



Attendo
❤️🎯+

ANNUAL REPORT &
SUSTAINABILITY REPORT

2021



We put our hearts into it



For over 35 years, Attendo has been working to see, support and empower people with varying care needs. Every single day, our more than 27,000 employees encounter tens of thousands of customers as they go about their daily lives. All care services we provide are based on Attendo's common values: care, commitment and competence.

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ATTENDO ANNUAL REPORT AND SUSTAINABILITY REPORT 2021



08

CEO Martin Tivés reflects on 2021, a year in which the care sector gradually normalised and we have seen a return of customer inflow.



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Attendo's mission is to empower the individual. Combined with our values, this is how we will achieve our vision: better care delivered to more people.



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Quality of life is one of five focus areas in our sustainability agenda, where the ambition is to create well-being and meaning in everyday life for our customers.

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Good corporate governance is essential to supporting Attendo's vision and attaining our strategic goals.



ATTENDO AT A GLANCE

A CARE LEADER IN THE NORDIC COUNTRIES

Attendo is the largest private care provider in the Nordic countries, with more than 700 operational units and about 27,000 employees in Sweden, Finland and Denmark. We are the 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. We have more than 20,000 customer beds and SEK 12.9 billion in sales.

WE EMPOWER THE INDIVIDUAL

Attendo’s mission is to *empower the individual*, which means seeing, supporting and empowering every person. The 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*. Our values guide us in everything we do, every single day.

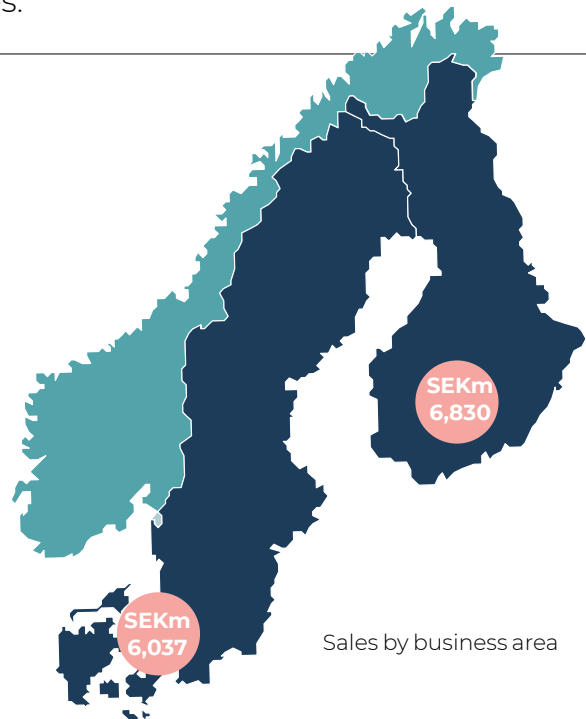
TWO BUSINESS AREAS

Attendo Scandinavia

47% of sales
16,000 customers
300 units

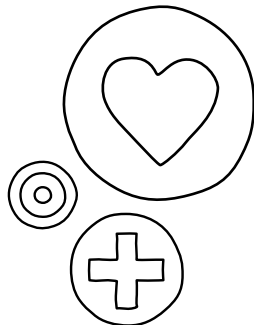
Attendo Finland

53% of sales
13,000 customers
400 units

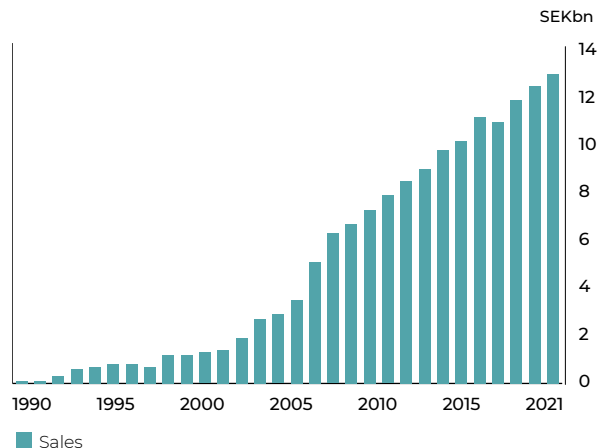


CARE FOR OUR SOCIETY

That people with needs have access to safe, high-quality care is a central tenet of a sustainable society. Attendo’s vision and business strategy are based on a sustainability agenda that actively contributes to sustainability in five focus areas: *Quality of Life, Value-adding Care Solutions, Empowered Employees, Environment in Mind and Responsible Operations.*



35 YEARS OF VALUE-DRIVEN CARE



ATTENDO AT A GLANCE

OUR CARE SERVICES



CARE FOR OLDER PEOPLE

Nursing homes

Attendo offers care homes for people with dementia or physical care requirements in their own apartments with access to common areas. The customer, contact person and nurse plan the days together.

Home care services

We offer total undertakings that can include care, meals, cleaning, laundry, evening and night services and home health care. Carried out jointly with the customer based on their individual care assessment.



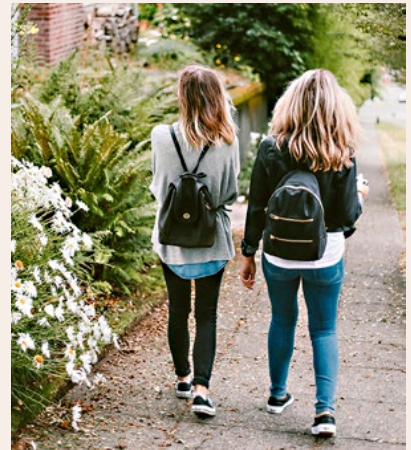
DISABILITY CARE (LSS)

Group homes and supportive housing

We offer homes for people of various ages with a range of disabilities or care needs. 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 respite to families, creates meaningful lives for young people and adults in daily activities programmes, and offers respite and companion services, as well as short-term accommodation.



OTHER CARE

Social psychiatry

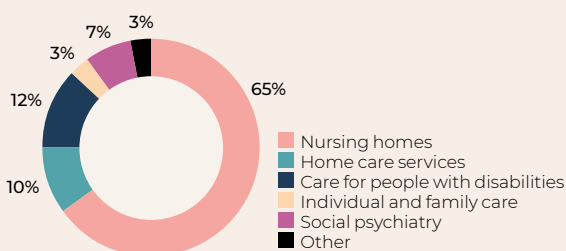
Treatment of neuropsychiatric and psychosocial conditions in our homes, where training and daily activities are individualised. Our focus is on reinforcing what works and providing training in areas that need to be improved.

Individual and family care

We offer social-worker supported foster care, crisis and emergency accommodation, HVB-homes, addiction care and various forms of supportive housing, where the goal is for the customer to transition to independent living.

