impairments, is conducted in the same manner as for tangible 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 recognised in profit or loss as other operating income or expense.

Assets held for sale and discontinued operations

Assets held for sale and discontinued operations are reported as required under IFRS 5. The implications of classification of a non-current asset (or disposal group) as held for sale is that the carrying amount of the asset will be recovered mainly through sale and not through continued use in operations.

These assets or disposal groups must be presented separately in the statement of financial position.

Liabilities associated with these assets or disposal groups must be presented separately from other liabilities in the statement of financial position.

Upon reclassification, assets and liabilities are measured at the lower of carrying amount and fair value less costs to sell. As of that point, the assets are no longer depreciated. Gains and losses recognised in connection with remeasurement and disposal are reported in profit or loss for the period.

Income taxes

Tax expense for the year comprises current and deferred tax. Taxes are recognised in profit or loss except when the tax refers to items recognised in OCI or directly in equity. In such cases, the tax is also reported in OCI or equity.

Deferred tax is recognised as temporary differences between the tax base and the carrying amounts of assets or liabilities, and for loss carryforwards. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax liabilities are, however, not recognised if they arise as a result of the initial recognition of goodwill. Nor are deferred taxes recognised if they arise as a result of a transaction that constitutes the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit.

Provisions and impairments of right-of-use assets

A provision is a liability of uncertain timing or amount. A provision is recognised when the group has an existing legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be necessary to settle the obligation, and the amount can be estimated reliably. Provisions are measured as the present value of the estimated expenditure required to settle the obligation. When the effect of the timing of the settlement is material, provisions are calculated on the basis of discounting estimated future cash flows.

Right-of-use assets are impaired when the economic rewards are lower than the recognised value of the right-of-use asset. The value in use is defined as the estimated future cash flows derived from continued use of the asset until its final disposal. Value in use is calculated through discounting future cash flows.

The impairment is reported as amortisation of tangible assets.

Onerous contracts

A provision for an onerous contract is recognised when unavoidable costs of meeting the obligations under the contract with the customer exceed the economic benefits that the group expects to receive under it.

Restructuring

A provision for restructuring is recognised when the group has adopted a detailed formal restructuring plan whose implementation has started or which has been announced to those affected. In these cases, provisions are made for outstanding rents, closing costs and any staff costs.

Employee remuneration**Pensions**

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

For the defined contribution pension plans, the Group's commitment is limited to fixed fees paid to a separate legal entity. These are recognised as personnel costs in profit or loss as they fall due for payment. The group has no obligation to pay additional fees if the assets of the pension fund prove to be insufficient. A defined benefit pension plan specifies a pension amount that the employee receives upon retirement, usually depending upon one or more factors such as age, number of years of service and salary. The liability recognised in the balance sheet regarding defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets and unrecognised expenses for service in previous periods. The defined benefit pension obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on investment-grade bonds issued in the same currency as the benefits will be paid, with maturities comparable to the current pension obligation. The discount rate is reviewed quarterly, which affects net debt. Other assumptions, such as retirement age, mortality and employee turnover are reviewed annually.

Actuarial gains and losses resulting from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise.

The group's net liability for defined benefit pension plans in Norway is calculated separately for the plan by estimating the future benefits that employees have earned through their employment in both current and previous periods.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for such termination benefits. The group recognises severance pay when it is demonstrably committed to a termination when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal. If the company has presented an offer to encourage voluntary redundancy, severance pay is calculated based on the number of employees that are estimated to accept the offer. Benefits that fall due more than 12 months after the end of the reporting period are discounted to present value.

Items affecting comparability

As 2020 Attendo has added items affecting comparability as a line item on the income statement. Items classified as items affecting comparability are those where it is important to observe the effects on profit when profit for the year is compared with earlier years, such as significant impairment losses and other significant, non-recurrent costs or income. Tax on items affecting comparability and tax items that are specifically classified as items affecting comparability are reported under

"Tax" on the consolidated income statement. Items accounted for as items affecting comparability in a period are accounted for consistently in future periods by also reporting any reversals of these items as items affecting comparability. Segment reporting is presented before items affecting comparability, but items affecting comparability are allocated to the segments to which they refer in the notes to the financial statements.

Share-based incentive programmes

Attendo has launched two share-based programmes, Share savings programme Attendo+ and performance programme based on share rights, which allow employees to acquire shares in Attendo.

In accordance with IFRS 2, costs related to the share savings programme are expensed as a personnel expense during the vesting period and recognised directly in equity. The social insurance fees that are expected to arise due to Attendo+ are accounted for in accordance with the recommendation from the Swedish Financial Reporting Board's Recommendation, UFR 7. The calculation is based on the change in value of matching shares and performance-based shares and is recognised as a provision.

New or revised IFRS standards

A number of new standards and amendments to interpretations and current standards have not yet become effective for the financial year ending 31 December 2020 and have not been applied in the preparation of the consolidated financial statements. A description of these standards and interpretations follows, including a description of their potential impact on the consolidated financial statements.

On January 1, 2021, part 2 of the amendments to IFRS 9 Financial Instruments for Hedge Accounting will enter into force. Part 2 clarifies how the effects on the financial statements from the IBOR reform will be reported, including changes in contractual cash flows or hedging that may arise as a consequence of the reference interest rate reform. The changes is not considered to have any impact on the Group's financial reports.

IFRS 17 Insurance Contracts The IASB published a new accounting standard regarding insurance contracts in May 2017. The standard affects all companies with insurance contracts that apply IFRS. The standard is applicable to annual reporting periods beginning on or after 1 January 2022. IFRS 17 is not estimated to have any impact on the company's financial statements.

Financial measures not defined in IFRS

The Attendo Group's consolidated financial statements are prepared according to IFRS. Only a few financial measures are defined according to IFRS. As from 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 financial performance, financial position or cash flows, other than a financial measure defined or specified in IFRS. Attendo presents certain financial measures not defined in IFRS in order to support executive management and other stakeholders in their analysis of the group's performance. Executive management believes this information facilitates analysis of the group's financial performance. This information is complementary information to IFRS and does not replace financial measures defined in IFRS. Attendo's definitions of financial measures not defined in IFRS can differ from those applied by other companies. All of the definitions applied by Attendo are presented on page 100.

C2 KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The consolidated financial statements are prepared in accordance with IFRS. The preparation of financial reports and the application of accounting policies are often based on the management's judgements and estimates, and on assumptions that are considered reasonable and balanced at the time of such judgements. However, the outcome could be different given other judgements, 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 judgements and assumptions have been made and which are considered to have the greatest impact on the consolidated financial statements are listed below.

Impairment testing of goodwill

Goodwill

The group tests whether goodwill is impaired each year in accordance with the accounting policies stated in Note C1, Significant accounting policies. The impairment test includes measurements based on judgements and estimates. The estimates are based on critical assumptions such as growth rate, profit margins, investment requirements and the discount rate. Political decisions that lead to legislative change could have significant impact on Attendo's operations and financial performance.

Consequent upon the corona situation, Attendo has carried out an updated test of recorded goodwill for impairment. As in previous years, the impairment test was done separately for Attendo Scandinavia(AS) and Attendo Finland (AF) and with a 10-year forecast period. In addition, the forthcoming demographic change is expected to lead to a further increased need for the Group's services after year five in the forecast period. Attendo has therefore used a 10-year forecast period for the 2020 impairment test.

Considering the impact of and uncertainty caused by the pandemic, the test was performed with assumptions of weaker short-term profitability and a higher cost of capital due to a higher risk premium. The impairment test resulted in an impairment loss of SEK 821m for operations in Finland. In Attendo Scandinavia, there is still a large margin before any write-down need would exist. More information is provided by Note C13, Intangible assets.

Right-of-use assets

An impairment of a right-of-use asset is recognised when the group has determined that the economic rewards expected to be derived from the contract are lower than the carrying amount of the right-of-use asset. When profit generation in a unit does not suffice to cover the rights, the right-of-use asset must be impaired.

Consequent upon the corona situation, Attendo has reviewed the need for any impairment of right-of-use assets. As a result, right-of-use assets in Finland have been impaired by SEK 134m. Most of this write-down is due to the fact that losses during the start-up period for new units are expected to be extended, as the inflow of new customers has decreased as a consequence of concerns related to corona pandemic, and the value in use has thus decreased.

Assets and liabilities held for sale

Attendo builds properties in own operations. All assets and liabilities related to these projects are recognised as assets and liabilities held for sale in accordance with IFRS 5. These assets are recognised at the lower of the carrying amount and fair value less costs to sell.

Attendo has entered into contracts with external property owners to sell the properties after completion. If the contract is not fulfilled and the sale of the properties does not occur, assets and liabilities are reclassified in accordance with other assets and liabilities on the balance sheet.

Provisions and impairment of onerous contracts

The group's sales are mainly derived from customer contracts. Management evaluates factors such as the existence of contract losses in order to determine the income and expense items to be recognised in each period. The existence of onerous contracts is reviewed individually on the basis of each unit's profit and loss, including index adjustments, during the estimated life of the contract. If an onerous contract is judged to exist, a provision is immediately recognised based on the estimated loss. At 31 December 2020, total provisions for onerous contracts were SEK 63m (113). For more information about provisions and impairments of right-of-use asset, see Note C15 Right-of-use asset and Note C24, Provisions.

Income 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 2020, the group recognised income tax of SEK +22m (-26).

Deferred tax assets and liabilities are recognised as temporary differences and unutilised tax loss carryforwards. The valuation of tax loss carryforwards is based on management's estimates of future taxable income in the respective tax areas. At 31 December 2020, the value of deferred tax assets amounted to SEK 352m (293).

More detailed information on taxes is found in Note C11, 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-rate corporate bonds with maturities as similar as possible to the group's maturities. At 31 December 2020 the net defined benefit pension obligations amounted to SEK 8m (15). Development 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 actuarial calculations. For more information on pensions, see Note C23 Pension provisions.

Right-of-use assets

Extension options

Leases for land and buildings also normally include one or more extension options. Because exercise of an extension option requires a new investment decision, IFRS 16 does not cover the calculation of the extension option until a decision to continue the operation is made.

Discount rate

Attendo's leases were categorised based on their geographical location for the calculation of the lease liability (the present value of future lease payments). Changes in the discount rate affect the size of the liability and interest expenses attributable to the liability. A new discount rate is set when a new lease is added when an extension option is used and when there is a change in the scope of the lease. The basis for the discount rate is obtained from an external party on an annual basis.

The effect of ongoing disputes and measurement of contingent liabilities on the group's financial position

Over the years, the Group has made a number of acquisitions. As a consequence of such acquisitions, certain contingent liabilities related to the acquired operations have been taken over as well as certain issues regarding purchase consideration and contingent consideration. Companies within the Group are also involved in a few other legal processes and tax audits that have arisen in the business. Reporting of disputes, legal processes and tax audits is subject to critical estimates and assessments.

COVID-19

The corona situation presents serious challenges to Attendo's operations. The primary risks that are actualised, such as occupancy in the units and ensuring that Attendo have enough employees capable of providing care in line with our high quality standards, are the same, however. Attendo is working actively to manage these risks, and especially now in the highly unusual prevailing circumstances. At present, lower occupancy is the risk that is having the most short-term financial impact on the business. Due to the rapid development that has characterised both the spread of the Covid-19 virus and the measures that can and must be taken by Attendo and other social actors, there is significant uncertainty associated with all types of estimates of the operational or financial impact of the pandemic.

The Corona pandemic has affected earnings by approximately SEK -120 m in 2020 in the form of profit effects of turnover deficit and increased costs, including public relief measures. During the year, Attendo conducted impairment tests of fixed assets as a result of the Corona situation. Further information Note C3 Goodwill and Note C15 Rights of use assets.

Transaction prices allocated to remaining performance obligations, SEKm	2021	2022	Total
Aggregated expected revenues related to outsourcing contracts	1,466	1,442	7,113

Contracting local authorities

During 2020, Attendo had no contracting local authorities for which revenue exceeds 10 percent of the group's total revenue. Net sales from external customers refers to care and health care services.

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 assets or assets relating to post-employment benefits in accordance with IFRS 8, paragraph 33.

C3 SEGMENT REPORTING AND INCOME

Attendo has defined two operating segments that are continuously monitored by the chief operating decision maker, who makes decisions about the allocation of resources and assesses the operating segment's performance. Attendo reports two operating segments based on the two business areas, Attendo Scandinavia and Attendo Finland.

Information and income by geographical area

2020, SEKm	Scandinavia	Finland	Group
Net sales by contract model	6,027	6,261	12,288
Own operations	4,425	6,102	10,527
Outsourcing	1,602	159	1,761

2019, SEKm	Scandinavia	Finland	Group
Net sales by contract model	6,305	5,630	11,935
Own operations	4,497	5,460	9,957
Outsourcing	1,808	170	1,978

In all material respects, the company's revenues refer to services rendered over time. This has not changed since the preceding year. At the end of the year, Attendo had 83 outsourcing contracts. Average annual sales in Sweden for outsourced units are SEK 29m for nursing homes and SEK 11m for homes for people with disabilities. The main customers are local authorities. In all material respects, all contracts are dependent upon customer demand for Attendo's services, and revenues therefore fluctuate. Provided that occupancy remains good, Attendo estimates that total revenues for the outsourcing contracts up to the termination date amount to approximately SEK 7.1 bn. Of these, an estimated 21 percent will be generated next year and a further 20 percent in the year after next.

Other and eliminations in the segment tables below covers costs for the head office and group eliminations.

SEKm	2020				2019			
	Scandinavia ³	Finland	Other and eliminations	Group	Scandinavia ³	Finland	Other and eliminations	Group
Operating income								
Net sales	6,027	6,261	-	12,288	6,305	5,630	-	11,935
Other operating income	64	9	-	73	62	48	-	110
Total revenue	6,091	6,270	-	12,361	6,367	5,678	-	12,045
Operating costs								
Personnel costs	-4,125	-4,111	-49 ¹	-8,285	-4,381	-3,706	-46 ¹	-8,133
Other external costs	-777	-1,234	-12 ²	-2,023	-787	-1,165	-20 ²	-1,972
Operating profit before depreciations and amortisation (EBITDA)	1,189	925	-61	2,053	1,199	807	-66	1,940
Amortisation and depreciation of tangible and intangible assets	-531	-725	-	-1,256	-484	-644	-	-1,128
Operating profit after depreciation (EBITA)	658	200	-61	797	715	163	-66	812
Amortisation of acquisition related intangible assets	-21	-103	-	-124	-25	-115	-	-140
Operating profit, excluding items affecting comparability	637	97	-61	673	690	48	-66	672
Items affecting comparability	-	-955	-	-955	-	-	-	-
Operating profit (EBIT)	637	-858	-61	-282	690	48	-66	672
Financial items								
Financial income	-	-	-	14	-	-	-	5
Financial expenses	-	-	-	-658	-	-	-	-570
Net financial items	-	-	-	-644	-	-	-	-565
Profit (- loss) before tax	-	-	-	-926	-	-	-	107
Income tax	-	-	-	22	-	-	-	-26
Profit for the year	-	-	-	-904	-	-	-	81

¹ Other, i.e., the cost of the head office, amounts to SEK 48m (45). Eliminations amount to SEK 1m (1).