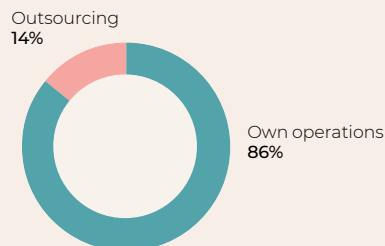
NURSING HOMES IS THE LARGEST CARE SERVICE

Percentage of net sales by care service



MAJORITY OF SALES ARE IN OWN OPERATIONS

Percentage of net sales by contract model



2021 IN BRIEF

GOOD GROWTH AND OCCUPANCY

Attendo showed **good organic growth for 2021**, primarily due to improved customer inflow and occupancy during the second half. The year-end result continued to be affected by pandemic-related cost. In the year, more than **800 new nursing home beds** were opened and **quality index rose** in Scandinavia.



9 OUT OF 10 SATISFIED WITH ATTENDO'S CARE

The satisfaction index 2021 for Disabled Care, Social Psychiatry and Individuals and Families rose to 89% (87). Group Homes noted it's highest number in five years.

NET SALES
GROWTH

+5%

Excluding currency effects

GROWTH IN
THE CUSTOMER
BASE

+4%

At year-end 21/22, Attendo had 29,300 (28,100) customers in nursing homes, group homes, daily activities, family homes and home care.

KEY DATA

	2021	2020	2019
Net sales, SEKm	12,867	12,288	11,935
Lease adjusted operating profit (EBITA) ¹ , SEKm	400	375	441
Lease adjusted operating margin (EBITA) ¹ , %	3.1	3.1	3.7
Operating profit (EBITA) ¹ , SEKm	836	797	812
Operating margin (EBITA) ¹ , %	6.5	6.5	6.8
Profit (-loss) for the year ¹ , SEKm	59	-904	81
Adjusted earnings per share diluted, SEK	1.48	1.43	1.71
Free cash flow, SEKm	249	428	196
Number of employees	19,041	18,178	16,499
Number of customers	29,300	28,100	-

¹ Excluding items affecting comparability

ATTENDO'S CARE HERO 2021

Ahmed Idris Omar, cleaner at Attendo Skutan in Huddinge, was named Care Hero 2021 in Attendo Scandinavia. His manager and colleagues describe him as a warm, humble and helping colleague, with a natural talent to support and notice other people. Read more at www.attendo.se



2021 IN BRIEF

LOWER EXCESS MORTALITY AT ATTENDO NURSING HOMES DURING THE PANDEMIC

Attendo engaged Sirona Health Solutions, which in June performed an independent analysis of excess mortality at Swedish nursing homes during the pandemic. The analysis showed that excess mortality within Attendo was 19 percentage points lower than other providers (private and public). Compared with municipal providers, excess mortality within Attendo was 25 percentage points lower.



THE MAGAZINE “MAGASINET OMSORG”

“Magasinet Omsorg” portrays the picture of modern customer-centric care. The 2021 edition puts health and well-being among older people in focus. Professor Ingmar Skoog talks about keeping the spirit of life and Amelia Adamo address the downsides to loneliness. The magazine also include interviews with Attendo’s regional care heroes.

KEY DATA SUSTAINABILITY

	2021	2020
Attendo’s Quality Index (0–100) ¹⁾	89	85
Number of opened beds in own units	832	1,349
Number of beds under construction in own units	231	1,036
Employee job satisfaction (1–5)	4.0	3.9
Employee satisfaction with closest manager (1–5)	3.9	3.9
Grammes of CO ₂ e-emissions per SEK turnover ²⁾	2.0	

¹⁾ Refers only to Attendo Scandinavia

²⁾ New methodology, data for 2020 not comparable



ATTENDO ACQUIRES 11 NURSING HOMES IN THE HELSINKI REGION

Attendo reached an agreement in 2021 to acquire Uudenmaan Seniorikodit Oy from Aava Terveyspalvelut Oy and thereby gained eleven new nursing homes in own operations in Finland. The acquisition reinforced Attendo’s operations in care for older people in the capital city region.

FOCUS ON QUALITY OF LIFE

The care sector **gradually normalised in 2021 after the pandemic**, with a return to social activities, visits and rehabilitation, which had to be put on hold during earlier phases of the pandemic. In the year, we have seen a recovery in Finland and Sweden and were able to **welcome new customers** while we continued developing methods to **enhance quality of life for our customers**.

Customer protection comes first

Attendo has continued the preventative efforts to protect customers from Covid-19. We have kept up our work with protective measures and have made extensive efforts to encourage all employees to get vaccinated. Since all residents have been vaccinated, few customers came down with Covid-19 in 2021 and we have had only isolated cases of severe illness. We have also devoted strenuous effort to evaluating how well Attendo managed care during the pandemic and document lessons learnt during the period in order to improve our work in the future.

Because Covid-19 had such severe impact on mortality among older people, mortality data is the indicator that can most clearly describe how well individual providers and society as a whole managed the pandemic. External experts concluded that excess mortality within Attendo was 25 percentage points lower than municipal providers during the period of March 2020–April 2021 (Sweden). Likewise, official data from Finland shows that Attendo had clearly lower mortality than other providers. The likely explanations behind these data are that Attendo took action sooner than recommended by government authorities and that we were able to share lessons learnt throughout the whole geographically dispersed organisation.

Gathering insights and thoughts from employees who worked most closely with our customers during the pandemic was a key aspect of the evaluation. We held group discussions at hundreds of local units during the year to discover and make use of employees' suggestions for improvement. There were many profoundly emotional stories told, but also anecdotes about moments of joy in the midst of the tragedies brought by the pandemic.

A year of recovery

In financial terms, 2021 was a year of recovery. Demand for care beds normalised in the second half and we were again able to welcome more customers to our local units both in Finland and in Sweden. We also continued the effort to renegotiate contracts in Finland, where prices have yet to be adjusted upwards at the same rate as increases in staffing requirements. Overall, the negative impact of the pandemic on operations was still profound in 2021, with low average occupancy and higher than normal personnel costs related to protective measures, higher sick-leave and extra staffing.

Adjusted earnings per share were SEK 1.48 for 2021, compared to 1.43 in 2020. Attendo's financial target is to achieve earnings per share of SEK 4 by 2023. The plan for reaching the

target is based on three components: recovery of the occupancy rate after the pandemic, implementation of the turnaround programme in Finland and improved ways of working. Despite the severe impact of the pandemic in 2020 and 2021, we are following our strategic plan and are confident that we will deliver on our new financial targets for 2023.

Care for a sustainable society

Health and wellbeing for everyone is a natural part of a sustainable society, which is manifested in the third of the 17 UN SDGs. Constantly developing care and making sure it benefits more people is the core of Attendo's offering and the key to our contribution to a sustainable society.

Constantly developing care and making sure it benefits more people is the core of Attendo's offering and the key to our contribution to a sustainable society.

In our more than 35 years in the care sector, Attendo's constant focus has been on further developing how we deliver care based on the needs and preferences of each and every individual and every community. We have been pioneers in social care, in challenging monopolies, in measuring and reporting quality and in developing methods and processes that assure health and wellbeing. And the fact is, we are the provider that has established the most new, purpose-designed care homes in the Nordic countries in the past fifteen years. In 2021, we initiated a comprehensive analysis process regarding the nursing homes of the future as a basis for further developing the care in the Nordic countries as we move forward. This feels particularly urgent in the light of the huge increase in the need for care for older people over the next ten years.

Clear focus areas in sustainability

In 2021, we carried out a comprehensive project to clarify how Attendo's sustainability work is a central component of our business strategy. This has led to sharper focus on measuring and setting clearer targets in all areas included in sustainability, or ESG: environment, social responsibility and governance. In

CEO'S STATEMENT

the environment area, actions included analysing our climate footprint and what is required to move towards climate neutrality. One concrete action decided during the year is to introduce electric cars in home care.

In the area of social responsibility, Attendo has initiated several development projects to digitalise care and develop the care solutions of the future. Not least, we believe it is important to broaden perspectives related to quality from the purely technical to the actual outcomes. We want it to be considered just as important to measure, monitor and improve quality of life, meaningful days and social interaction as it is to work with the more technical quality improvement systems of today, which primarily measure the quality of care processes rather than outcomes and quality for care recipients. Following the development and pilot project in 2021, we are ready to launch a new way of measuring and following up quality in 2022, based on the so called ASCOT model. The aim is to even further improve our monitoring of the wellbeing of every customer so that we can tailor care services based on physical and mental wellbeing with quality of life as a central perspective.

In the governance area, we have continued building on our Attendo Way operating model to ensure that we are using our common best methods in every care unit. We have also updated our Code of Conduct to clarify our approach to employees and managers at all levels in order to establish a company culture based on responsibility, transparency and pride.

Our people are the key to customer satisfaction

The personal encounter with the customer is absolutely essential if we are to do a good job – which means our employees are our most important resource. We believe that satisfied, knowledgeable and committed employees are a prerequisite for having satisfied customers. As a company, we must therefore do our utmost to create good conditions for our employees so that they can give the best possible care to our care recipients based on the conditions set by the contracting local authority. Towards that end, we have further developed our approach to make things easier for local managers and employees in the day-to-day context. This applies, for example, to development of digital tools to free up more time for personal interaction, spread our best ways of working and carry out skills development initiatives.

In Finland, we carried out a comprehensive training programme aimed at improving service and how customers are treated. More than 900 people have been trained as ambassa-



dors for the programme, including 400 local managers. In Scandinavia, we have launched a new digital training platform and have developed a communicative leadership programme for all managers in Sweden. In future years, we will be putting even greater focus on making things easier for every employee with the goal of minimising administration and in so doing, increasing the time spent interacting with customers.

In closing, I would like to thank every Attendo employee for your dedicated efforts during yet another demanding year. All of you who are putting your hearts into spreading joy and peace of mind to our customers, every day of the year.

Danderyd, 11 March 2022

Martin Tivéus
President and CEO

COVID

PROTECTING LIFE AND HEALTH AGAINST COVID-19

Just like in 2020, 2021 was shaped by the Covid-19 pandemic and its impacts on Attendo’s customers and their families and employees. During the year, Attendo has focused on maintaining efforts to prevent infection while the rest of the operations to a certain extent has been able to return to normal in as vaccinations of customers and employees progressed.

At the beginning of the year, community transmission in the countries where Attendo operates was still at a high level, in what has generally been referred to as the second wave of the pandemic. The first vaccination doses were given to customers at nursing homes in Sweden just before the end of the year. By the first quarter of 2021, all customers at Attendo nursing homes had been offered a first dose.

The effects of vaccination were unmistakable. Transmission slowed dramatically and mortality related to the virus was almost eliminated in the first quarter. By summer 2021, all risk groups had been offered full vaccination and all Attendo employees had been offered a first dose.

Efforts to encourage and monitor the vaccination rate among employees continued throughout the year. The aim has been for all employees who can be vaccinated to do so. Attendo has had a high and increasing vaccination rate among employees throughout the period.

In autumn 2021, there were only isolated outbreaks in Attendo units and significantly fewer Covid-related deaths compared to the year before. As before, the transmission rate in Finland during the year was lower than in Sweden.

Lessons learnt from infection prevention efforts

Attendo has carefully analysed how infection prevention efforts were carried out during the pandemic. A report regarding the Swedish operations was presented in June 2021, which showed that, across the board, Attendo took action earlier and measures were more far-reaching than those recommended by the responsible authorities. This refers to measures including banning visits, daily employee health checks and the use of personal protective equipment in all customer-facing care situations.

The report also found certain shortcomings in operations, primarily under the first wave of the pandemic.

- In isolated homes with larger outbreaks, it was difficult to deliver effective cohort care, primarily due to high staff absenteeism.
- There were isolated breakdowns in communication with families, where Attendo’s general message about methods and procedures did not in some cases accurately reflect the situation in the individual home.

Following media coverage, Attendo also examined the internal reporting culture. Although a reassuring majority of employees believe they can report shortcomings to their line managers, a

minority believe that they cannot bring attention to shortcomings. In response, Attendo carried out a comprehensive training initiative focused on employees’ rights and obligations related to reporting suspected shortcomings.

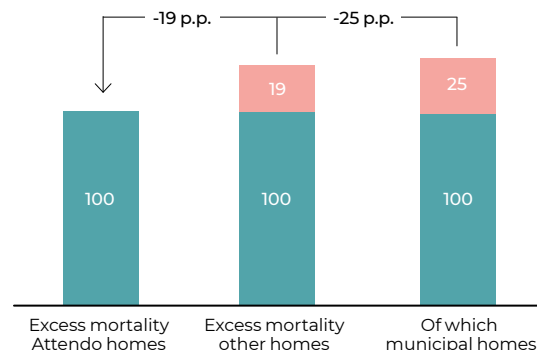
Lower mortality in Attendo's local units

Attendo’s efforts to reduce transmission in local units has resulted in clearly lower mortality compared to other providers.

According to a study performed by Sirona Health Group, Attendo outperformed other providers in limiting excess mortality due to Covid-19. The study refers to the period of March 2020-April 2021 and covers all 33 municipalities in Sweden where Attendo had nursing homes in the years prior to and during the pandemic. In total, excess mortality at 558 nursing homes was analysed, corresponding to about one third of all nursing homes in Sweden.

The analysis showed that excess mortality within Attendo was 19 percentage points lower than other providers (private and public) during the period. Compared with municipal providers only, excess mortality within Attendo was 25 percentage points lower during the period.

Excess mortality 19 percentage points (p.p.) lower at Attendo compared to other homes



The chart shows the difference in excess mortality between Attendo homes and other homes, March 2020-April 2021. On average, excess mortality was 19 percentage points lower compared to other homes (municipal and other private providers) and 25 percentage points lower on average compared to municipal homes.

Excess mortality at Attendo homes set as the base value, index 100. This does not correspond to actual excess mortality. It is a method for illustrating the difference in excess mortality.