² Other, i.e., the cost of the head office, amounts to SEK 12m (20)

³ Net sales for Scandinavia are distributed as follows: Sweden, SEK 5,684.m (5,682), Norway SEK 178m (406) and Denmark SEK 165m (217).

Other segment information

SEKm	2020				2019			
	Scandinavia	Finland	Head office balance sheet	Group	Scandinavia	Finland	Head office balance sheet	Group
Assets	9,522	10,202	348	20,072	9,070	10,984	216	20,270
Liabilities	5,204	7,726	2,271	15,201	4,402	7,226	2,811	14,439
Investments in tangible and intangible assets	74	271	0	345	60	280	4	345

Non-current assets by country

2020, SEKm	Sweden	Denmark	Norway	Finland	Head office	Total
Intangible non-current assets	4,659	0	-	2,476	2	7,137
Property, plant and equipment	156	12	-	394	0	562
Right-of-use assets	3,601	104	-	6,004	0	9,709
Non-current receivables	7	4	-	47	0	58
Total	8,423	120	-	8,921	2	17,466

2019, SEKm	Sweden	Denmark	Norway	Finland	Head office	Total
Intangible non-current assets	4,670	0	28	3,309	3	8,010
Property, plant and equipment	144	13	4	713	0	874
Right-of-use assets	2,928	116	39	5,773	0	8,856
Non-current receivables	7	6	0	25	0	38
Total	7,749	135	71	9,820	3	17,778

C4 OTHER OPERATING INCOME**Other operating income**

SEKm	2020	2019
Gains on sales of non-current assets	12	61
Gains on sales of assets held for sale	43	4
Other	18	45
Total	73	110

C5 INFORMATION ON BOARD MEMBERS, SENIOR EXECUTIVES AND EMPLOYEES**Compensation to Board of Directors**

The Board of Directors of the parent company was composed of six regular directors at the end of the year, of whom two women. The 2020 AGM adopted a resolution that entitled Board fees of total SEK the 3,320,000 (including base fee and committee fee), to be distributed as followed: SEK 1,000,000 to the Chair of the Board and SEK 350,000 to other Board members, SEK 200,000 to the Chair of the Audit Committee and SEK 85,000 to other members of the Audit Committee (max. 2) and SEK 100,000 to the Chair of the Compensation Committee and SEK 50,000 to other members of the Compensation Committee (max. 2).

Compensation to the CEO and Executive Management

The company's cost for compensation to Executive Management are recognised in profit and loss. Costs recognised during a financial year are not always paid in full by the company at the end of the financial year, because costs could include variable pay that is disbursed the year after the vesting period. The table below refers to the group's employee benefits expenses for Executive Management in the financial year.

Board members, SEKm	Board fee		Fee for committee work		Total fee	
	2020	2019	2020	2019	2020	2019
Chair of the Board						
Ulf Lundahl	1,000	1,000	50	125	1,050	1,125
Board members						
Catarina Fagerholm	350	350	200	200	550	550
Tobias Lönnevall	350	350	185	335	535	685
Alf Göransson	350	350	135	135	485	485
Suvi-Anne Siimes	350	-	-	-	350	-
Anssi Soila	350	350	-	75	350	425
Anitra Steen	-	350	-	-	-	350
Employee representatives						
Faya Lahdou, ledamot	-	-	-	-	-	-
Total	2,750	2,750	570	870	3,320	3,620

For further information about the work of the Board of Directors and board committees, please refer to Attendo's Corporate Governance Report on page 28.

Compensation to the CEO and other members of the Executive Management

SEKk	Fixed salary ³		Variable salary ⁴		Sharebased compensation ⁵		Other remuneration and benefits ⁶		Pension cost		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
CEO												
Martin Tivéus	7,723	7,548	2,587	1,203	158	99	128	117	2,295	2,100	12,891	11,067
Other members of the Executive Management ^{1,2}	10,651	10,408	2,252	1,246	340	117	608	542	3,304	3,288	17,155	15,601
Total	18,374	17,956	4,839	2,449	498	216	736	659	5,599	5,388	30,046	26,668

¹ Other members of Executive Management (excluding the CEO) comprised five individuals at year-end av 2020.

² Pertti Karjalainen continued to serve as member of the Executive Management until February 12, 2020. In March 2020, Johan Spångö left the Executive Management and was replaced by Eric Wåhlgren as Business Development Director.

³ Fixed salary includes the cost of annual leave pay.

⁴ Variable salary includes both the accrued cost of short-term variable pay and vested subsidies for call options and warrants.

⁵ Share-based compensation refers to the forecasted outcome of long-term incentive programmes, calculated in accordance with IFRS 2 and expensed during 2020.

⁶ Other remuneration and benefits refer mainly to company cars.

Composition of Executive Management

At the end of 2020, there was six regular members of the Executive Management, of whom two are women. The Executive Management team is composed of the CEO and five other Executives: the CFO, the Communications and IR Director, Business Development Director and two Business Area Directors.

Terms of employment of the CEO

The CEO is paid fixed salary, variable pay based on annual targets and pension benefits. The CEO also participates in Attendo's long-term incentive programme for senior executives. Remuneration is determined annually by the Board of Directors in accordance with the established policy for remuneration to Executive Management. The CEO is entitled to a premium-based pension plan of his choice corresponding to 30 percent of the fixed salary. Attendo has no other pension obligations to the CEO. Upon termination, a mutual notice period of six months shall apply. Upon termination by the company, the CEO is entitled to severance pay corresponding to twelve months' salary.

Terms of employment for other members of Executive Management

Other members of executive management receive a fixed salary, variable pay and pension benefits as customary in each country. Swedish members of Executive Management are included in the ITP plan and the plan's alternative rule. All other members of Executive Management are included in Attendo's long-term incentive programme. Upon termination, a mutual notice period of six months shall apply. Upon termination by the company, other senior executives are entitled to severance pay corresponding to an additional six months' salary.

Number of employees, salaries and other remuneration

Number of employees	2020			2019		
	Women	Men	Total	Women	Men	Total
Scandinavia	7,096	1,979	9,075	6,956	1,881	8,837
Finland	8,172	931	9,103	6,839	823	7,662
Total	15,268	2,910	18,178	13,795	2,704	16,499

Costs of remuneration to employees

SEKm	2020	2019
Salaries and wages	6,465	6,304
Social costs	1,062	1,052
Pension costs	728	741
Total	8,255	8,097

Other remuneration

Variable cash remuneration, which may be paid in accordance with the above, shall be linked to shareholder value (financial targets for the group and the respective business areas, as appropriate), as well as measurable quality, customer satisfaction and employee satisfaction. For the CEO, the variable cash remuneration may amount to not more than 75 per cent of the total fixed cash salary under the measurement period for such criteria. The variable cash remuneration to other members of the executive management may amount to not more than 50 per cent, correspondingly. Additional variable remuneration may, following a resolution by the board, be awarded in extraordinary circumstances as well as in order to promote a personal long-term interest in Attendo's development.

Call options issued by Nordstjernan

Attendo's principal owner, Nordstjernan, has during 2018 and 2019, respectively, issued call options to certain senior executives and key employees in Attendo. In total 875,815 options were issued in 2018, and in total 739,725 options were issued in 2019. The options may be exercised 3-5 years from the time of the acquisition. Attendo has resolved to subsidize the investment in options which were acquired in 2018. The subsidy shall correspond to approximately 50 percent of the option premium, post tax, in the form of an additional cash payment of up to SEK 4.7m in aggregate (to be paid in two instalments during a period of 24-36 months).

Long-term incentive programs

Attendo+ (share savings program)

Attendo has had long-term incentive programs in the form of share savings programs since 2016. These programs have been based on participants making an investment in savings shares, and based on this investment, being eligible to receive matching and/or performance shares (subject to fulfillment of predetermined performance targets during the program period).

Attendo+ 2018, which was approved by the general meeting in 2018, ended 31 December 2018. The program was directed to certain key employees and entitled the participants, subject to investment in savings shares and continued employment, to receive up to 3-5 performance shares. Allotment of performance shares was subject to Attendo achieving a certain predetermined target, adopted by the board, related to the group's accumulated EBITA during the time period 2018-2020. The board has resolved that the target fulfillment is 0 percent.

As of 31 December 2010, Attendo had one outstanding share savings program, Attendo+2019 (qualification period 2019-2021). The program is directed to members of the Attendo's Executive Management. The program entitles the participants, subject to investment in savings shares and continued employment, to receive 0,5 matching shares and up to 5 performance shares, per each savings share, following the end of the qualification period. Allotment of performance shares is subject to Attendo achieving a certain predetermined target, adopted by the board, related to the group's accumulated EBITA (according to the previous IAS 17 accounting standard, i.e. excluding effects from IFRS 16) during the time period 2019-2021.

Outstanding share rights

Matching and Performance shares	Perfor- mance share program	2020				2019			
		Attendo + 2019	Attendo + 2018	Attendo + 2017	Attendo + 2016	Attendo + 2019	Attendo + 2018	Attendo + 2017	Attendo + 2016
As per January 1	-	270,023	137,074	-	25,944	-	146,198	261,270	59,809
Granted (Recognised)	198,090	-	-	-	-	270,023	-	-	-
Forfeited	-	-	137,074	-	3,365	-	9,124	261,270	7,349
Exercised (Allotted)	-	-	-	-	22,579	-	-	-	26,516
As per December 31	198,090	270,023	-	-	-	270,023	137,074	-	25,944

Warrant program

The annual general meeting 2020 resolved to adopt a new long-term incentive program to executives in the Attendo Group, including to issue not more than 500,000 warrants to the subsidiary Attendo Intressenter AB, for transfer to participants in the program. The warrant program is directed to seven senior executives in Attendo, and entails that these individuals have been offered to acquire warrants at market value, calculated in accordance with the Black & Scholes valuation formulae. The warrants have a vesting period of five years. Each warrant entitles to subscription of one new share in Attendo, during the two week period from the day of publication of the interim report for the period 1 January – 31 March (Q1) 2023, 2024 or 2025 and during the two week period from the day of publication of the interim report for the period 1 January – 30 September (Q3) 2023, 2024 or 2025.

Warrants in the Warrant program 2020 have been issued as following:

Participants	Number of warrants
CEO	158,730
Other members of the Executive Management	127,302
Others	41,027
Total	327,059

Warrants	Market value (when issued), SEK
Warrant program, series 2020/2025	6.30

Valuation assumptions*

Share price, SEK	39,91
Volatility, %	29
Risk-free interest, %	-0.23

* Valuation based on Black & Scholes performed by independent valuation institute.

Attendo shall subsidize the option premium paid by the participants for the acquisition of warrants, in order to facilitate and promote a personal long-term interest in Attendo for senior executives, in accordance with the company's guidelines for remuneration. The subsidy shall correspond to approximately 50 percent of the option premium, post tax, in the form of an additional cash payment to be paid 24 and 36 months, respectively, after the subscription date (with 50 percent at each of the respective dates).

Performance share program

The annual general meeting 2020 resolved to adopt a new three-year performance based long-term incentive program to key employees in the Attendo group. The program entails that the participants will be granted, free of charge, performance-based share awards that entitle to a maximum of 200,000 shares in Attendo, subject to fulfilment of performance conditions. The performance conditions are based on EBITA (including effects from the implementation of IFRS 16) targets for Attendo's respective business areas (Scandinavia and Finland, respectively) for the financial year 2022, as determined by the board of directors. The program is directed to approximately 50 individuals.

Acquisition and transfer of the company's own shares for delivery to participants in long-term incentive programs and to hedge costs attributable to such programs

To ensure Attendo's commitment to deliver shares and pay social security contributions, Attendo has repurchased own shares. As per December 31, 2020 Attendo held 473,744 own shares.

Outstanding share rights

The table on previous page shows granted share rights forfeited and exercised within Attendo + and the Performance share program. The performance shares in Attendo+ 2016, Attendo+ 2017, och Attendo+ 2018 are considered forfeited. During 2020, participants in Attendo+ 2016 have been allotted matching shares and the program is now finalized.

Assuming that the performance targets in Attendo+ 2019 and the Performance share program are fully met, the total cost for the programmes is estimated at SEK 28m. Maximum dilution for the programmes is estimated at 0.3 percent of total outstanding shares.

C6 GOVERNMENT GRANTS

Related to the corona pandemic, Attendo has received government grants to compensate for increased costs for protective gear and increased wage costs as a result of increased sick leave and cohort care. Attendo has been granted support in various forms such as compensation for sick leave and compensation for various additional costs. The private support in the form of compensation for additional costs in Sweden can only be obtained by private operators by seeking compensation through municipalities and regions that grant compensation and which in turn receive compensation from the government. In the financial reporting, this is reported in accordance with IAS 20 Reporting of Government Grants and Disclosures of Government Aid and has reduced corresponding costs in accordance with the table below.

Received government grants

SEKm	2020	2019
Other external costs	33	-
Personnel costs	100	-
Total	133	-

As of December 31, 2020, Attendo has requested compensation for an additional SEK 72m. It is unclear what amount Attendo may be granted and when compensation may be paid.

C7 OTHER EXTERNAL COSTS

Other external costs

SEKm	2020	2019
Care and health care services	156	181
Consumables	626	512
Rent costs	199	213
Other property costs	480	471
External services	50	20
IT costs	150	152
Other	362	423
Total	2,023	1,972

C8 AUDIT FEES

Audit fees

SEKm	2020	2019
PwC		
Audit fees	8	8
Of which parent company auditors	4	5
Fees, audit-related	0	0
Of which parent company auditors	0	0
Fees, tax matters	0	1
Of which parent company auditors	0	0
Other fees	0	1
Of which parent company auditors	0	0
Total	8	10

SEKm	2020	2019
Other companies		
Audit fees	-	-
Fees, audit-related	-	-
Fees, tax-related	-	-
Other fees	0	0
Total	0	0

Audit fees refer to fees for the statutory audit, i.e., the work required to issue the auditor's report as well as audit advice provided in connection with the audit assignment.

Other services in 2020 consisted of various advisory services, as in the preceding year.

C9 ITEMS AFFECTING COMPARABILITY

During the year Attendo reported items affecting comparability of SEK 955m. Consequent upon the corona situation, Attendo has carried out an updated test of recorded goodwill for impairment. Considering the impact of and uncertainty caused by the pandemic, the test was performed with assumptions of weaker short-term profitability and a higher cost of capital due to a higher risk premium. The test resulted in recognition of an impairment loss of SEK 821m for the Finnish operations. In addition to the impairment of goodwill, Attendo has reviewed the need for any impairment of right-of-use assets. As a result, right-of-use assets in Finland have been impaired by SEK 134m. Most of this write-down is due to the fact that losses during the start-up period for new units are expected to be extended, as the inflow of new customers has decreased as a consequence of concerns related to corona pandemic, and the value in use has thus decreased.

Items affecting comparability

SEKm	2020	2019
Impairment of goodwill	821	-
impairment of right-of-use assets	134	-
Total items affecting comparability	955	-

Items affecting comparability split by per cost type in the income statement

Amortization and depreciation of tangible and intangible assets ¹⁾	134	-
Amortization of acquisition related intangible assets ²⁾	821	-
Total	955	-

¹⁾ If the impairment of right-of-use assets was reported as Amortisation and depreciation of tangible and intangible assets, the total have amounted to SEK -1,390m.