Source: Data from the population registry and death registry, analysis by Sirona.

COVID

COVID TALKS FOR EXCHANGE OF EXPERIENCES

In order to reflect and share experiences and lessons learnt from the Covid pandemic, employees at Attendo units in Scandinavia had the opportunity to talk about their experiences as a group. The discussions were important, in that they gave employees the opportunity to share and talk among themselves about how they experienced various situations and how the unit functioned during the pandemic. Below are some selected voices from the talks:

BIRGITTA FRIMANZON, ASSISTANT NURSE AT VÅRDBO ÅKERSBERGA



“Although our unit was relatively unscathed by Covid-19, we have still been deeply affected by what we went through in the pandemic. Access to PPE and secure, stable leadership were the crucial factors during the crisis. As a team, there has been a need to talk about what we’ve been through and pat ourselves on the back. We got through the crisis and we did it well! Now we can move on.”

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SABINA KÄNSÅKANGAS BJÖRKMAN, NURSE AT LIGNAGATAN IN STOCKHOLM



“This has been a difficult time to look back on and Covid is an insidious disease. Some customers who fell ill recovered quickly, but then deteriorated again. It was hard to see. Thank goodness, we had good procedures and enough PPE, which was a huge comfort, especially in the beginning when no one really knew a lot about the illness. Our group talks were super important and turned out to be something of a closing of the books, which I believed we needed so that we can look ahead.”

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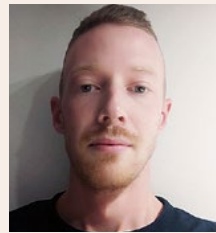
ANTON LARSSON, SUPPORT WORKER, LSS FURULUND (DISABILITY SERVICES AND SUPPORT) IN KÄVLINGE



“Here at Furulund we have had good discussions of Covid throughout the year. Above all, we have talked about customer safety and peace of mind, but also the practical issues like hygiene and PPE. We are a tight group and became even more bonded during the pandemic when we needed to help and support each other. Talking to each other about the Covid year feels important because we all experienced it somewhat differently and we can learn from that.”

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ALEXANDER HÅKANSSON, CARE ASSISTANT, HOME CARE SERVICES KUNGÄLV



“When the crisis began, new information about Covid was coming in all the time, and of course that was worrying. Nobody knew where the pandemic was going. It was pretty scary. It bonded us in my home care unit and we helped each other. It was incredibly positive. Our worry for our customers didn’t really let go until the vaccination programme got started and we could finally see the light at the end of the tunnel!”

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MAEW OLSSON, ASSISTANT NURSE, HOME CARE SERVICES IN VÄSTERÅS



“There was tremendous anxiety at the beginning of the pandemic. We were on high alert for the smallest symptom that might mean we were sick. We were deathly afraid of infecting our customers. A lot of employees were sick for a while there and it was very tough on those of us who were still able to work. Some of our customers were infected after they had been to the hospital, so we started a Covid team in home care that was dedicated to working with infected customers, and that worked beautifully. Overall, the upside is that we learned a great deal and I feel that I love my job more than ever!”

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DRIVING FORCES AND MARKET ENVIRONMENT

DRIVING FORCES AND MARKET ENVIRONMENT

Attendo operates in markets where the conditions for structural growth are good. The number of older people is growing due to demographic changes; customers and their families are voicing greater demands on care services and local authorities need support to make more beds available.



DRIVING FORCES AND MARKET ENVIRONMENT

MORE PEOPLE NEED CARE

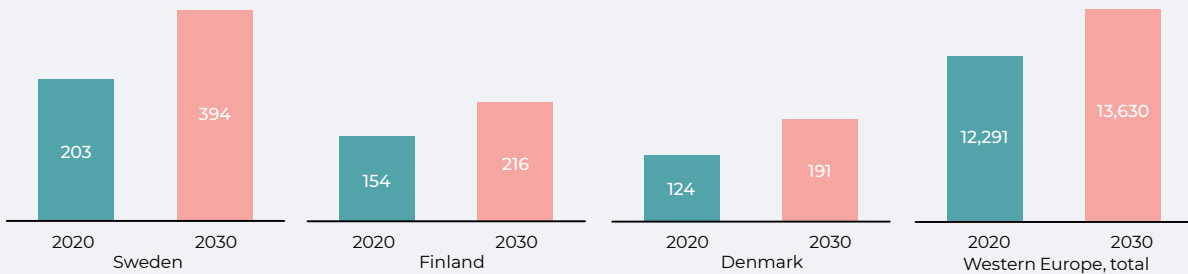
Demographic trend with a growing population of older people

Due to the demographic trend towards a higher percentage of older people and a 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. The population of people aged 85+ will grow by about 50 percent in Attendo’s markets between 2020 and 2030. The older population is growing fastest in Denmark.

The need for care for people with disabilities is growing in pace with population growth, as evident in the increasing number of people granted support services and the rising acceptance of disabilities in society. Mental illness is growing in our society, which is leading to greater needs for highly specialised individual and family care.

Number of people 85+ will grow by about 50% in the Nordic countries

2021–2030, thousands



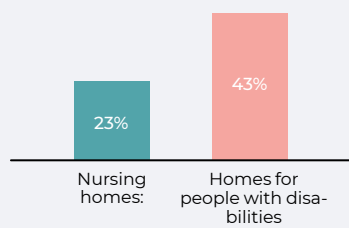
Source: National statistics and Attendo analysis

There is already a shortage of care beds

There is already a shortage of care beds in many areas. The National Board of Housing, Building and Planning (Boverket) surveys local authorities in Sweden every year to survey the need. The 2021 survey showed that about 23 percent of municipalities in Sweden already have a shortage of beds in care for older people. The corresponding figure for homes for people with disabilities is a full 43 percent.

Shortage of beds in 23–43% of municipalities

2021, Sweden



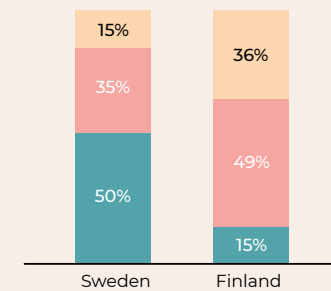
Source: National Board of Housing, Building and Planning

ATTENDO'S SOLUTION

Attendo has an ambition to support people who need care and local authorities in the Nordic countries by establishing new beds in care for older people, care for people with disabilities and individual and family care. We are the provider that has established the most new care beds in the Nordic countries in the last five years.

Attendo is a Nordic leader in new care beds

Share of beds under construction 2017–2021



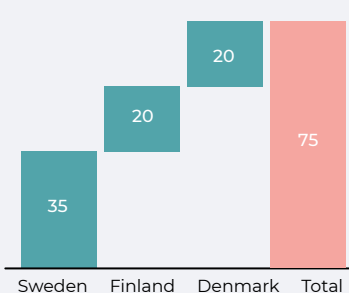
Source: Attendo analysis

Many new beds in homes for older people needed by 2030

Attendo has analysed the need for new beds in care for older people in the markets where we operate, based on the number of older people, the expected average care need and how many beds of the existing capacity need to be replaced. In total, we estimate that about 75,000 new nursing home beds will be required from 2020–2030 in Sweden, Finland and Denmark combined. This can be compared to existing capacity of about 200,000 beds.