²⁾ If the impairment of goodwill was reported as Amortisation of acquisition related intangible assets, the total have amounted to SEK -945m.

C10 FINANCIAL INCOME AND EXPENSES

Financial income

SEKm	2020	2019
Interest income	2	1
Exchange rate gains	12	4
Total financial income	14	5

Financial expenses

SEKm	2020	2019
Interest expenses on borrowings	-59	-59
Depreciation of capitalised financing costs	-5	-7
Impairment of capitalised financing costs	-	-8
Interest expenses related to lease liabilities	-559	-473
Interest expenses on post-employment benefits	-2	-5
Exchange rate losses	-1	-3
Other financial expenses	-32	-15
Total financial expenses	-658	-570
Net financial items	-644	-565

C11 TAXES

Income taxes recognised in the income statement

SEKm	2020	2019
Current tax	-58	-123
Deferred tax	80	97
Tax	22	-26

The effective tax rate is 2.4 percent. If adjusted for the impairment of goodwill, the effective tax rate is 20.9 percent.

A reconciliation between this year's recognised tax expense and the tax expense that would arise if the Swedish tax rate of 21.4 percent was applied to profit before tax is shown below.

Reconciliation of effective tax

SEKm	2020	2019
Tax according to Swedish tax rate	198	-23
Effect of foreign tax rates	-18	-4
Tax effect of non-deductible items	-27	-3
Tax effect of non-taxable income	9	6
Tax effect of changed tax rate	0	-1
Tax effect of non-taxable goodwill impairment	-164	-
Revaluation of temporary differences	0	-4
Revaluation of tax loss carry forwards	13	9
Tax attributable to previous years	-1	-2
Other	12	-4
Tax expense	22	-26

Deferred tax assets and tax liabilities

The tax effect of timing differences including unutilised tax loss carryforwards has resulted in deferred tax assets and deferred tax liabilities as shown below:

Deferred tax assets

SEKm	2020	2019
Tax loss carry forwards	84	81
Provisions for post-employment benefits	2	4
Other provisions	95	63
Right-of-use-assets	159	125
Other	12	20
Total	352	293

Changes in deferred tax assets

SEKm	2020	2019
Opening balance, January 1	293	199
Tax loss carry forwards	3	54
Provisions for post-employment benefits	-2	-6
Provisions	32	35
Right-of-use-assets	33	0
Exchange rate differences	-7	20
Other	0	-9
Closing balance, December 31	352	293

Deferred tax liabilities

SEKm	2020	2019
Intangible assets	52	85
Other temporary differences	45	3
Total	97	88

Deferred tax liabilities consist of tax on customer relationships of SEK 46m, tax on brands of SEK 6m and a other various deferred tax liabilities totalling SEK 45m.

Changes in deferred tax liabilities

SEKm	2020	2019
Opening balance, January 1	88	128
Customer contracts	-	-
Customer relations	-33	-35
Exchange rate differences	-3	2
Other	45	-7
Closing balance, December 31	97	88

Deferred tax, Other Comprehensive Income**Tax items attributable to OCI**

SEKm	2020	2019
Deferred tax on revaluation of provisions for post-employment benefits	-2	-1
Deferred tax on OCI	-2	-1

Tax loss carryforwards

SEKm	2020	2019
Tax loss carryforwards, Sweden	22	194
Tax loss carryforwards, Finland	341	362
Tax loss carryforwards, Norway	0	6
Tax loss carryforwards, Denmark	218	234

Total tax loss carryforwards as per December 31, 2020 amounts to SEK 121m (166). SEK 84m (115) are measured and allocated to Sweden and Finland.

C12 EARNINGS PER SHARE**Basic and diluted earnings per share**

SEK	2020	2019
Basic	-5.63	0.51
Diluted	-5.63	0.51
Adjusted earnings per share after dilution, attributable to the Parent company shareholders	1.43	1.71

Basic earnings per share

Basic earnings per share are calculated by dividing profit attributable to shareholders in the parent company by the weighted average shares outstanding during the period excluding repurchased shares.

Basic	2020	2019
Profit attributable to holders of ordinary shares in the parent company (SEKm)	-906	81
Weighted average of outstanding shares in the year, basic	160 903 587	160 876 525

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average shares outstanding for the dilutive effect of all option agreements.

Diluted	2020	2019
Profit attributable to holders of ordinary shares in the parent company (SEKm)	-906	81
Weighted average of outstanding shares in the year, basic	160,903,587	160,876,525
Adjusted for:		
Share programs	16,697	22,775
Weighted average number of outstanding ordinary shares in the year, diluted	160,920,284	160,899,299

C13 INTANGIBLE ASSETS

Intangible assets 2020

SEKm	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	7,446	494	1	69	8,010
Acquisitions	129	82	0	0	211
Investments	-	-	-	13	13
Sales and obsolescence	-15	-5	0	-1	-21
Reclassifications	-	-	-	-	-
Amortisation	-	-123	-1	-19	-143
Impairment	-821	-	-	-	-821
Exchange rate differences	-95	-16	0	-1	-112
Closing balance	6,644	432	0	61	7,137

Intangible assets 2019

SEKm	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	7,339	563	2	108	8,012
Acquisitions	148	87	0	0	235
Investments	-	-	-	18	18
Sales and obsolescence	-83	-21	0	-4	-108
Reclassifications	-5	-5	-	-31	-41
Amortisation	-	-139	-1	-24	-164
Exchange rate differences	47	9	0	2	58
Closing balance	7,446	494	1	69	8,010

Impairment testing of goodwill

Each year, Attendo tests whether there is any indication that goodwill may be impaired by calculating the value in use for cash-generating units to which the goodwill item is allocated. There are two operating segments within Attendo. Attendo has chosen, in accordance with IAS 36.82, to perform impairment testing based on two cash-generating units, as these reflect the way Attendo manages its operations. In addition, these two cash-generating units correspond to the lowest level at which financial position is monitored. The two cash-generating units are designated Attendo Scandinavia (AS) and Attendo Finland (AF). Consequent upon the corona situation, Attendo has carried out an updated test of recorded goodwill for impairment. Considering the impact of and uncertainty caused by the pandemic, the test was performed with assumptions of weaker short-term profitability and a higher cost of capital due to a higher risk premium. The key assumptions used in impairment testing during the current year are related to growth rate, profit margins, investment requirements and the discount rate. The discount rate is set with consideration given to the prevailing interest rate situation and the specific risk in the cash-generating unit and is calculated before tax.

Assumptions in relation to need for impairment

	AS	AF
WACC före skatt 2020, %	10.4	11.1
WACC före skatt 2019, %	8.6	9.3

Sensitivity analysis of impairment test in Attendo Finland

2020	Change	Impairment
Discount rate	+1%-enhet	-238
Net sales growth in forecast period	-1%-enhet	-
EBITDA marginal in forecast period	-1%-enhet	-

Attendo has large book asset values related to long-term leases, usually over 10 years. In addition, the forthcoming demographic change is expected to lead to a further increased need for the Group's services after year five in the forecast period. Attendo has therefore used a 10-year forecast period impairment test. The growth rate in the budget and the ten-year forecast are based on industry data, expected changes in the market and management's experience from similar markets and Attendo's strategy. The budget and 10-year forecast are used for operational management and are intended to ensure that the financial targets are achieved over time. Attendo uses a conservative approach in its estimates to determine the value in use, which means that the financial targets form the basis for estimates when these are lower than budgeted and forecast. For the period thereafter, a long-term growth rate of 2 percent (2) has been adopted. This does not exceed the average long-term growth rate for the industry as a whole and is based on industry data, expected changes in the market and the Board's and management's experience from similar markets. The Board and management have established assumptions based on historical results and their expectations of market developments. The weighted average growth rate used is in line with given forecasts in industry reports. The discount rates used are stated before tax and reflect the specific risk of the identified cash-generating unit.

The test resulted in recognition of an impairment loss of SEK 821m for the Finnish operations.

In the impairment test, the assessment was, as earlier, based on a long-term profitability level equal to at least 7 percent of the adjusted EBITA margin (i.e. EBITA according to the previous IAS 17 accounting standard) at the end of the forecast period. For the cost of capital, 11.7 percent has been used for return requirements on equity and 3.3 percent interest expense before tax on interest-bearing debt. The required return on equity has been significantly adjusted upwards compared to previous testing, based on a higher risk premium. The new assumptions include a WACC of 8.7 percent (after tax) including IFRS 16, compared to the previous 7.3 percent. The change in the assumptions on the cost of capital have the most material impact on the value of recognised goodwill.

There is a wide margin in Attendo Scandinavia before any impairment need would arise.

Distribution of goodwill in the Group

SEKm	AS	AF	Total
Goodwill as per 2020-12-31	4,584	2,060	6,644
Goodwill as per 2019-12-31	4,605	2,841	7,446

C14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 2020

SEKm	Buildings and land	Equipment and vehicles	Total
Opening balance	235	639	874
Acquisitions	0	1	1
Investments	54	279	333
Disposals and divestments	-343	-109	-452
Reclassifications	183	-183	0
Depreciation and impairments	-19	-161	-180
Exchange rate differences	-3	-11	-14
Closing balance	107	455	562

Property, plant and equipment 2019

SEKm	Buildings and land	Equipment and vehicles	Total
Opening balance	163	443	606
Acquisitions	125	3	128
Investments	2	325	327
Disposals and divestments	-47	-18	-65
Reclassifications	10	31	41
Depreciation and impairments	-18	-147	-165
Exchange rate differences	0	2	2
Closing balance	235	639	874

C15 RIGHT-OF-USE ASSETS**Right-of-use assets 2020**

SEKm	Premises	Vehicles	Total
Opening balance	8,827	29	8,856
New leases and index adjustments	2,364	30	2,394
Sales	-53	0	-53
Depreciation	-1,032	-24	-1,056
Impairments	-134	-	-134
Reclassifications from provisions	-49	0	-49
Exchange rate differences	-249	0	-249
Closing balance	9,674	35	9,709

Right-of-use assets 2019

SEKm	Premises	Vehicles	Total
Opening balance	7,504	29	7,533
New leases and index adjustments	2,612	31	2,643
Sales	-348	-4	-352
Depreciation	-913	-27	-940
Impairments	-85	-	-85
Exchange rate differences	57	0	57
Closing balance	8,827	29	8,856

Amount recognised in income statement

SEKm	2020	2019
Costs attributable to short-term leases	35	48
Costs attributable to low-value leases	39	39
Costs attributable to variable lease payments not included in the lease liability	124	126
Total	198	213
Interest expense attributable to right-of-use assets	559	473

Lease liabilities

SEKm	2020	2019
<12 months	919	856
2-5 years	3,848	2,973
6-10 years	3,608	3,080
>10 years	2,355	2,593
Total	10,730	9,502

Discount rate

Attendo's leases were categorised based on their geographical location to calculate the lease liability (the present value of future lease payments). For leases in Sweden, an interest rate between 3.40-5.00 percent for 2020 (3.75-5.50), for Finland 3.90-5.50 percent (4.10-5.70), for Denmark 4.40-6.60 percent (4.75-7.00) and for Norway 3.80-4.90 percent (4.15-5.30). The discount rate for Attendo's leased cars are based on the interest rate for each lease in Sweden and in Denmark on the interest rate implicit borrowing rate in the lease, which was 2.16 percent in 2020.

Indexation

Variable lease payments tied to an index or price are included in the value of the right-of-use and the lease liability. These variable lease payments include, for example, payments linked to the consumer price index, benchmark interest rate or changes in market rents. The majority of Attendo's leases include an indexation clause, where the CPI is the most common index applied, which is adjusted in October. The index used must be updated as of the starting date of the change in rent or when it changes.

Extension options

Leases for land and buildings also normally include one or more extension options. Because exercise of an extension option requires a new investment decision, IFRS 16 does not cover the calculation of the extension option until a decision to continue the operation is made.

Variable costs

Variable costs, such as property tax, VAT and other variable property costs, such as the costs of maintenance, electricity, heat and water, etc., are excluded from the lease liability calculation to the extent the costs can be separated from the cost of rent. VAT is not included because it is a levy recognised in accordance with IFRIC 21 Levies.

Cash flow

Total cash flow related to leases was SEK 1,457m (1,263).

Leases entered into that have not yet begun to apply

Disclosures regarding leases that have been entered into but have not yet begun to apply and are thus not included in the asset or liability for its rights-of-use before the lease begins are found under contingent liabilities, see Note C31.

Estimated expected lease payments regarding guaranteed residual values

The Group initially estimates amounts related to guaranteed residual values that the company expects to be obligated to pay and recognises them as part of the lease liability. The amounts are assessed and adjusted if appropriate to do so at the end of each reporting period. At the end of this financial year, guaranteed residual values not included in lease liabilities amounted to SEK 46m (44). These are not expected to be paid. Attendo operates under two contract models: own operations and outsourcing. How leases are used and how they are applicable is described below.

Impairment and reclassification

Attendo makes an assessment of the need for any write-downs of right of use assets at each balance sheet date. This has resulted in right of use asset being written down by SEK 134m during the year. Most of the write-down is due to the fact that losses during the start-up period for new units are expected to be extended, as the inflow of new customers has decreased as a consequence of concerns related to Corona, and the value in use has thus decreased.

During the year, SEK 49m was reclassified to write-down of right of use assets, of which SEK 67m comes from Finland and SEK -18m comes from Sweden.

Own operations

Attendo provides care services in its own or leased premises where Attendo controls the lease and the unit. Attendo designs, builds, equips and staffs homes in own operations and offers care beds to local authorities. The homes are designed and built in partnership with construction and real estate companies, which also own the properties. Attendo enters into leases with the property owners, usually for a term of 10 -15 years with an option to extend the lease. In the own operations contract model, Attendo subleases rooms/apartments to individual customers. Each room has an individual lease with each customer, who pays rent on a separate invoice.

Attendo must provide notice of termination of the lease of three to six months. Customers must provide notice of termination of the lease of seven days to one month, depending on the country and contract. Since the cancellable lease term on the day the lease commences is a maximum of six months, the lease will be classified as a short-term lease and recognised as an operating lease that is thus not included as a right-of-use asset under IFRS 16.

Outsourcing

Under outsourcing contracts, Attendo provides services as ordered by the customer. The staff are employed by Attendo, while the local authority is responsible for the premises where services are delivered.

Contracts with local authorities normally have a term of four to seven years with an option to extend the contract. The premises are owned or leased by the local authority, which also controls use of the premises.

C16 OTHER NON-CURRENT RECEIVABLES

Other non-current receivables

SEKm	2020	2019
Deposits, rent for premises	23	27
Financing of own operations projects	1	1
Deposit guarantees	4	6
Other	30	4
Total	58	38

C17 TRADE RECEIVABLES

Trade receivables

SEKm	2020	2019
Trade receivables	1,045	1,096
Allowance for doubtful debts	-6	-6
Trade receivables, net	1,039	1,090

Maturity structure

SEKm	2020	2019
Not past due	937	992
Past due 1-30 days	82	58
Past due 31-60 days	7	13
Past due 61-90 days	3	6
Past due more than 90 days	16	27
Trade receivables, gross	1,045	1,096

Trade receivables refer in all material respects to local authorities in the Nordic region, which are assessed as having high credit ratings.