75,000 nursing home beds are needed

2020–2030, thousands of beds



Source: Attendo analysis

DRIVING FORCES AND MARKET ENVIRONMENT

HIGHER EXPECTATIONS AND DEMANDS ON CARE SERVICES

Customers and their close ones are demanding freedom of choice and added value

Private providers and freedom of choice have been expected elements of care for older people in many European countries for a long time. Older people in the Nordic countries have become more interested in being able to choose care services for themselves too. As living standards improve, the behaviour of customers and their close ones is changing. Today, care customers are more active in their choices and are becoming more likely to evaluate several care options before deciding. As purchasing power rises, so do demands for services and customer service that goes beyond the primary care assignment.

ATTENDO'S SOLUTION

Ever since we were founded in 1985, our fundamental principles have been customer focus and care designed according to the individual's needs. We are developing care homes based on various lifestyle preferences and our approach is characterised by proven methods. Attendo is an industry leader in terms of developing quality work based on the perspective of quality of life and preventive health.

Municipalities and government authorities are imposing increasing demands for quality and documentation

Issues related to inspection and quality have gained in significance in the care sector in recent years. Most of Attendo's operations currently require permits to operate and they are regularly inspected by national authorities as well as local contracting authorities. National requirements related to staffing and quality are also increasing in scope. New standards that are arriving and becoming more important to assessing providers include cooperation with the health care system, sustainability and methods aimed at increasing perceived health.

ATTENDO'S SOLUTION

As the leading provider in the Nordic countries, it is often easier for Attendo to meet the greater regulatory and quality requirements than it is for smaller providers, whether private or public. Attendo has centrally placed experts and processes to ensure high customer satisfaction, quality and effective governance. Attendo's sustainability agenda is present in every aspect of the business.

SHORTAGE OF WORKERS AND HIGHER COSTS FOR THE PUBLIC SECTOR

Qualified employees are the key to good care

The interpersonal encounter is at the heart of care, which is labor-intensive by nature. There is already a shortage of workers in many locations and in certain professions. The challenges are greatest in Finland, where there is a structural shortage of assistant nurses. In Sweden, the shortage is most severe among nurses.

ATTENDO'S SOLUTION

Attendo is investing in being an attractive employer and offers continuing further education and attractive career paths. To gain access to highly qualified employees, we have a programme to attract nurses from The Philippines, which supports both staff provision at Attendo and the labour supply in society as a whole. Streamlining methods by means including digitalisation and welfare technology is allowing more time to be devoted to customer contact – and thereby more care for the tax money spent.

Stable financing but greater challenges for the public sector

Care in the Nordic countries is financed mainly by municipalities, which have the independent right to levy taxes, along with state funding. Fundamentally, this constitutes a secure source of financing and high capacity to pay. However, over the next decade, municipal finances will be challenged by demographic changes. According to SALAR (Swedish Association of Local Authorities and Regions), the gap between municipal care needs and the tax base will double by 2030. Higher municipal taxes, increased state funding, reshuffling of priorities and efficiency improvements will be required to meet these future needs.

ATTENDO'S SOLUTION

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 take the pressure off the local authority's capital investment requirement.

DRIVING FORCES AND MARKET ENVIRONMENT

ATTENDO'S MARKETS

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 the public commitment is going to increase. The total size of the care markets where Attendo operates is **about SEK 290 billion**.

Sweden

The Swedish market is worth about SEK 170 billion and is relatively the largest, due to having the largest population and that Attendo operates in several areas. 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 proportion of local authorities in the country still provide care only under municipal management.

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.

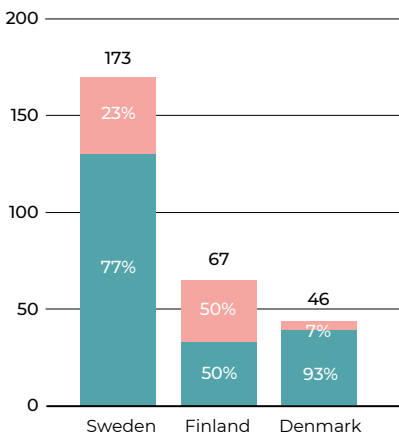
Denmark

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



Sweden is the largest market, but the private share is smaller

Market size and private share, SEK billions

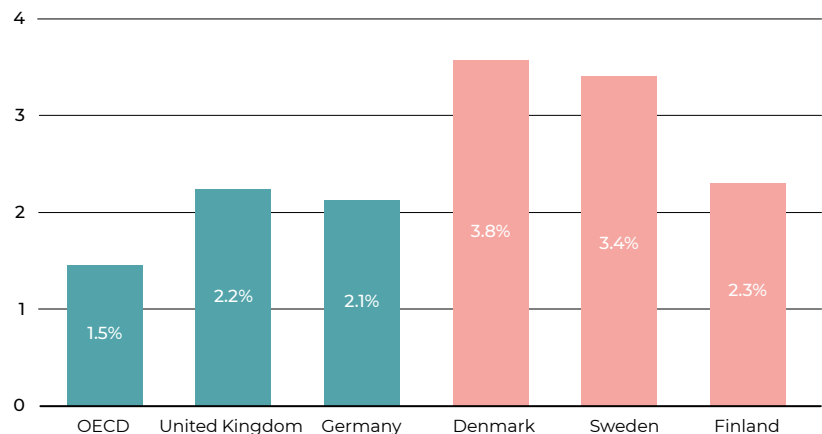


Source: OECD

● Private ● Public

The Nordic countries spend more on care for older people

Percentage of GDP spent on care for older people



Source: OECD

FOCUS AREAS



SUSTAINABLE BUSINESS



FOCUS AREAS



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STRATEGY FOR SUSTAINABLE CARE

Attendo's mission is to empower the individual. By **seeing, supporting and empowering every person to live a meaningful life**, we are creating value for individuals and all of society. Our mission and values are the guiding principles of our work to achieve our vision – **better care delivered to more people**.

Our mission

Attendo's mission is to *empower the individual*, which means seeing, supporting and empowering every person. We are convinced that every human being, regardless of age or life situation, wants to be who they are and live their lives as they wish. Our values – *care, commitment and competence* – guide us every single day, in everything we do.

Our vision and contribution to society

When we fulfil our mission, we create value for individuals and all of society, as expressed in our vision of *better care delivered to more people*. In our more than 35 years in the care sector, Attendo's steadfast focus has been on further developing how we deliver care based on the needs and preferences of each and every individual and every community. We have been pioneers in social care: in challenging monopolies, measuring and reporting quality, developing methods and processes that ensure health and wellbeing and continuously establishing more facilities to meet the growing need for care in the Nordic countries.

Attendo Way – our care model

Attendo's common care model, known as the Attendo Way, is based on three fundamental principles: a customer-centric and values-governed culture, best methods and common tools.

Customer-centric culture and values

Attendo's company culture proceeds from the mission - *empowering the individual*. Our values of care, commitment and competence function as signposts in our day-to-day efforts. 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 families, employees and contracting local authorities.

Best methods

Through many years of experience, Attendo has developed comprehensive expertise 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 knowledge and experience. The work is focused on: customer

satisfaction, health and quality of life; employee commitment; and, tools for planning and executing day-to-day operations.

Common tools

As the leading private care provider in the Nordics, Attendo has better resources to develop system support, methods and innovations that support local efforts in order 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 quality systems.

Creating economic value

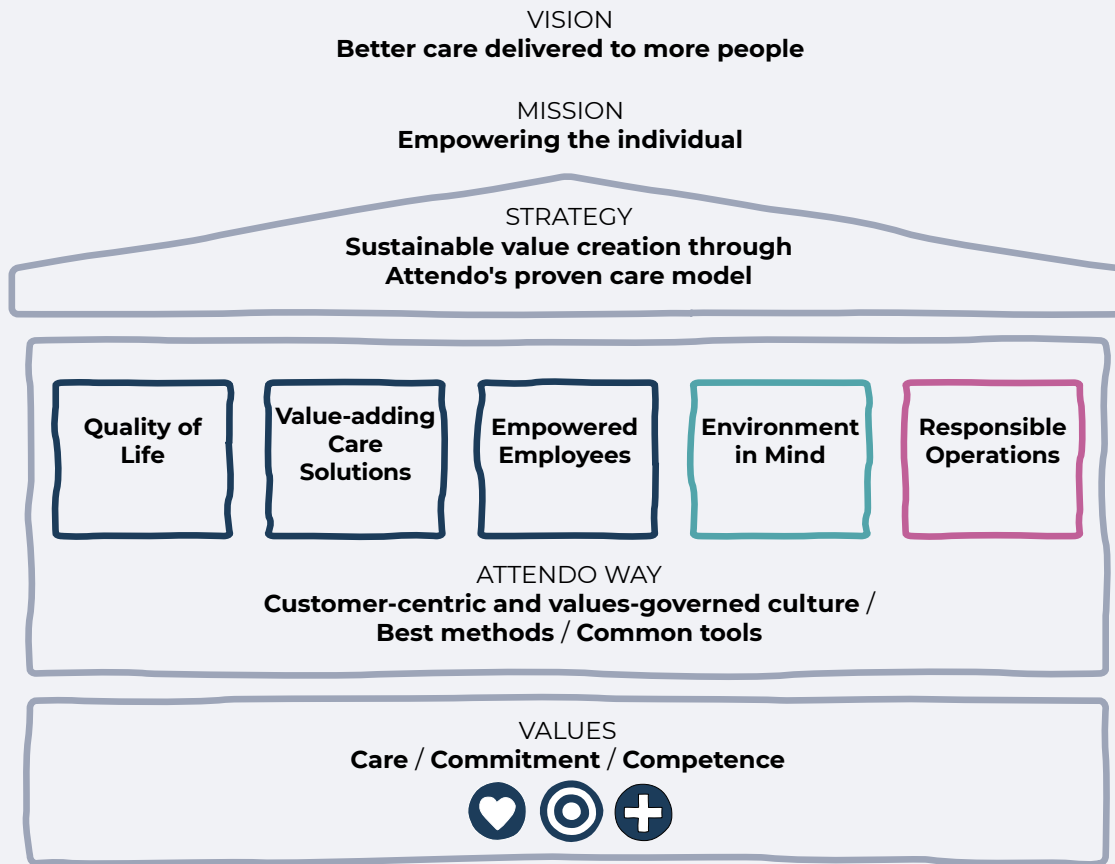
One of Attendo's goals is to be a long-term partner to contracting local authorities in the Nordic countries. To be able to continuously invest in new methods, establish new homes and further develop employee competence, it is imperative that Attendo achieves stable earnings and a strong balance sheet.

Financial targets

- Attendo established a profit target for three years ahead in early 2021: achieve adjusted earnings per share of SEK 4 or better by 2023. Attendo expects profit growth to be driven by recovery from the pandemic, the turn-around in Finland, an improved operational model, organic growth within current and planned capacity and minor acquisitions.
- Attendo's dividend target is to distribute 30 percent of the company's adjusted net profits. Dividends shall be carefully considered with regard to the objectives, scope and risk of the business, 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 of adjusted net debt in relation to adjusted EBITDA to remain below 3.75 over the long term.

VISION, MISSION AND STRATEGY

ATTENDO'S STRATEGY FOR SUSTAINABLE CARE



Quality of life for every single person and being a preferred partner to local authorities are guiding objectives in Attendo's strategy and thus also for Attendo's sustainability agenda. To achieve the objectives, we must have committed employees, be a company that considers the environment and have a robust, values-driven care model.

Stakeholders

Our every effort is aimed at catering to the needs and preferences of our stakeholders. Attendo's primary stakeholders are:

Customers

Attendo's customers have been assessed as having care needs that must be met in accordance with national law. The care services are delivered as ordered by the contracting authority, usually a local authority or a region.

Customers want to receive the right care at the right time, to encounter employees who see the uniqueness in every customer and to live independent lives with meaningful social interaction.

Close ones

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

Close ones are often concerned about the customer's well-being. They want to feel that those near and dear to them receive safe and knowledge-based care from employees they trust and with whom they can maintain a good dialogue.

Employees

Employees want good working conditions, colleagues who are supportive of customers and opportunities to influence both the content of their jobs and their own development.

Attendo's values-driven work is intended to ensure that employees feel a sense of participation, meaning and commitment in their work. Delegated leadership, short decision paths and a decentralised organisation with access to support functions helps generate motivation and development in the day-to-day work.

Local authorities

Local authorities or regions are responsible for how care is delivered in the markets in which Attendo operates. Attendo always works according to the terms and conditions set by the contracting authority.

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

ATTENDO'S SUSTAINABILITY AGENDA



ATTENDO'S SUSTAINABILITY AGENDA

CARE FOR A SUSTAINABLE SOCIETY

As a significant provider of care services in the Nordics, Attendo has a vital role in **contributing to the attainment of several of the UN Sustainable Development Goals (SDGs)**. Attendo is contributing to developing society in a sustainable direction through our unceasing efforts to **provide better care to more people**.

CARE IS PART OF A SUSTAINABLE SOCIETY

Care services are a central component of efforts towards a sustainable society, particularly in terms of social development. When people who need care are supported in their everyday lives, several of the targets in the UN 2030 Agenda for Sustainable Development are addressed, such as fundamental rights to life, health and wellbeing as well as empowerment, equal opportunity and gender equality. In addition, care services can be delivered in a manner that contributes to other sustainability

goals, such as climate and environmental action and conservation of natural and economic resources.