Changes in allowance for doubtful debts

SEKm	2020	2019
Opening balance	-6	-4
Provisions for doubtful debts for the year	-1	-3
Confirmed trade losses	1	0
Recovered doubtful debt	0	1
Closing balance	-6	-6

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

Trade receivables by currency

SEKm	2020	2019
SEK	552	566
EUR	47	45
NOK	0	35
DKK	10	12

Attendo has chosen to create a collective model for accounting for credit losses attributable to trade receivables. The company's trade receivables are comprised mainly of receivables due from local authorities and the receivables are regarded as having the same credit characteristics, regardless of local authority.

The new model for accounting for expected credit losses was developed using a matrix and a fixed percentage of the loss allowance depending on how many days a receivable is outstanding. This is based on a three-step analysis. In the first step, sales and related credit losses were defined during a specific period. In step two, a payment pattern was calculated for the customers. In the third step, a historical credit percentage for the loss level was calculated through ageing based on the results from steps one and two.

The model is tested every year to determine whether any changes are necessary.

	Cur- rent (<30 days)	Past due 31-60 days	Past due 61-90 days	Past due 90+ days	Total
2020					
Expected loss level, %	0.02	0.16	1.07	35.29	
Recognised amounts of trade receivables - gross (SEKm)	82	7	3	16	108
Credit loss reserve	0	0	0	6	6

1 januari 2020

	Cur- rent (<30 days)	Past due 31-60 days	Past due 61-90 days	Past due 90+ days	Total
2020					
Expected loss level, %	0.02	0.16	1.07	22.22	
Recognised amounts of trade receivables - gross (SEKm)	58	13	5	27	103
Credit loss reserve	0	0	0	6	6

C18 OTHER CURRENT RECEIVABLES**Other current receivables**

SEKm	2020	2019
Other receivables	95	22
Prepaid rent	66	50
Accrued income	174	193
Other prepaid expenses	64	55
Total	399	320

C19 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Attendo builds properties in own operations. Attendo's intention is to sell the properties after completion to an external property owner. All assets and liabilities related to these projects are therefore recognised as assets and liabilities held for sale in accordance with IFRS 5. These assets are recognised at the lower of the carrying amount and fair value less costs to sell. These activities generate no material effects on profit and loss.

The effect of the sale on profit and loss in 2020 amounts to SEK 43m (4), including a gain of SEK 41m from a sale-and-lease-back transaction on a property.

The effect on cash flow of assets and liabilities held for sale is attributable entirely to cash flow from investing activities. See the consolidated statement of cash flow on page 59.

SEKm	2020	2019
ASSETS		
Non-current assets		
Goodwill	0	0
Other intangible assets	0	12
Property, plant and equipment	18	174
Total non-current assets	18	186
Total assets held for sale	18	186
LIABILITIES		
Deferred tax liabilities	0	0
Total non-current liabilities	0	0
Current liabilities		
Trade payables	0	13
Other current liabilities	4	6
Total current liabilities	4	19
Total liabilities attributable to assets held for sale	4	19
Net assets held for sale	14	167

Change in net assets held for sale

SEKm	2020	2019
Opening balance	167	419
Investments	13	468
Sales	-166	-731
Other	0	11
Closing balance	14	167

C20 EQUITY

Equity consist of share capital, capital contributions, retained earnings and non-controlling interests.

Share capital

Share capital amounted to SEK 884,551 on December 31, 2020. 161,386,592 shares were outstanding. The quotient value is SEK 0.005 and each share carries equal voting rights

Capital contributions

Refers to equity contributed by shareholders including share premiums paid upon issuing of new shares.

Retained earnings

Retained earnings, including profit for the year, are included in profits earned in the parent company and its subsidiaries.

Retained earnings also includes the following:

Remeasurement of pension provisions

Actuarial gains and losses on defined benefit pension plans.

Exchange rate differences on translating foreign operations

Exchange rate differences that arise upon restatement of the financial statements of foreign subsidiaries, changes related to restatement of surplus values in local currency and restatement of liabilities incurred as hedging instruments of a net investment in a foreign subsidiary.

Non-controlling interests

Share of equity attributable to owners with holdings without controlling interest is reported as a separate item within own capital separated from the parent company's owner's share of equity.

C21 LIABILITIES TO CREDIT INSTITUTIONS**Liabilities to credit institutions**

SEKm	2020	2019
Liabilities to credit institutions	2,255	2,852
Less capitalised financing costs	-9	-14
Total	2,246	2,838

Change in liabilities to credit institutions

SEKm	2020	2019
Opening balance	2,838	5,278
Cash flow items		
Borrowings and acquired loans	199	2,789
Borrowings paid	-475	-5,388
Non-Cash flow items		
Divested loans	-257	-
Exchange rate fluctuations	-54	160
Change in capitalised financing costs	-5	-1
Closing balance	2,246	2,838

The carrying amount has been assessed as corresponding to fair value in all material respects.

Liabilities to credit institutions at December 31, 2020 were distributed among the following currencies:

	Local currency	MSEK
Euro	125	1,255
SEK	1,000	1,000

Effective interest rate at the reporting date:

	2020	2019
Bank loans, %	2.15	1.83
Bank overdraft facility, %	2.15	1.83

Attendo's financing agreement has a term of three years (starting 2019) with an option to extend the term by up to two years. The agreement is subject to two financial covenants which Attendo are obliged to honour: net debt/EBITDA and interest coverage ratio. Attendo continuously monitors these covenants and reports to its lenders on a quarterly basis.

C22 LEASE LIABILITIES

SEKm	2020	2019
Lease liability	10,730	9,502
Total	10,730	9,502

Change in lease liabilities

SEKm	2020	2019
Opening balance	9,502	7,941
Cash flow items		
Amortisation lease liabilities	-1,457	-1,263
Non-Cash flow items		
Exchange rate differences	-239	66
Change in lease liabilities	2,924	2,758
Closing balance	10,730	9,502

C23 PENSION PROVISIONS
Sweden

Manual workers are covered by the SAF/LO plan, which is a defined contribution pension plan based on collective agreements and covers employers in several different industries. Non-manual workers are covered by the ITP plan, which is also based on collective agreements and covers employers in several different industries. According to an opinion issued by the Swedish Financial Reporting Board (UFR 10), the ITP plan is a defined benefit plan that covers multiple employers. Alecta, which insures the ITP plan, has been unable to provide Attendo or other Swedish companies with sufficient information to determine Attendo's share of the total assets and liabilities of the ITP plan. For this reason, the ITP plan is recognised as a defined contribution plan. The cost for the ITP2 plan in 2020 amounts to SEK 119m (119). The expected cost for the ITP2 plan in 2021 is SEK 127m. The surplus in Alecta can be allocated to the insured employer and/or the insured employees. Alecta's consolidation level at 31 December 2020 was 148 percent (149). The consolidation ratio is calculated as the fair value of plan assets as a percentage of the obligations calculated according to the actuarial assumptions applied by Alecta.

Norway

Employees of the group in Norway are covered mainly by defined contribution pension plans, other than certain occupational categories that are covered by defined benefit pension plans. The defined benefit pension plans are secured in part through the Norwegian companies' membership in a mutual pension scheme. Employees in Norway are also covered by a contractual early retirement (AFP) plan. The AFP plan is a funded plan that covers multiple employers. As Attendo cannot determine its share of the plan's total assets and liabilities, the AFP plan is recognised as a defined contribution plan.

Other countries

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

Defined contribution pension plans

SEKm	2020	2019
Sweden	185	182
Finland	530	534
Norway	3	7
Denmark	9	13
Total	727	736

Defined benefit pension plans

As the group reports only defined benefit pension plans in Norway, all information refers to the group's operations in Norway. The table below shows the total cost of Attendo's defined benefit plans.

Recognised in the consolidated income statement

SEKm	2020	2019
Service costs for the current year	-8	-16
Interest expenses	-2	-5
Expected return on assets under management	2	4
Management costs	0	-1
Effects of reductions and regulations/changes in plans	1	8
Cost of defined benefit pension plans	-7	-10

Recognised in the consolidated statement of comprehensive income

SEKm	2020	2019
Actuarial gain (+)/loss	-12	-5
Actuarial gain (+)/loss (-) plan assets	2	1
Deferred tax	2	1
Total	-8	-3

Significant actuarial assumptions

SEKm	2020	2019
Average discount rate, %	1.70	2.00
Long-term inflation assumption %	1.50	1.50
Long-term salary increase assumption %	2.25	2.25
Increase in income base, %	2.00	2.00
Upward adjustment of pensions, %	1.24	1.20
Average remaining years of employment	0.0	11.00

Sensitivity analysis Assumption

	Change	Increase obligation	Decrease obligation
Discount rate, %	0.5	9.0	8.0
Salary increases, income base and indexation of pensions, %	0.5	9.0	8.0

According to the pension scheme, the wage increase assumption, income base amount and indexation of pensions are interdependent. Changes in these assumptions are therefore recognised collectively. Any change in these assumptions has 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 while the other assumptions remain constant. In practice, it is unlikely that this will occur and changes in certain assumptions may be correlated. When estimating the sensitivity of pension obligations to changes in significant assumptions, the same method was used to calculate the pension obligation and the recognised pension obligation. The method is described in greater detail in Note C1 Significant accounting policies.

Allocation of plan assets

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

Plan assets

SEKm	2020	Of which unlisted %	2019	Of which unlisted %
Shares	17	25	28	18
Real estate	10	100	17	100
Bonds	23	73	65	68
Money market	24	87	7	94
Other	4	100	29	100
Total	78		146	

Net change in the present value of defined benefit obligations

SEKm	2020			2019		
	Present value, defined benefit pension obligations	Present value of plan assets	Total	Present value, defined benefit pension obligations	Present value of plan assets	Total
Present value of the obligation at 1 January	161	-146	15	231	-189	42
Service costs for the current year	7	-	7	16	-	16
Interest expenses	2	-2	-	5	-4	1
Management costs	-	0	0	-	1	1
Payments to the pension scheme	-	-6	-6	-	-19	-19
Indemnification	-	4	4	-	6	6
Paid benefits	-5	-	-5	-9	-	-9
Curtailments and settlements/plan amendments	-1	-	-1	-7	-	-7
Divestments	-75	57	-18	-87	67	-20
Actuarial gains (-)/losses (+)	12	-2	10	5	-2	3
Exchange rate differences	-15	17	2	7	-6	1
Present value of pension obligations at 31 December	86	-78	8	161	-146	15

C24 PROVISIONS

Provisions

SEKm	2020	2019
Provisions for onerous contracts	63	113
Provisions for construction	106	97
Other provisions	12	114
Closing balance	181	227
Of which long-term provisions	64	142
Of which short-term provisions	117	85

Change in provisions

SEKm	2020	2019
Opening balance	227	247
New/extended provisions	2	114
Exchange rate differences	-7	1
Reclassifications to impairments of right-of-use asset	-49	-85
Other provisions	8	-50
Closing balance	181	227

C25 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities

SEKm	2020	2019
Additional purchase consideration	0	0
Purchase option ¹⁾	14	-
Other liabilities ²⁾	9	63
Total	23	63

Change in other non-current liabilities

SEKm	2020	2019
Opening balance	63	34
Additional purchase consideration	0	0
Exchange rate differences	-1	0
Purchase option ¹⁾	14	-
Change in other non-current liabilities	-53	29
Closing balance	23	63

¹⁾ During the year, Attendo Oy acquired 51% of the shares in Aurio Hoiva Oy. In the agreement, there is a call option with the possibility for Attendo to acquire the remaining part of the shares. The call option is reported as other long-term liabilities of SEK 14 m.

²⁾ Other liabilities include SEK 0 m (58) regarding commitments to take over financial debt in an acquired business. The financial liability had not been transferred to Attendo on the acquisition date.

C26 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Through its business, Attendo is exposed to several financial risks, such as currency risk, interest rate risk, liquidity and financing risk and credit/counterparty risk. The Group's corporate risk management policy focuses and the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance and position. Risk management is handled by a central treasury department according to established policies.

Currency and interest rate risk

Attendo operates internationally and is thereby exposed to currency risks arising from currency exposures, primarily with regard to EUR, but also NOK and DKK. As billing and purchasing are mainly conducted in the local currency of each country, transaction risk exposure in Attendo is insignificant. Consolidated profit/loss is affected by the translation of the income statements of foreign subsidiaries at the average rate for the financial year. Exchange rate risk also arises through translation of recognised assets and liabilities in foreign operations. The translation risk in EUR/SEK is in this respect significant and investments in Finland have therefore been part-financed through borrowing in EUR. As currency exposure in NOK and DKK is not significant, currency hedging has not been applied 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 percent of borrowings were variable rate loans. The group's central treasury department continuously analyses the group's exposure to interest rate risk by simulating interest rate changes. Given Attendo's current financing structure, had interest rates been one basis point higher in 2020, with all other variables constant, profit after tax would have decreased by approximately SEK 18m.

Liquidity and financing risk

Liquidity risk is defined as the risk that Attendo will be unable to meet its payment obligations. Attendo manages liquidity risk by maintaining a liquidity reserve (cash, bank balances and the unutilised portion of existing credit lines).

Financing risk is defined as the risk that financing of outstanding loans cannot be carried out or becomes more costly. The treasury department seeks to maintain agreements on lines of credit.

The group's central treasury department conducts aggregated cash flow forecasts and rolling forecasts to secure adequate continuity of sufficient liquidity in the business. The group has two financial covenants (net debt/EBITDA and interest coverage ratio) linked to the group's loan facilities. The group's central treasury department monitors and analyses these key performance indicators on an ongoing basis.

Cash and cash equivalents include cash and bank balances through the group's cash pool. Unutilised overdraft facilities are not included in cash and cash equivalents and amount to SEK 1,800m (1,575).

Credit/counterparty risk

Credit risk refers to the exposure to receivables in the form of trade receivables and investments of surplus liquidity. The majority of the group's trade receivables are due from municipalities, which are assessed as having high credit ratings. The risk of credit losses within the group is therefore assessed as limited. Cash and cash equivalents are invested exclusively in government bonds or with banks with a high official credit rating. Derivative contracts are made only with banks with a minimum credit rating of A1/PI and with which Attendo has a long-term relationship.

Maximum exposure to credit risk

SEKm	2020	2019
Trade receivables	1,039	1,090
Cash and cash equivalents	716	523
Other non-current receivables	58	38
Other current receivables	95	22
Total	1,908	1,673

See Note C17 Trade receivables regarding risk in trade receivables.

Financial assets and liabilities

SEKm	Level	2020	2019
ASSETS			
Financial assets at fair value			
Trade receivables		1,039	1,090
Cash and cash equivalents		716	523
Total financial assets		1,755	1,613
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	3	0	0
Financial liabilities at amortised cost			
Borrowings		2,246	2,838
Lease liabilities		10,730	9,502
Trade payables		358	256
Total financial liabilities		13,334	12,596

The classifications in accordance with IFRS 9 have had no material impact on the measurement of financial assets and liabilities. Assets and liabilities previously recognised effectively through profit or loss in accordance with IAS 39 are treated the same way under IFRS 9.

Attendo did not enter into any derivative contracts during the year. No financial assets or financial liabilities were reclassified between the measurement categories during the financial year.