Attendo has adopted a business strategy and sustainability agenda with clear ambitions for the business to be run in a way that creates value for all of our stakeholders while meeting external demands and expectations on our work. Through the sustainability agenda, Attendo is also making important contributions to efforts related to Agenda 2030 and attainment of the UN SDGs.

ATTENDO'S SUSTAINABILITY AGENDA IS CONTRIBUTING TO SUSTAINABLE DEVELOPMENT

Care for people who need it is a central part of a sustainable society. Attendo works systematically and in a goal-oriented manner with sustainability within five focus areas:

Quality of Life: New methods that improve health and quality of life for people who need care.

Value-adding Care Solutions: New capacity and innovations that increase public capacity to meet current and future needs for care.

Empowered Employees: Leadership and meaningful work that furthers personal and career development while promoting empowerment and integration.

Environment in Mind: Care solutions that minimize use of natural resources and safeguard sustainable development of the environment and climate.

Responsible Operations: Values-governed, economically viable business that is transparent, reliable and have economic viability over time.

SUSTAINABILITY REPORTING AT ATTENDO

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

Our practical sustainability work is reported based on five focus areas. Finally, the report details Attendo's contributions to the global UN SDGs, sustainability risks and risk management and ESG indicators in accordance with Nasdaq's guidelines for ESG reporting.

ATTENDO'S SUSTAINABILITY AGENDA

A NEW SUSTAINABILITY AGENDA INTEGRATED WITH THE BUSINESS STRATEGY

During the year, Attendo's sustainability work was further developed into a sustainability agenda consisting of five distinct focus areas with long-term ambitions, measurable metrics and key activities. The agenda was adopted by the Board of Directors in 2021 with the stated ambition of further developing it in upcoming years as an integrated part of the business strategy that supports attainment of operational and financial targets.

Five focus areas identified in the materiality analysis

The new sustainability agenda was formed after comprehensive internal and external analysis in which the demands and expectations of various stakeholders were examined. The analysis was based on the previously performed materiality analysis, which have been updated with the requirements and expectations that have been added in recent years from legislators and contracting local authorities as well as other stakeholders.

The new demands and expectations have been categorised in the sustainability framework for environment, social responsibility and governance (ESG), which is also the basis of legislation that governs sustainability reporting. The analysis led to the identification of five focus areas as particularly important to Attendo and our stakeholders: *Quality of Life, Value-adding Care Solutions, Empowered Employees, Environment in Mind* and *Responsible Operations*.

A long-term ambition has been set within each focus area based on the materiality analysis and close dialogue with Attendo's internal functions in each business area. The ambitions express a desire for Attendo to be an industry-leading provider in terms of sustainability, with particular focus on leading the development of new methods in the area of social sustainability.

Agenda shaped by stakeholder dialogue

In the sustainability agenda process, Attendo based its efforts on dialogue at various levels with the company's stakeholders - customers, families, employees and local authorities - as well as suppliers, investors, politicians and government authorities. The stakeholder dialogue has increased our understanding of expectations on Attendo and more clearly identified the focus areas for our work. In both the analysis phase and in connection with its adoption, the sustainability agenda was shaped by the stakeholder dialogue and the topics stakeholders emphasised as priorities for Attendo's contribution to sustainable development.

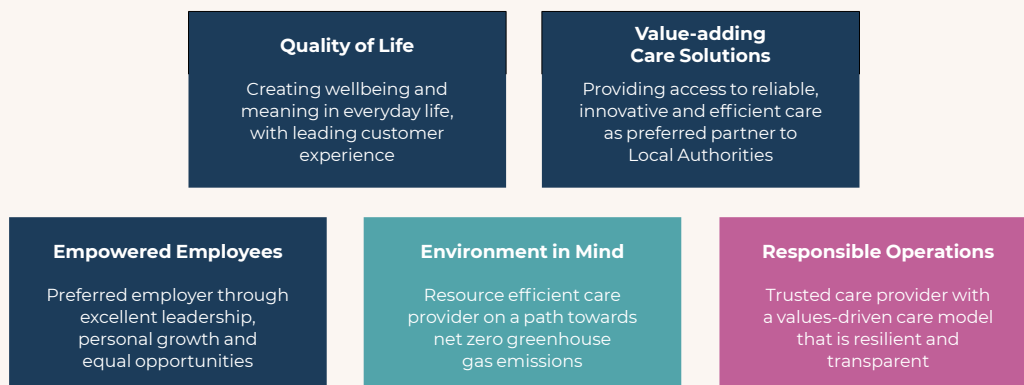
Systematic efforts to achieve results

Attendo has many years of experience working systematically to ensure that the business keeps our delivery promises to contracting authorities and fulfils our long-term ambitions. 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. Deviations are carefully examined and reported as required under applicable statutes. As part of the new sustainability agenda, Attendo intends to develop additional ways to monitor the outcome of our work to better reflect progress in the new focus areas.

Metrics, activities and targets

A general list of important metrics and activities has been prepared for each focus area. Following internal dialogue, these were divided into metrics and key activities to be reported for 2021 and metrics and key activities to be developed for future

FOCUS AREAS AND AMBITIONS FOR THE SUSTAINABILITY AGENDA



ATTENDO'S SUSTAINABILITY AGENDA

sustainability reporting. As the new metrics are developed, clear targets will also be considered for each focus area. The ambition is to be able to report new metrics and long-term targets in each area by no later than the 2022 annual report.

Monitoring outcomes

Attendo continuously develops and monitors the outcomes of sustainability work. A sustainability council that reports directly to executive management is responsible for maintaining dialogue with business area management and key functions including Quality, HR, Properties and Purchasing. The initiatives are compiled and reported annually, when priorities are set for future years. The approach is aimed at ensuring progress towards set goals and targets while promoting the continued forward development of Attendo's sustainability work.

Policy documents and guidelines

Attendo's sustainability work is manifested in a central sustainability policy and associated policy documents in specific focus areas. Attendo's Code of Conduct is also a policy document that encompasses several sustainability areas. The Code was revised in 2021. See further details in the "Responsible Operations" section.

Other existing policy documents and the focus areas they govern are specified in the table below. The documents are regularly updated and adopted annually by the board to include new priorities or changes that have emerged in stakeholder dialogues or through new legal or contractual requirements.