The following tables provide information about how fair value was determined for the financial instruments measured at fair value in the balance sheet. The determination of fair value is categorised at the following three levels:

Level 1: Based on prices listed in an active market for the same instrument.

Level 2: Based on directly or indirectly observable market inputs not included in Level 1.

Level 3: Based on non-observable market inputs.

Maturity analysis of contractual payments of financial liabilities

2020, SEKm	1-12 months	2-5 years	6-10 years	> 10 years	Total	Carrying amount receivables/liabilities
Liabilities to credit institutions	-	2,246	-	-	2,246	2,246
Lease liabilities	1,440	5,750	4,663	2,712	14,565	10,730
Trade payables	358	-	-	-	358	358
Additional purchase consideration	-	-	-	-	-	0
Total	1,798	7,997	4,663	2,712	17,169	13,344

Additional purchase consideration

SEKm	2020	2019
Opening balance	0	95
Acquisitions	0	0
Payments	0	-74
Exchange rate differences	0	3
Revaluation	0	-24
Closing balance	0	0

The fair value of additional purchase consideration is based on the estimated outcome of contractual clauses in share transfer agreements, which is consequently determined according to Level 3. The expected value is calculated based on forecasts of the acquired company's future earnings.

Unless otherwise specified, the carrying amounts of all financial assets and liabilities is deemed to correspond to fair value in all material respects.

Sensitivity analysis of market risks

2020	Change	Effect on profit/loss	Effect on equity
Market interest rate ¹⁾	+/- 1%-point	18	18
Exchange rates ¹⁾			
- EUR/SEK	+/-10%	5	81

¹⁾ The sensitivity analysis is based on Attendo's financing at December 31, 2020.

Equity

Equity is defined by Attendo as shareholders' equity including non-controlling interests in accordance with that shown on the balance sheet. On that basis, equity amounted to SEK 4,871m (5,831) on December 31, 2020. Attendo's target is an equity structure that results in an efficient, weighted cost of equity and a credit rating that takes into account the needs of operations and future acquisitions.

In monitoring the equity structure, Attendo uses key data, such as present and forecast equity/assets ratio and liquidity. Attendo reviews the equity structure and institutes changes when financial circumstances change. In order to maintain or change the equity structure, the Board of Directors of Attendo may propose adjusting the level of dividends to shareholders, distributing an extraordinary dividend, repurchasing own shares, issuing shares or selling assets to reduce the debt.

C27 OTHER CURRENT LIABILITIES**Other current liabilities**

SEKm	2020	2019
Personnel-related liabilities	1,315	1,218
Other liabilities	31	33
Contingent considerations	0	0
Accrued interest rate costs	3	5
Other accrued costs	154	132
Other prepaid expenses	31	24
Total	1,534	1,412

C28 CASH FLOW STATEMENT

Interest paid excluding lease liabilities, in 2020 amounted to SEK 73m (100) and interest received amounted to SEK 0m (0).

Cash flow adjustments

SEKm	2020	2019
Depreciation and amortisation	323	329
Depreciation of right-of-use assets	1,056	940
Depreciation of capitalised financing costs	5	7
Impairments of financing costs	-	8
Deferred non-paid interest	-9	-20
Gain/loss from divestment of subsidiaries	17	-3
Gains from divestments of non-current assets	-7	-41
Provisions	21	47
Other items	1	1
Impairment of goodwill	821	-
Impairment of right-of-use assets	134	-
Total	2,362	1,268

See Notes C21 and C22 for a reconciliation of liabilities relating to financing activities. Attendo has chosen to split the cash items in Notes C21 Liabilities to credit institutions and C22 Lease liabilities because the lease liabilities have a significant impact on the company's financial position.

C29 ACQUISITIONS

Attendo regularly acquires small and medium-sized enterprises within or closely related to existing core operations in order to expand and strengthen its geographical presence and contribute to creating economic value in prioritised segments.

Acquisitions during the year**The following acquisitions were made during the year:**

- In March, 2020 Attendo acquired 2020 Sagac i Stockholm AB:s homecare operations in south of Stockholm through an asset acquisition with takeover effective April 1, 2020.
- In February, 2020 52 care places were acquired in Hartola, Finland.
- In April, a smaller home care business was acquired in Stockholm.
- In May, Attendo acquired 51 percent of the shares in Aurio Hoiva Oy, a provider of home care services in Lahti, Finland, and surrounding areas.
- In December, Attendo acquired Pienryhmäotomi Omppu Oy, which operates individual and family care homes with a total of 14 beds in Lahti and Hämeenlinna, in Finland.
- In December, a number of home care businesses with a total of about 200 customers in the Stockholm area and region around lake Mälaren in Sweden were also acquired during the quarter.

Unless otherwise specified, all acquisitions refer to a 100 percent equity share.

Goodwill

The goodwill of SEK 130m (148) that arose through acquisitions is attributable to personnel, market and synergy effects expected to arise through amalgamation of the operations of the group and the acquired companies. Goodwill arises when the purchase consideration exceeds the fair value of acquired net assets. The purchase consideration is calculated based on enterprise value minus net debt or plus net cash. Final amounts are determined no later than one year after the transaction date.

Preliminary purchase price allocations

Fair value of acquired assets

SEKm	2020	2019
Purchase consideration at acquisition date		
Purchase consideration paid	151	254
Conditional purchase consideration	0	0
Total estimated purchase consideration	151	254
Identifiable acquired assets and liabilities		
Cash and cash equivalents	5	13
Property, plant and equipment	0	274
Customer relations	82	86
Intangible assets	0	1
Deferred tax assets	0	16
Trade receivables ¹⁾ and other receivables	13	18
Trade payables and other liabilities	-54	-319
Deferred tax liabilities	-25	17
Total identifiable net assets	21	106
Goodwill²⁾	130	148

¹⁾ No doubtful trade receivables were acquired.

²⁾ No part of recognised goodwill is expected to be deductible against income tax.

The acquisition analysis is preliminary and will be finalised no later than one year after transaction date. Acquisition-related costs amounted to SEK 4,9m (5,8) during the year and are included in other costs in the consolidated income statement. Other acquired companies have contributed SEK 62m (90) in net sales and SEK 6m (-5) in profit if they had been acquired on January 1, 2020.

Income from the acquired companies included in the consolidated income statement since acquisition date amounts to SEK 34m (88). The acquired companies contributed to profit by SEK 4m (-5) for the same period.

Attendo acquired nursing homes and, in some cases, local medical centres from local authorities during the year. These transactions were aimed at acquiring nursing homes in attractive locations with existing customers and employees. The transactions are reported as required under IFRS 3 Business Combinations. Land, buildings and customer relationships acquired in these transactions are carried at fair value and depreciated/amortised over the useful life of the asset. Any surplus value is reported as goodwill. Recognised goodwill attributable to these acquisitions amounts to SEK 67m (31) and customer relationships to SEK 67m (62). The total consideration transferred for these transactions amounted to SEK 130m (123) in 2020.

During the year, Attendo Oy acquired 51% of the shares in Aurio Hoiva Oy for SEK 21m. In the agreement, there is a call option with the possibility for Attendo to acquire the remaining part of the shares. The call option is reported as other long-term liabilities of SEK 14 m.

C30 PLEDGED ASSETS

Pledged assets

SEKm	2020	2019
Cash and cash equivalents and blocked funds	27	42
Vehicles	37	30
Other pledged assets	0	0
Total	64	72

C31 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 assessed as having a material effect on the group's operations or financial position.

Contingent liabilities during the year amounted to SEK 4,615m (5,040).

Leases of assets not yet in use are reported as contingent liabilities. Contingent liabilities also include a potential outflow of resources among other things to complete acquisitions of real estate and operations from a few local authorities in Finland.

SEKm	2020	2019
Leases	4,556	4,838
Other	59	202
Total	4,615	5,040

C32 DIVESTED OPERATIONS

As of July 1, 2020, Attendo has divested its Norwegian operations. In total, the Norwegian operations had sales of approximately SEK 370m on an annual basis and contribute marginally to Attendo's earnings. The divestment generated a capital loss of SEK 16m. Furthermore, currency gains of SEK 6m were realized in the result. The net effect in the period's profit from sales thus amounted to SEK -10m. Revenues from the divested companies are included in the consolidated income statement of SEK 179m. The divested companies contributed a profit of SEK 13m.

The subsidiary Suomen Hoiva ja Asunto Oy was divested during the quarter. The company owns and manages 11 properties in Finland in which Attendo operates. As the properties were financed using specially regulated loans and state subsidies in Finland (ARA), the company is classified as a public benefit enterprise, which entails restrictions on the withdrawal of profits. The company was acquired by a consortium led by Pertti Karjalainen (employee of Attendo and major shareholder). The transaction was executed with principles and valuation established by the ARA authority and the valuation has been determined by independent valuation institute. As part of the sale of the company, bank loans of SEK 297m were divested along with buildings and land at a total book value of SEK 320m. The effect on Attendo's net sales and profits is immaterial. Attendo will continue to operate in the premises.

C33 RELATED-PARTY TRANSACTIONS

Directors of the parent company, Group executives and their family members are considered related parties. Companies in which a significant share of voting rights are held directly or indirectly by the aforementioned persons or companies in which such persons can exert controlling influence are also considered related parties.

Transactions with related parties had a value of SEK 0m (0.6) during the year. All related-party transactions take place on market terms.

C34 EVENTS AFTER THE REPORTING DATE

In March 2021 Attendo reached an agreement to acquire Uudenmaan Seniorikodit Oy from Aava Terveyspalvelut Oy. The acquisition includes eleven nursing homes with 420 apartments and about three hundred employees. Turnover amounts to close to EUR 20 million.

C35 RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES

Return on capital employed

SEKm	2020	2019
Operating profit (EBIT), rolling 12 months	673	672
Average capital employed		
Opening balance		
Equity	5,831	5,801
Long-term interest-bearing liabilities	11,491	10,397
Short-term interest-bearing liabilities	864	2,865
Capital employed at the beginning of the period	18,186	19,063
Closing balance		
Equity	4,849	5,831
Long-term interest-bearing liabilities	12,065	11,491
Short-term interest-bearing liabilities	919	864
Capital employed at the end of the period	17,833	18,186
Average capital employed	18,010	18,625
Return on capital employed (%)	3.7	3.6

Adjusted EBITDA/Adjusted EBITA

SEKm	2020			2019		
	Reported	IFRS 16 effect	Excl. IFRS 16-effect ¹	Reported	IFRS 16 effect	Excl. IFRS 16-effect ¹
Net sales	12,288	-	12,288	11,935	-	11,935
Other operating income	73	-2	71	110	-21	89
Total revenue	12,361	-2	12,359	12,045	-21	12,024
Personnel costs	-8,285	-	-8,285	-8,133	-	-8,133
Other external costs	-2,023	-1,452	-3,475	-1,972	-1,263	-3,236
Operating profit before depreciations and amortisation (EBITDA)	2,053	-1,454	599	1,940	-1,284	655
Amortisation and depreciation of tangible and intangible assets	-1,256	1,032	-224	-1,128	913	-215
Operating profit after depreciation (EBITA)	797	-422	375	812	-371	441

¹ This column shows adjusted EBITDA and adjusted EBITA.

Free cash flow

SEKm	2020	2019
Cash flow from operating activities	1,645	1,227
Investments in tangible assets	-345	-345
Divestments of intangible and tangible assets	26	104
Amortisation of lease liability	-898	-790
Free cash flow	428	196

Organic growth

%	2020	2019
Net sales growth	3.0	8.6
Acquired growth	-0.7	4.8
Change in currencies	-0.7	1.7
Organic growth	4.4	2.1

Working capital

SEKm	2020	2019
Current assets	2,236	2,013
Cash and cash equivalents	-716	-523
Current liabilities	2,948	2,636
Liabilities to credit institutions	-919	-863
Working capital	-508	-283

See page 100 for definitions of key data and performance measures.

Adjusted net debt

SEKm	31 dec 2020	31 dec 2019
Interest-bearing liabilities	12,976	12,339
Provisions for post-employment benefits	8	15
Cash and cash equivalents	-716	-523
Net debt	12,268	11,831
Lease liability real estate	-10,695	-9,471
Adjusted net debt	1,573	2,360

Adjusted earnings and adjusted earnings per share

SEKm	Reported	Acquisitions ¹	IFRS16 ²	Items affecting comparability ³	Total adjustments	Adjusted earnings
Adjustments 2020						
Net sales	12,288	-	-	-	-	12,288
Operating profit before amortization and depreciation (EBITDA)	2,053	-	-1,454	-	-1,454	599
Amortization and depreciation of tangible and intangible assets	-1,256	-	1,032	-	1,032	-224
Operating profit (EBITA)	797	-	-422	-	-422	375
Amortization of acquisition related intangible assets	-124	124	-	-	124	-
Operating profit, excluding items affecting comparability	673	124	-422	-	-298	375
Items affecting comparability	-955	-	134	821	955	-
Operating profit (EBIT)	-282	124	-288	821	657	375
Net financial items	-644	-	559	-	559	-85
Profit before tax (EBT)	-926	124	271	821	1,216	290
Income tax	22	-25	-54	-	-79	-57
Profit for the period	-904	99	217	821	1,137	233
Profit for the period attributable to:						
The parent company shareholders, SEKm	-906	99	217	821	1,137	231
Non-controlling interests, SEKm	2	-	-	-	-	2
Average number of shares outstanding, diluted, thousands	160,920	160,920	160,920	160,920	160,920	160,920
Earnings per share diluted, SEK	-5.63	0.61	1.35	5.10	7.06	1.43
Adjustments 2019						
Net sales	11,935	-	-	-	-	11,935
Operating profit before amortization and depreciation (EBITDA)	1,940	-	-1,284	-	-1,284	656
Amortization and depreciation of tangible and intangible assets	-1,128	-	913	-	913	-215
Operating profit (EBITA)	812	-	-371	-	-371	441
Amortization of acquisition related intangible assets	-140	140	-	-	140	-
Operating profit, excluding items affecting comparability	672	140	-371	-	-232	441
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	672	140	-371	-	-232	441
Net financial items	-565	-	473	-	473	-92
Profit before tax (EBT)	107	140	102	-	242	349
Income tax	-26	-28	-20	-	-48	-74
Profit for the period	81	112	82	-	194	275
Profit for the period attributable to:						
The parent company shareholders, SEKm	81	112	82	-	194	275
Non-controlling interests, SEKm	-	-	-	-	-	-
Average number of shares outstanding, diluted, thousands	160,899	160,899	160,899	160,899	160,899	160,899
Earnings per share diluted, SEK	0.51	0.69	0.51	0.00	1.20	1.71

¹ Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Parent company income statement

January–December, SEKm	Note	2020	2019
Net sales	P2	13	13
Personnel costs	P3	-28	-26
Other external costs	P4, P5	-10	-9
Operating profit		-25	-22
Net financial items		-9	-9
Profit after financial items		-34	-31
Group contributions		54	48
Profit before tax		20	17
Group contributions	P6	-5	-4
Profit for the year		15	13

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

Parent company balance sheet

31 December, SEKm	Note	2020	2019
Assets			
Non-current assets			
Shares in subsidiaries	P7	6,494	6,494
Total non-current assets		6,494	6,494
Current assets			
Receivables from group companies		54	49
Other receivables		0	1
Prepaid expenses and accrued income		1	0
Cash and cash equivalents		0	0
Total current assets		55	50
Total assets		6,549	6,544
Equity and Liabilities			
Equity	P8		
Restricted equity			
Share capital		1	1
Total restricted equity		1	1
Non-restricted equity			
Share premium reserve		6,602	6,602
Retained earnings		-607	-623
Profit for the year		15	13
Total non-restricted equity		6,010	5,992
Total equity kapital		6,011	5,993
Liabilities			
Current liabilities			
Liabilities to group companies		525	538
Current tax liabilities		0	1
Other current liabilities		2	3
Accrued expenses and prepaid income		11	9
Total current liabilities		538	551
Total liabilities		538	551
Total equity and liabilities		6,549	6,544

Parent company statement of changes in equity

Mkr	Restricted equity	Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings	
Opening balance, 1 January 2019	1	6,602	-528	6,075
Dividends paid	-	-	-96	-96
Vested shares	-	-	2	2
Other comprehensive income	-	-	13	13
Closing balance, 31 December 2019	1	6,602	-610	5,993
Opening balance, 1 January 2020	1	6,602	-610	5,993
Vested shares	-	-	-	3
Other comprehensive income	-	-	15	15
Closing balance, 31 December 2020	1	6,602	-592	6,011

Parent company statement of cash flow

January-December, SEKm	2020	2019
Operating activities		
Profit before tax	19	17
Adjustments for items not included in cash flow	-51	-47
Cash flow from operating activities before changes in working capital	-32	-30
Cash flow from changes in working capital		
Change in current receivables	-4	8
Change in current operating liabilities	36	118
Cash flow from operating activities	32	126
Financing activities		
Dividends paid	-	-96
Cash flow from financing activities	-	-96
Cash flow for the year		
Opening balance, cash and cash equivalent 1 January	0	0
Closing balance, cash and cash equivalent 31 December	0	0

Notes to the parent company financial statements

P1 SIGNIFICANT ACCOUNTING POLICIES

The parent company, Attendo AB (publ), applies the Swedish 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 (IFRS) where applicable and with the exception of the instances indicated below. The parent company applies IAS 9. IFRS 16 is not applied in the parent company. Reference is made to the accounting policies applied by the group for recognition and measurement of financial instruments in Note C25..

Basis of preparation of financial statements

The parent company financial statements are presented in millions of Swedish kronor (SEKm). The financial statements have been prepared according to the cost method, which means that investments are recognised at cost and dividends are recognised in profit and loss. Impairment tests are conducted annually and impairment losses are recognised if the reduction in value is assumed to be of a permanent nature.

Shares and participations

Shares in subsidiaries are recognised at cost less any 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 carrying amount of investments exceeds recoverable amount.

P2 NET SALES

Parent company revenue relates to intragroup services in the amount of SEK 13m (13).

P3 SALARIES AND OTHER REMUNERATION

Salaries and other remuneration

SEKm	2020	2019
CEO		
Salaries and other remuneration	10	10
Pension costs	3	2
Social costs	3	4
Total	16	16
Other employees		
Salaries and other remuneration	7	6
Pension costs	2	2
Social costs	2	2
Total	11	10
Total	27	26

Average number of full-time employees

	2020	2019
Women	-	-
Men	4	4
Total	4	4

See Note C5 for further information on remuneration of senior executives.

P4 OTHER EXTERNAL COSTS

Other external costs

SEKm	2020	2019
External services	2	2
Board remuneration Other	4	4
Övrigt	4	3
Total	10	9

P5 AUDIT FEES

Audit fees

SEKm	2020	2019
PwC		
Audit fees	1	2
Other audit assignments	-	0
Tax advice	0	0
Other services	0	0
Total	1	2
Other companies		
Other services	0	0
Total	0	0

Audit fees relate to statutory reporting, that is, the work associated with preparing the Audit Report, as well as audit advisory services provided in connection with the audit assignment

P6 TAX

Reconciliation of effective tax

SEKm	2020	2019
Profit before tax	19	17
Tax according to the Swedish tax rate	-5	-4
Tax expense	-5	-4

Attendo AB's tax loss carryforwards amounted to SEK 0m (0) at 31 December 2020.

P7 SHARES AND PARTICIPATIONS

Shares in group companies

SEKm	2020	2019
Opening book value	6,494	6,494
Closing book value	6,494	6,494

Shares owned directly by the parent company	Corp. ID no.	Registered office	Number of shares	Proportion of capital and votes, %	Book value SEKm
Attendo International AB (publ)	556932-5342	Danderyd	66,669,379	100%	6,494

There are also a number of indirectly owned subsidiaries. A detailed list of group companies can be ordered from Attendo AB, Investor Relations.

P8 EQUITY

Share capital

Share capital amounted to SEK 884,551 on 31 December 2020 (884,551). There were 161,386,592 shares outstanding (161,386,592). The quotient value per share is SEK 0.005 (0.005).

Proposed distribution of profits

The following profits in the parent company are at the disposal of the AGM:

Distribution of earnings	Amounts in SEK
At the disposal of the AGM:	
Retained earnings	5,995,179,850
Profit for the year	14,682,802
Total	6,009,862,652

Allocated as follows:

Amount to be retained by the parent company	6,009,862,652
Total non-restricted equity in the parent company	6,009,862,652

P9 EVENTS AFTER THE REPORTING DATE

There were no significant events outside regular operations after the end of the financial year.

Assurance

The Board of Directors and the CEO hereby certify that the consolidated accounts have been prepared in accordance with International Financial Accounting Standards, IFRS, as adopted by the EU, and provide 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 provide a true and fair view of the parent company's financial

position and results of operations. The Board of Directors' report for the group and the parent company provides a true and fair view of the progress of group and parent company operations, financial position and results of operations and describe significant risks and uncertainties facing the parent company and companies included in the group. We hereby also submit the Attendo Sustainability Report for 2020.

Danderyd, March 11 2021

Ulf Lundahl
Chairman

Catarina Fagerholm
Director

Alf Göransson
Director

Tobias Lönnevall
Director

Faya Lahdou
Director
Employee representative

Anssi Soila
Director

Suvi-Anne Siimes
Director

Martin Tivéus
President and
Chief Executive Officer

Our audit report was submitted on March 12 2021.

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Auditor in charge

AUDITOR'S REPORT

To the general meeting of the shareholders of Attendo AB (publ) corporate registration number 559026-7885. Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Attendo AB (publ) for the 2020 financial year. The company's annual accounts and consolidated financial statements are presented on pages 49–89 of this document.

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 2020 and of its financial performance and its cash flows for the year 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 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the contents of the additional report provided to the Board of Directors of the parent company and the group, in accordance with the Audit Regulation, (EU) No 537/2014, Article 11.

Basis for Opinions

We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section of our report. We are independent of the parent and the Group, in accordance with the code of professional ethics for accountants in Sweden, and have fulfilled our ethical responsibilities in other respects per these requirements. This means that, to the best of our knowledge and conviction, no prohibited services as referred to in Regulation (EU) No 537/2014, Article 5 (1) have been provided to the audited entity or, where applicable, its parent undertaking or its controlled undertakings within the European Union.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our Approach to the Audit

Scope and direction of the audit

We designed our audit by establishing the level of materiality and assessing the risk of material misstatements in the financial statements. We particularly considered the areas in which the CEO and the Board of Directors have made subjective judgements, such as key accounting estimates made on the basis of assump-

tions and forecasts concerning future events, which are by nature uncertain. As in all audits, we have also considered the risk that the Board of Directors and the CEO are disregarding internal control procedures and have, inter alia, considered whether there is evidence of systematic non-conformances that have given rise to a risk of material misstatement due to irregularities. In addition, the effects of Covid-19 on the financial statements and associated disclosures have been analysed and considered in the audit.

We adapted our audit to perform an appropriate examination to enable us to express an opinion on the financial statements as a whole, with consideration given to the group's structure, accounting processes and internal reviews and the industry within which the group operates. Our audit included, inter alia, the following:

- For the largest reporting entities in Sweden, Finland and Denmark, including the parent company and consolidation, we have examined the annual accounts, performed a review of the interim report dated 30 September and assessed key controls related to financial reporting based on Attendo's framework; and
- For other entities, we conducted analytical procedures in connection with examination of consolidation and the statutory audit. In most cases, the statutory audit was not completed before the auditor's report was endorsed for the group. The outcome of this audit was reported separately to Attendo as part of our audit during the autumn of the following year as these entities were not deemed material and thus do not constitute input material for the audit of the consolidated annual accounts. The outcome of the statutory audit was used in planning the audit and to follow up whether any Key Audit Matter concerning financial reporting or internal control was observed at any entity.

In addition to that described above, the auditor in charge visited the Finnish operations early in the year and has held digital meetings because we were unable to visit the subsidiaries due to the Covid-19 pandemic. The purpose of these meetings is to create an understanding of operations in the country and the financial reporting, the status of the turnaround programme, the impact of Covid-19 and an understanding of procedures and controls. In connection with this visit, the management of acquisitions and the impact of acquisition analyses and the implementation of IFRS 16 Leases were also discussed and examined. In addition, financial reporting was reviewed based on the accounting policies applied by the group.

Materiality

The scope and direction of the audit is influenced by our materiality assessment. An audit is designed to achieve reasonable assurance as to whether the financial statements contain any material misstatements. Misstatements may arise due to irregu-

larities or error. Misstatements are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based upon professional judgement, we established certain quantitative materiality levels, including for overall financial reporting. Using these and qualitative deliberations, we established the direction and scope of the audit and the nature, timing and scope of our audit checks, and assessed the impact of misstatements, individually and in the aggregate, on the financial statements as a whole.

Key Audit Matters

Key Audit Matters are those matters which, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts for the relevant reporting period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MEASUREMENT OF GOODWILL AND OTHER ACQUISITION-RELATED INTANGIBLE ASSETS

Key Audit Matter

We refer to notes C2 Critical accounting estimates and judgements and C13 Intangible assets.

Goodwill constitutes a significant portion of the total assets of the Attendo group and amounted to SEK 6,644 million at 31 December 2020 (33% of total assets). The item is subject to management's judgements and assumptions and due to its materiality has also been assessed as a Key Audit Matter.

Management and the Board of Directors prepare an annual impairment test of the value of goodwill. The test is aimed at assessing whether there is any need for impairment, i.e. whether the carrying amount exceeds the assessed fair value in accordance with the impairment test.

The estimated value is based on future budgets and forecasts for the next ten years approved by the Board of Directors. A forecast period of ten years was applied because, subsequent to the implementation of IFRS 16 Leases in 2019, Attendo is carrying large asset values related to long-term leases. The terms of these leases are typically longer than ten years. Cash flows from the years beyond the next ten years are extrapolated based on the last year of the forecast. The process thus includes assumptions that have material impact on the impairment test. This includes the assumptions on sales growth, margin development and the discount rate (WACC).

The value that arises in accordance with the test corresponds to the value of discounted cash flows for identified cash-generating units. Even if a cash-generating unit passes the impairment test, a future development that diverges adversely from the assumptions and estimates upon which the test was based may lead to an indication for impairment.

The impairment testing performed by Attendo showed that there is an indication of impairment of the Finnish operations, whereupon goodwill for the cash-generating unit Finland was impaired by SEK 821m in conjunction with the reporting of the Q2 interim reporting date. At this time, right-of-use assets were also impaired by SEK 134m. This is described in the Board of Directors' report, Note C13 Intangible assets and Note C15 Right-of-use assets.

How our audit addressed the Key Audit Matter

When examining whether there is a need to impair goodwill and other acquisition-related intangible assets and to verify the measurement and accuracy, we performed the following audit procedures:

- In connection with evaluation of the assumptions detailed in Note C13 Intangible assets, and in the process of verifying that the model used is consistent with IFRS, we engaged valuation experts from PwC to test and evaluate the models and methods used as well as material assumptions.
- On a random basis, we evaluated and challenged information used in the calculations vis-à-vis Attendo's financial plan and, where possible, external information. In that context, we focused on assumed growth figures, margin development and the discount rate per cash-generating unit. We also followed up the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes.
- We checked the sensitivity of the valuation to negative changes in significant parameters that could, individually or in the aggregate, indicate that a need for impairment exists.
- We assessed whether the disclosures provided in the annual accounts are correct based on the measurement test performed, particularly based on information about the sensitivity in the measurements.
- We compared the information provided in the annual accounts against the requirements in IAS 36 Impairment of Assets and found that they had been met in all material respects.
- We evaluated Attendo's judgements regarding the risks that may affect the business, as disclosed in the "Risks and risk management" section of the Board of Directors' Report and Note C2 Key accounting judgements, estimates and assumptions.

Based on our review and after the impairment of goodwill in connection with the Q2 reporting date, we have not reported any material observations to the audit committee.

APPLICATION OF IFRS 16 LEASES DURING THE FINANCIAL YEAR

Key Audit Matter

We refer to notes C1 Significant accounting policies, C2 Key accounting judgements, estimates and assumptions and C15 Right-of-use assets.

IFRS 16 Leases took effect on 1 January 2019 and superseded earlier accounting standards. Implementation of the standard meant that essentially all leases will be recognised on the balance sheet, as there is no longer any distinction made between operating leases and finance leases. IFRS 16 requires all assets and liabilities attributable to leases, unless the lease term is twelve months or less or the underlying asset is of low value, to be recognised as assets and liabilities on the balance sheet.

Accounting in accordance with IFRS 16 has nearly doubled total assets compared to the earlier accounting standard and has material impact on the income statement. Furthermore, the accounting is based on a number of material estimates concerning matters including discount rates, lease terms (and related management of extension clauses) and vacant space. In consideration of the material impact on Attendo's accounts and the key judgements upon which the accounts are based, the implementation of IFRS 16 and accounting in accordance with the standard constitutes a Key Audit Matter.

How our audit addressed the Key Audit Matter

Based on the significant increase in value that IFRS 16 entails, we have had particular focus on the accounting of IFRS 16 Leases to verify the application of the accounting standard, including performing the following audit procedures:

- We formed an understanding of Attendo's process for accounting for and reporting leases.
- We examined procedures and internal controls to verify correct handling of accounting under IFRS 16 Leases.
- On a random basis, we examined and checked calculations used to support the recognition of right-of-use assets and lease liabilities.
- We reconciled input data in calculations against leases or other supporting data.
- We ascertained Attendo's judgements, including the discount rates used and application of option clauses in leases, and examined the same.

An assessment of Attendo's policies for accounting for any indications of impairment of recognised right-of-use assets is described below under the Key Audit Matter "Management's judgements concerning provisions for onerous contracts and impairment of right-of-use assets".

Our report to the audit committee during the audit stated that the applied assumptions upon which the accounting is based were found to be within acceptable ranges overall.

MANAGEMENT'S JUDGEMENTS CONCERNING PROVISIONS FOR ONEROUS CONTRACTS AND IMPAIRMENT OF RIGHT-OF-USE ASSETS

Key Audit Matter

We refer to notes C2 Key accounting judgements, estimates and assumptions, C15 Leases and C24 Provisions, as well as to the Board of Directors' report.

Several balance sheet items in Attendo's accounts are based on assumptions and judgements, including provisions for onerous contracts and potential indication of impairment of right-of-use assets. In addition to goodwill as described above, we find that the most material judgement-based items are provisions for onerous contracts and indication of impairment of right-of-use assets.

The reason for this is that Attendo opened homes with a total of 3,300 beds in the past two years. Starting a care home or unit can be costly, as it can take time to fill the beds.

This affected consolidated profit during 2020 as described in the Board of Directors' report. If a contract is going to lead to future losses, IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires a provision for the losses expected to arise after the reporting date and, if this is related to right-of-use assets, impairment of those assets. Attendo monitors all care homes and units on a monthly basis and makes judgements and forecasts for the future. Based on these, Attendo determines whether a provision or impairment is required. According to the notes above, there were provisions for onerous contracts of SEK 63 million and for impairments of right-of-use assets of SEK 134 million refers to a one-time impairment of right-of-use assets for Finland. These items are accounted for based on complex underlying judgements and are therefore a Key Audit Matter.

How our audit addressed the Key Audit Matter

In our audit, we focused in particular on examining management's assessments of onerous contracts in order to verify completeness, accuracy and valuation and the audit procedures performed included the following:

- We examined Attendo's monitoring and closing accounts procedures to verify that internal controls are in place to account for provisions for onerous contracts if required under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and that right-of-use assets have been impaired if a permanent decline in value is found to exist.
- On a random basis, we examined Attendo's basis for calculation compared to internal reports.
- We followed up profit and loss outcomes and future forecasts pertaining to care homes and

units compared to internal reports, jointly with the responsible individuals at Attendo.

- We evaluated Attendo's policies for making provisions against potential losses attributable to contracts with customers against the requirements found in IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the same with regard to the need to impair right-of-use assets against the requirements found in IAS 36 Impairment of Assets.

Apart from that the measurement of these items is afflicted with intrinsic uncertainty when the accounting is based partly on assumptions that may change, we find that Attendo's assumptions upon which the provisions for onerous contracts and need for impairment of right-of-use assets are based are within acceptable ranges.

PROCEDURES AND PROCESSES AND ACCOUNTING FOR PERSONNEL-RELATED COSTS

Key Audit Matter

We refer to notes C2 Key accounting judgements, estimates and assumptions, C5 Information on Board members, senior executives and employees, C23 Pension provisions and C27 Other current liabilities.

Attendo has about 25,000 employees in its subsidiaries. Personnel costs account for approximately 70 percent of Attendo's operating costs and are thus the most significant cost item in Attendo's consolidated income statement. Personnel-related costs consist of salaries and other remuneration including variable pay, as well as directly attributable taxes and social insurance contributions. The risk in these items is related to whether they are complete, accurately calculated, correctly allocated over time and accurately measured. There is also an intrinsic complexity in payroll management, as different employee categories are covered by different employment contracts and collective agreements, which, in and of itself, creates differences in how salaries, other remuneration and benefits should be calculated.

To assure correct accounting for personnel costs,

Attendo has implemented a framework for internal control and has a robust reporting structure to ensure that reporting is correct and complete in accordance with Attendo's policies. This is described on page 43 of the annual report.

How our audit addressed the Key Audit Matter

To be able to pay salaries to 25,000 employees every month, or in some cases more often, effective procedures and processes must exist to calculate and check the

salaries and other remuneration that are to be paid.

Our audit was based both on evaluating internal control as well as substantive auditing tests and other analytical procedures, including data-based transaction analyses of certain balance sheet and profit and loss items for significant subsidiaries, on a random basis.

The evaluation of procedures and processes was based on Attendo's framework for internal control of financial reporting. Examination of controls and auditing of profit and loss and balance sheet items was performed on a random basis. The other audit procedures we performed included the following:

- Reconciliation of significant accrued expenses and/or reserves pertaining to e.g. annual leave pay liability, payroll liabilities, taxes and social insurance contributions against information derived from payroll systems and management's estimates and judgements.
- Examination of personnel costs by means of analytical audit procedures covering changes of costs in the income statement, accrued expenses and reserves based on our knowledge and through the use of data-based transaction analyses.

Nothing material emerged in these audit procedures that required reporting to the audit committee. Our general conclusion is that, in all material respects, effective processes for payroll management and accounting for personnel costs are found within Attendo.

Information Other than the Annual Accounts and Consolidated Accounts and the Auditor's Report Thereon

This document also contains information other than the annual accounts and consolidated accounts and is found on pages 1-34 and 96-102. Other information also consist of the remuneration report that we have read before the date of submission of this audit report. The Board of Directors and the CEO are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and consider whether the information otherwise appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that conclusion. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and for their fair presentation in accordance with the Annual Accounts Act and, in respect of the consolidated accounts, in accordance with IFRSs, as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as management determines is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and the consolidated accounts, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern assumption is, however, not applied if the Board of Directors and the CEO intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The duties of the Board audit committee include monitoring the company's financial reporting, which shall not affect the duties and tasks of the Board of Directors otherwise.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from irregularities or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the financial decisions of users taken on the basis of these annual accounts and consolidated accounts.

A more detailed description (in Swedish) of our responsibility for the audit of the annual accounts and consolidated accounts is provided on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar.

This description constitutes a part of the auditor's report.

Report on Other Legal and Regulatory Requirements

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have conducted an audit of the management of Attendo AB (publ) by the Board of Directors and the CEO in 2020 and the proposal on disposition of the company's profit or loss.

We recommend to the annual meeting of shareholders that the profit be disposed in accordance with the proposal in the Board of Directors' report and that directors and the CEO be discharged from liability for the financial year.

Basis for Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section of our report. We are independent of the parent and the group, in accordance with the code of professional ethics for accountants in Sweden, and have fulfilled our ethical responsibilities in other respects per these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed disposition of the company's profit or loss. In connection with a proposed dividend, this involves, among else, assessment of whether the dividend is justifiable with consideration given to the demands with respect to the size of equity in the parent company and the group imposed by the nature, scope and risks associated with operations and the group's consolidation requirements, liquidity and financial position in general.

The Board of Directors is responsible for the company's organisation and for management of the company's affairs. Among else, this includes regular assessment of the company's and the group's financial position and ensuring that the company's organisation is structured in such a manner that accounting, management of funds and the company's financial affairs in general are monitored in a satisfactory manner.

The CEO shall attend to the day-to-day management of the company pursuant to guidelines and instructions issued by the Board of Directors and, among else, take the measures necessary to ensure that the company's accounting records are prepared and maintained pursuant to law and that management of funds is conducted in a sound manner.

Auditor's Responsibilities

Our objective regarding the audit of management, and thus our opinion concerning discharge of liability, is to obtain audit evidence sufficient to assess, with reasonable assurance, whether any director or the CEO in any material respect has:

- taken any action or committed a negligent breach that may result in liability to the company, or
- in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding audit of the proposed disposition of the company's profit or loss, and thus our opinion on the proposal, is to assess with reasonable assurance whether the proposal is consistent with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect measures or negligence that might result in liability to the company or that a proposed disposition of the company's profit or loss is inconsistent with the Companies Act.

A more detailed description (in Swedish) of our responsibility for the audit of the management of the company is provided on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description constitutes a part of the auditor's report.

PricewaterhouseCoopers AB, with Patrik Adolfson as auditor in charge, was appointed auditor for Attendo ABs (publ) by the annual general meeting held 15 April 2020 and has been the company's auditor since 27 October 2015.

Stockholm, 12 March 2021
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

THE ATTENDO SHARE

Attendo stock has been quoted on Nasdaq Stockholm since November 2015, when the listing price was SEK 50 per share. The stock is categorised in the Healthcare segment of the Mid Cap list. Shares in Attendo are traded under the stock ticker ATT.

Share price performance and turnover

SEK	2020	2019
Closing price 31 December	44.38	53.95
Market capitalisation 31 December, SEKbn	7.1	8.7
Share price performance during the year, %	-18	-31
Highest price paid 14 Jan (9 Jan)	55.50	82.30
Lowest price paid 16 Apr (15 Aug)	34.22	38.70

Shares in Attendo were traded on Nasdaq Stockholm in 2020 to a value of SEK 3.8 bn, corresponding to average daily turnover of approximately SEK 15m. The volume traded in 2020 corresponds to about 55 percent of the average number of shares outstanding. Approximately 80 percent of the total volume was traded on Nasdaq Stockholm. Shares in Attendo are also traded on multilateral trading facilities (MTF) such as Aquis and Cboe.

Share capital

There was a total of 161,386,592 shares outstanding at year-end (161,386,592). Attendo holds 473,744 treasury shares and the total number of shares outstanding at 31 December 2020 was 160,912,848. All shares carry equal voting rights and equal rights to a share in the company's assets.

Dividends

Dividends must be well-balanced with regard to the business's goals, scope and risk, including investment opportunities and the company's financial position. 2020 was a financially and operationally challenging year for Attendo, marked by the corona pandemic. In addition, goodwill was written down in the Finnish operations. Against this background, the Board therefore proposes, prior to the 2021 Annual General Meeting, that no dividend be paid for the 2020 financial year.

Investor relations

Attendo stock is covered by six investment banks. For current information about analysts that cover the stock, see Attendo's website, www.attendo.com/en/investor-relations/the-attendo-share/analysts/. The company presents webcasts of its interim reports. Digital presentations and investor meetings have been held in conjunction with publication of interim reports. Attendo has also participated in several digital investor conferences organized by the banks and commissioners who have analysts covering the Attendo share.

Shareholders

Name	No of shares	% of shares and votes
Nordstjernan AB	29,821,930	18.5
Pertti Karjalainen via companies ¹⁾	18,039,265	11.2
Incentive AM ¹⁾	12,432,360	7.7
Swedbank Robur AM	8,217,226	5.1
Gladiator	6,722,079	4.2
Henrik Borelius via companies	5,481,942	3.4
Öresund	5,335,865	3.3
Third Swedish National Pension Fund	5,087,963	3.2
Elo Mutual Pension Insurance Company	4,800,000	3.0
SEB Stiftelsen	4,000,000	2.5
Norges Bank	2,698,742	1.7
Confederation of Swedish Enterprise	2,600,000	1.6
Ammy Wehlin	1,526,440	0.9
SEB Investment Management	1,427,476	0.9
Anssi Soila	1,255,455	0.8
Per Josefsson Invest AB	1,200,550	0.7
Pareto Global	996,202	0.6
Handelsbanken AM	733,644	0.5
Nordea AM	570,925	0.4
Länsförsäkringar AM	545,729	0.3
Total, 20 largest shareholders	113,493,793	70.5
Total, other	47,419,055	29.5
Totalt shares outstanding	160,912,848	100.0

Source: Euroclear Sweden AB per 2020-12-31

¹⁾ Information from owner



Share distribution

Share distribution	No. of shareholders	No. of shares outstanding
1 - 500	7,073	852,574
501 - 1 000	778	601,299
1 001 - 5 000	664	1,536,458
5 001 - 10 000	119	894,537
10 001 - 15 000	44	566,052
15 001 - 20 000	44	806,252
20 001 -	159	156,129,420
Total	8,881	161,386,592

Source: Euroclear Sweden AB den 31 december 2020

Per share data

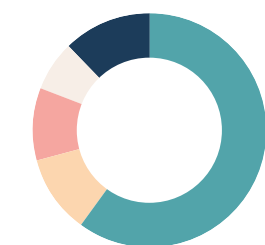
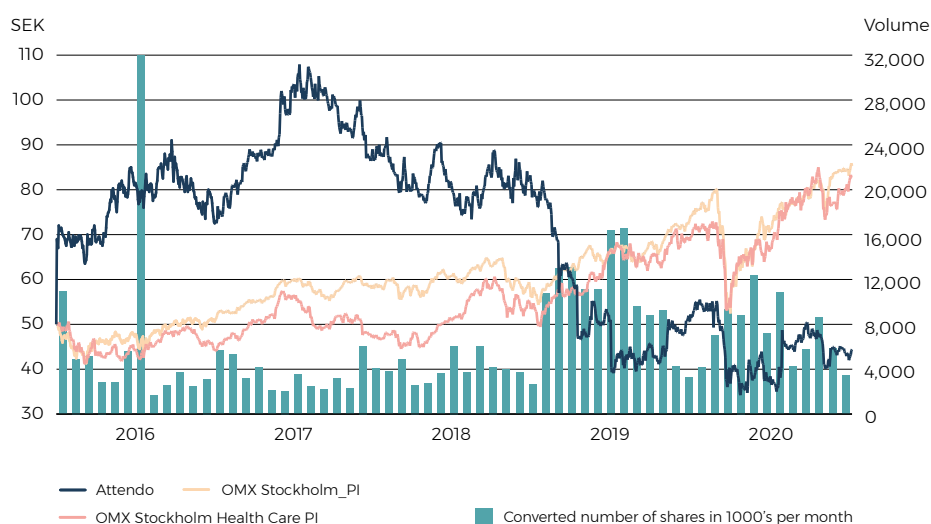
SEK	31 dec, 2020	31 dec 2019
Equity per share ¹⁾	30.14	36.24
Earnings per share ¹⁾	-5.63	0.51
Dividend per share	-	-
Dividend as a percentage of earnings per share	-	-
Dividend yield, % ²⁾	-	-
P/E-ratio ³⁾	-	106

¹⁾ Basic shares

²⁾ Divided by share price at year-end

³⁾ Share price at year-end divided by earnings per share

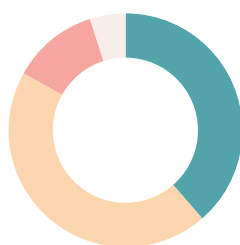
Share price performance 2015-2020



Geographical distribution of Shareholders at 31 Dec 2020

- Sweden 60%
- Finland 11%
- Great Britain 10%
- USA 7%
- Other 12%

Source: Euroclear Sweden AB



Shareholders by category at 31 december 2020

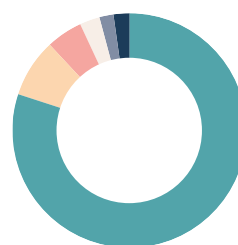
Share capital, %

- Foreign owners 39%
- Swedish owners 61%

thereof:

- Institutions 45%
- Mutual funds 12%
- Retail investors 5%

Source: Euroclear Sweden AB



Trading on stock exchanges and MTFs full year 2020

- Nasdaq Stockholm 81%
- Cboe CXE 5%
- Aquis 8%
- Cboe BXE 3%
- Cboe Periodic 2%
- Other 2%

Source: Fidessa

FIVE-YEAR SUMMARY

	2020	2019	2018	2017 ⁴⁾	2016 ⁴⁾
Total net sales	12,288	11,935	10,987	8,977	10,212
Growth, %	2.9	8.6	22.4	8.9	3.9
– Net sales, Attendo Scandinavia	6,027	6,305	6,367	5,664	5,481
– Net sales, Attendo Finland	6,261	5,630	4,620	2,747	4,185
Operating profit (EBITDA) ¹⁾	2,053	1,940	1,999	1,024	1,135
Operating profit (EBITDA-margin) ¹⁾ , %	16.7	16.3	18.2	11.4	11.1
Operating profit (EBITA) ¹⁾	797	812	1,008	890	1,002
Operating profit (EBITA-margin) ¹⁾ , %	6.5	6.8	9.2	9.9	9.8
Operating profit (EBIT) ¹⁾	673	672	866	780	911
Operating profit (EBIT-margin) ¹⁾ , %	5.5	5.6	7.9	8.7	8.9
Profit for the year	-904	81	955	542	649
Profit margin, %	-7.4	0.7	8.7	6.0	6.4
Adjusted EBITDA (EBITDA) ¹⁾	599	656	918	- ⁴⁾	- ⁴⁾
Adjusted operating margin (EBITDA) ¹⁾ , %	4.9	5.5	8.4	- ⁴⁾	- ⁴⁾
Adjusted EBITA (EBITA) ¹⁾	375	441	711	- ⁴⁾	- ⁴⁾
Adjusted operating margin (EBITA) ¹⁾ , %	3.1	3.7	6.5	- ⁴⁾	- ⁴⁾
Return on capital employed, % ²⁾	3.7	3.6	4.9	10.1	11.4
Capital employed	17,833	18,186	19,063	10,657	8,217
Free cash flow ¹⁾	428	196	593	691	745
Working capital release ¹⁾	-508	-283	-429	-314	-309
Equity/assets ratio ¹⁾	24	29	27	42	49
Net investments	319	241	205	193	169
Basic earnings per share, SEK ³⁾	-5.63	0.51	1.52	3.39	4.06
Diluted earnings per share, SEK ³⁾	-5.63	0.51	1.52	3.38	4.05
Basic equity per share, SEK ^{1,3)}	30.14	36.24	36.15	33.60	30.9
Diluted equity per share, SEK ^{1,2)}	30.13	36.24	36.10	33.44	30.10
Average basic shares outstanding, thousands ³⁾	160,904	160,877	160,455	159,784	159,956
Average diluted shares outstanding, thousands ³⁾	160,920	160,899	160,702	160,544	160,405
Shares outstanding at the end of the period, thousands ³⁾	160,913	160,890	160,867	160,412	159,800
Average number of employees (annualised)	18,178	16,499	16,745	14,341	14,824
Total net sales	12,288	11,935	10,987	8,977	10,212
– Own operations	10,527	9,957	8,759	6,764	6,327
– Outsourcing	1,761	1,978	2,228	2,213	3,108
– Staffing	-	-	-	-	777

* Including operations for sale

¹⁾ Alternative Performance Measure. Refer to page 100 for definitions.

²⁾ Effective 2016 return on capital employed is calculated based on EBIT. Comparison periods previously calculated based on EBITA have been restated for improved comparability.

³⁾ See the calculation of average number of shares in the calculation of basic and diluted EPS in note C12 Earning per share.

⁴⁾ The periods are not restated according to IFRS 16.

QUARTERLY SUMMARY

January–December, SEKm	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net sales	3,065	2,983	3,112	3,128	3,054	3,013	2,990	2,878
Other operating income	8	6	52	7	20	47	25	18
Total revenue	3,073	2,989	3,164	3,135	3,074	3,060	3,015	2,896
OPERATING COSTS								
Personnel costs	-2,052	-1,941	-2,162	-2,130	-2,127	-1,968	-2,114	-1,924
Other external costs	-512	-467	-531	-513	-512	-508	-506	-446
Operating profit before depreciations and amortisation (EBITDA)¹	509	581	471	492	435	584	395	526
Operating profit (EBITDA margin)	16.6	19.5	15.1	15.7	14.2	19.4	13.2	18.3
Amortisation and depreciation of tangible and intangible assets	-316	-312	-318	-310	-296	-290	-274	-268
Operating profit after depreciation (EBITA)¹	193	269	153	182	139	294	121	258
Operating profit (EBITA-margin)	6.3	9.0	4.9	5.8	4.6	9.8	4.0	9.0
Amortisation of acquisition related intangible assets	-31	-30	-31	-32	-35	-34	-35	-36
Operating profit, excluding items affecting comparability	162	239	122	150	104	260	86	222
Operating profit (EBIT-margin) excluding items affecting comparability, %	5.3	8.0	3.9	4.8	3.4	8.6	2.9	7.7
Items affecting comparability	6	10	-971	-	-	-	-	-
Operating profit (EBIT)	168	249	-849	150	104	260	86	222
Operating profit (EBIT-margin)	5.5	8.3	-27.3	4.8	3.4	8.6	2.9	7.7
Net financial items	-164	-166	-168	-146	-156	-137	-137	-135
Profit before tax	4	83	-1,017	4	-52	123	-51	87
Income tax	0	-19	42	-1	12	-29	12	-21
PROFIT FOR THE YEAR	4	64	-975	3	-40	94	-39	-66
Profit for the period attributable to:								
The parent company shareholders	3	64	-976	3	-40	94	-39	-66
Non-controlling interests	1	0	1	0	-	-	-	-
Profit margin, %	0.1	2.1	-31.3	0.1	-1.3	3.1	-1.3	2.3
Tax rate, %	0.0	-22.9	-4.1	-24.0	-23.1	-23.6	-23.5	-24.1
Basic earnings per share, SEK	0.02	0.40	-6.06	0.02	-0.25	0.58	-0.24	0.41
Diluted earnings per share, SEK	0.02	0.40	-6.06	0.02	-0.25	0.58	-0.24	0.41
Average number of shares outstanding, basic, thousands ²	160,904	160,908	160,901	160,893	160,882	160,879	160,877	160,868
Average number of shares outstanding, diluted, thousands ²	160,920	160,923	160,911	160,910	160,904	160,910	160,909	160,897
Net sales by contract model								
Net sales, Own operations	2,668	2,604	2,627	2,628	2,555	2,521	2,499	2,382
Net sales, Outsourcing	397	379	485	500	499	492	491	496
Net sales by business area,								
Net sales, Scandinavia	1,475	1,410	1,548	1,594	1,596	1,584	1,588	1,537
Net sales, Finland	1,590	1,573	1,564	1,534	1,458	1,429	1,402	1,341
Own operations								
Units in operation ¹	621	613	619	610	604	604	599	598
Beds in operation ²	17,668	17,485	17,650	17,260	16,618	16,470	16,216	15,923
Beds under construction ²	1,036	1,228	1,110	1,423	1,980	2,094	2,335	2,401
Beds opened (t12) ²	1,349	1,630	2,042	2,186	1,950	1,867	1,752	2,282
Occupancy in own homes ²	80	79	78	80	80	80	79	81
Growth								
Organic growth	3.0	-1	4.1	8.7	8.4	7.5	9.0	9.7
Acquired growth	4.4	3	3.9	5.9	3.6	1.6	1.4	1.8
Changes in currencies	-0.7	-2.4	0.4	1.7	3.2	4.6	6.2	5.4
	-0.7	-1.6	-0.2	1.1	1.6	1.3	1.4	2.5

¹ Refers to all units in Own operations.

² Nursing homes and homes for people with disabilities and social psychiatry.

Definitions of key data and alternative performance measures (APM)

Explanations of financial performance measures

Return on capital employed (APM)

Attendo reports return on capital employed because it shows profits in relation to the capital used in operations. The definition of return on capital employed is operating profit (EBIT) for the past 12 months divided by average capital employed. See Note C35 for a reconciliation of the performance measure.

Free cash flow (APM)

Free cash flow is a measure of the cash and cash equivalents the group generates in operating activities and investing activities. The performance measure is defined as operational cash flow after changes in working capital, cash flow from investments in and divestments of tangible and intangible assets, as well as received/paid interest, interest expense for lease liabilities of real estate and repayment of lease liabilities according to IFRS 16. See the Consolidated cash flow table for reconciliation. See Note C35 for a reconciliation of free cash flow.

Equity per share

Equity divided by average shares outstanding.

Acquired growth

The increase in the company's net sales from businesses and operations acquired during the past 12 months.

Adjusted EBITA (APM)

See the definition of operating profit (EBITA) below. Adjusted operating profit (EBITA) is operating profit according to the previous reporting standard IAS 17, i.e. excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from adjusted operating profit. See the income statement including effects of IFRS 16 for more information.

Adjusted EBITDA (APM)

See the definition of operating profit (EBITDA) below. Adjusted operating profit (EBITDA) is operating profit according to the previous accounting standard IAS 17, i.e., excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from adjusted operating profit. See the income statement including effects of IFRS 16 for more information.

Adjusted net debt (APM)

See the definition of net debt below. Adjusted net debt is net debt according to the previous reporting standard IAS 17, i.e., excluding the IFRS 16 effect on lease liabilities attributable to right-of-use assets for real estate. See the table showing net debt calculation for more information.

Adjusted earnings per share (APM)

Profit or loss for the period attributable to the parent company shareholders excluding effects from amortization of acquisition-related intangible assets as well effects from the implementation of IFRS 16 and items affecting comparability and related tax items divided by the number of outstanding shares after dilution.

Adjusted operating margin (EBITA) (APM)

Adjusted operating profit (EBITA) divided by net sales.

Adjusted operating margin (EBITDA) (APM)

Adjusted operating profit (EBITDA) divided by net sales.

Items affecting comparability

Items whose effects on profit are important to pay attention to when profit for the period is compared with earlier periods, such as significant impairment losses and other significant, non-recurring costs or income.

Cash and cash equivalents

Cash and bank balances, short-term investments and derivatives with a positive fair value.

Net investments

The net of investments in and divestments of tangible and intangible assets, excluding acquisitions and divestment of operations as well as investments in and divestments of assets held for sale.

Net debt (APM)

Net debt is a way of describing the group's indebtedness and its ability to repay its debt with cash and cash equivalents if all debts were to be due for payment today. Net debt is defined as interest-bearing liabilities plus provisions for post-employment benefits minus cash and cash equivalents. Net debt is presented both including and excluding lease liabilities attributable to right-of-use assets for real estate. See the section Financial position in this report for a reconciliation of net debt.

Organic growth (APM)

Attendo reports organic growth as a performance measure to show underlying sales development excluding acquisitions and currency effects. The performance measure is calculated as sales growth excluding acquisitions and changes in exchange rates. See Note C35 for a reconciliation of the performance measure.

Net profit or loss for the year

Profit or loss for the year attributable to parent company shareholders.

Earnings per share

Profit or loss for the year divided by average shares outstanding.

Working capital (APM)

Working capital is a key performance measurement for optimising cash generation. The performance measure is defined as current assets excluding cash and cash equivalents and current interest-bearing assets minus current non-interest-bearing liabilities and provisions. Assets and liabilities held for sale are not included in working capital. See Note C35 for a reconciliation of the performance measure.

Operating margin (EBIT margin)

Operating profit or loss (EBIT) divided by net sales.

Operating margin (EBITA margin)

Operating profit (EBITA) divided by net sales.



Operating margin (EBITDA margin) (APM)

Operating profit (EBITDA) divided by net sales.

Operating profit (EBIT) (APM)

Attendo has opted to report operating profit (EBIT) as a performance measure because it shows the development of operating activities independent of financing. Operating profit (EBIT) refers to profit before financial items and tax. See the consolidated income statement for a reconciliation of EBIT.

Operating profit (EBITA) (APM)

Operating profit (EBITA) is used as a performance measure because it shows the development of operating activities without the effect of amortisation and impairments of intangible assets from acquired companies and independently of financing. Operating profit (EBITA) refers to profit before amortisation of acquisition-related intangible assets, financial items and tax. See the consolidated income statement for a reconciliation of EBIT.

Operating profit (EBITDA) (APM)

Attendo reports operating profit (EBITDA) as a performance measure because it shows the development of operating activities independent of financing and investments. Operating profit (EBITDA) refers to profit or loss before depreciation, amortisation and impairments. See the Consolidated income statement for a reconciliation of EBITDA.

Net debt to equity ratio

Net debt divided by equity.

Equity/assets ratio

Equity divided by total assets.

Capital employed

Equity plus interest-bearing liabilities.

Profit margin

Profit or loss for the year divided by net sales.

Definitions of operational terms

Occupancy

The number of occupied beds divided by the number of available beds. Occupancy is a weighted average in the last month of each reporting period.

Mature units

Units opened in the 2018 calendar year or earlier, excluding units from the acquisition of Mikeva.

Sustainability definitions

Stakeholders

Groups of people who are involved in and/or have a financial interest in a business.

Stakeholder engagement

Engagement with stakeholders within and outside the company aimed at identifying the expectations of various groups concerning the business.

Environmentally hazardous waste

Waste that must, according to national law, be managed by an authorised waste management firm.

Environmental management system

A structured approach to improving and streamlining the company's environmental work.

Human rights

Human rights are enshrined in public international law and originate in international agreements. These agreements govern the relationship between the state and individuals and establish that all people, regardless of country, culture and context, are born free and equal in dignity and rights.

Code of Conduct

Formal guidelines for how a company's values must be implemented in practice.

Significance assessment

Identification of the company's most significant issues from the social, financial and environmental perspectives. The most significant issues are those concerning which stakeholders have the highest expectations and those where the business has the greatest impact on others.

ANNUAL GENERAL MEETING 2021

Attendo's Annual General Meeting 2021 will be held on 14 April, 2021. Due to the corona situation, the meeting will be carried out through advance voting pursuant to temporary legislation. No meeting with the possibility to attend physically, in person or by proxy, will take place.

Preconditions for participation

Shareholders who wish to participate in the meeting must: (i) be recorded in the register of shareholders maintained by Euroclear Sweden AB on 6 April 2021; and (ii) have notified its intention to participate no later than on 13 April 2021, by casting its advance vote in accordance with the instructions under the heading Advance voting below so that the advance voting form is received by Computershare Sweden AB no later than that day.

To be entitled to participate in the meeting, shareholders whose shares are registered in the name of a nominee, must, in addition to notifying their intention to participate in the meeting, request that their shares are re-registered in their own names. Such registration, which may be temporary, must be requested to be effected by the nominee in accordance with the nominees' practices in such time that the nominee has determined. Registrations to vote which are made no later than on the second banking day after 6 April 2021 will be included in the register of shareholders entitled to vote at the meeting.

Advance voting

The shareholders may exercise their voting rights at the Meeting only by voting in advance, so called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form shall be used for advance voting. The form is available on Attendo's website, www.attendo.com. The advance voting form is considered as the notification of participation at the meeting.

The completed voting form must be received by Computershare Sweden AB no later than 13 April 2021. The completed form shall be sent to Computershare AB "Attendo AB:s årsstämma", PO Box 5267, SE-102 46 Stockholm, Sweden. The completed form may alternatively be submitted electronically either through BankID signing as per instructions available on www.attendo.com or via e-mail to info@computershare.com.

FINANCIAL CALENDAR 2021

14 April 2021	Annual General Meeting
6 May 2021	Interrim report January - March
22 July 2021	Interrim report January - June
26 October 2021	Interrim report January - September

CONTACT PERSONS

Chief Financial Officer Fredrik Lagercrantz,
phone +46 (0)8 586 252 00

Communications- and IR Director Andreas Koch,
phone +46 (0)70 509 77 61

If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed with the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

Dividend 2020

Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position. In both financial and operational terms, 2020 was a challenging year for Attendo that was characterised by the pandemic. In addition, an impairment loss on goodwill was taken in the Finnish operations. In the light of these circumstances, the board of directors is therefore proposing to the 2021 annual general meeting that no dividend should be distributed for the 2020 financial year.

Form and production: Narva
Print: Planograf, 2021