Area	Policy documents and guidelines in addition to the Sustainability Policy
Quality of Life	Code of Conduct, Guidelines for Quality Work, Quality Index
Value-adding Care Solutions	Code of Conduct
Empowered Employees	Code of Conduct, HR Policy
Environment in Mind	Environmental Policy, Purchasing Policy, Travel and Accommodation Guidelines
Responsible Operations	Code of Conduct, Purchasing Policy, HR Policy

METRICS AND OUTCOMES FOR EACH FOCUS AREA

Focus area	Key data	Outcome 2021 (2020 in brackets)
Quality of Life	The Attendo Quality Index (0-100)* <small>*Attendo Scandinavia only.</small>	89 (85)
Value-adding Care Solutions	No of new beds in own operations No of beds under construction in own operations Number of customers (total)	832 (1,349) 231 (1,036) 29,300 (28,100)
Empowered Employees	Employee job satisfaction (1-5) Employee satisfaction with line manager (1-5)	4.0 (3.9) 3.9 (3.9)
Environment in Mind	CO ₂ e emissions per SEK in revenue <small>* New methodology, data for 2020 not comparable</small>	2.0 (*)
Responsible Operations	Metrics will be evaluated for future reporting	

FOCUS AREAS

FOCUS AREA

QUALITY OF LIFE

People who seek and are granted care services often have long-term needs for support in their daily lives. Attendo has long-term experience of **adapting care to the individual's needs and preferences** and is engaged in systematic efforts to **improve customers' health and quality of life**.

Quality that is measured and followed up

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

For a long time, quality work in the care sector has focused on assuring procedures, methods and processes. Attendo is currently working to expand the definition of quality to include customer and family satisfaction and the customer's health and quality of life, in addition to process quality. This is a comprehensive change that entails new ways of measuring and monitoring Attendo's quality work.

Focus on the individual's health and quality of life

Shifting focus to the individual customers health and quality of life is a key aspect of ongoing quality improvement work. A new general quality framework was introduced in Finland during the year that contains new methods related to quality. One basis for the new approach in Finland is the national RAI customer survey, for which a new reporting tool has been developed.

A pilot study of measured quality has been initiated at a number of local units in Scandinavia. The quality work model being tested is called ASCOT (Adult Social Care Outcomes Toolbox), a set of tools developed at the University of Kent. The tools can be used to monitor the development of health, wellbeing and quality of life at the customer level, with the results used as a basis for person-centred care services.

Care that meets stringent requirements

The content of our care services is regulated in contracts, laws and ordinances. 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 as well as 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 coordinators at the local units.



Successful fight against Covid-19

Attendo worked in a structured manner in 2021 to protect customers and employees from the Covid pandemic. Protective measures have remained in place in order to prevent new waves of transmission to the greatest extent possible. Combined with vaccination of customers and employees, this has resulted in a significantly lower transmission rate and fewer deaths from Covid-19 compared to 2020.

In 2021, Attendo arranged external evaluation of the effects of the protective measures taken during the first year of the pandemic. The evaluation, performed by Sirona Healthcare Group, shows that excess mortality at Attendo's nursing homes was 19 percentage points lower than for other providers and 25 percentage points lower than for municipal nursing homes during the period of March 2020-June 2021.

Surveys confirm high quality

Attendo regularly carries out surveys to verify that the trend is aligned with set customer satisfaction targets. This is accomplished through own customer survey's in addition to the national user survey and by continuously monitoring the work in units where a structured change process is ongoing. Particular focus in 2021 was aimed at monitoring units that diverge negatively in terms of customer satisfaction.

FOCUS AREAS

INDUSTRY-LEADING QUALITY WORK

Attendo was the first care provider in the industry to establish a digital quality system. The latest version is called AQ21. The quality initiatives for each local operation are entered into the system and evaluated based on five aspects: systematic quality work, serious incidents, external audits, documentation and internal audits. The system is used to generate Attendo’s own quality index. The results 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.

In addition to the quality index, each unit, each region and all of Attendo are evaluated based on several aspects of customer satisfaction. Attendo uses its own measurements and external surveys. In Sweden, the user survey conducted by the National Board of Health and Welfare is particularly important.

How we are working to assure good quality

Local managers are responsible for planning, leading and following up the day-to-day quality work in operations. This is accomplished jointly with the local quality organisation, including quality coordinators and nurses. The monthly quality meeting is the most important forum.

Understanding the situations and needs of customers and their families is a prerequisite for delivering high-quality person-centred care. Attendo’s task is to demonstrate care and concern in order to provide good, safe care and support the customer in the transition that a move to a nursing home often entails.

THE ATTENDO QUALITY INDEX AND THE AQ21 QUALITY SYSTEM



FOCUS AREA: QUALITY OF LIFE

Attendo’s ambition is to create wellbeing and meaning in day-to-day life and be a leader in customer satisfaction.

Metrics 2021 (2020):

- Quality index 89 out of 100 (85)*

Activities 2021:

- New focus on health and wellbeing in quality work
- New technology for safer night supervision
- Follow-up of units with low customer satisfaction scores

Future metrics

Attendo intends to study which metrics can be regularly reported regarding customer satisfaction, care outcomes (age/perceived quality of life) and implementation of the Attendo Way.

* Refers to Attendo Scandinavia only

FOCUS AREAS

FOCUS AREA

VALUE-ADDING CARE SOLUTIONS

Society is facing huge challenges when it comes to developing cost-effective care that benefits from technological advances while successfully providing care to more people who need it. For more than 35 years, Attendo has been an **industry leader in adding new capacity** that meets local needs and developing **new ways of working and methods that improves care in society.**

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 leads to several positive impacts on society in addition to the care delivered. A home with about 60 apartments creates more than 50 jobs once up and running as well as more than 30 annual jobs during the building phase.

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 building contractor and investors to staff recruitment and moving in of residents.

The high opening rate in the late 2010s combined with lower intake during the Covid-19 pandemic have led to significant occupancy problems, with many vacant beds in Attendo's total availability. The opening rate remained at a low level in 2021 and few new projects were initiated. The intention is to maintain a more sustainable opening rate for new homes in the next few years.

A total of 832 new beds were opened in Attendo's local units in 2021, the majority in Scandinavia. Occupancy of vacant beds rose successively in Finland during the year, while Scandinavia saw a more distinct return flow of customers in the second half of the year, after the pandemic. At the end of the year, Attendo had a total of 29,300 customers, up by 4.3 percent compared to the preceding year.

Addressing complex care and health care challenges

Attendo helps local authorities and regions address 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. Tjust Behandlingsfamiljer, which provides foster home operations combined with therapy was added during 2021.

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 impairments 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 many 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 tax funds.

Innovations for better care

Attendo is working determinedly to use new technologies to improve the care experience for our customers and free up more time for customer-facing care services. For several years, we have led the effort to develop methods that lead to better care at less cost to the public.

Several new projects were initiated in 2021 to find more efficient methods of delivering care. Attendo Scandinavia tested an automated drug dispenser in home care operations in Norrtälje in autumn 2021, which freed up time for other services and improved safety for the individual.

Also during the year, Attendo tested new technologies for night supervision of customers at several local units, reducing the need for physical visits. The new technology allows night staff to make "virtual visits" without having to disturb the customer. Evaluations show that customers feel less worry and that they sleep better when they are not unnecessarily disturbed by nightly visits. Meanwhile, the reduced need for night staff for supervision frees up resources for other care work.

FOCUS AREAS



FOCUS AREA: VALUE-ADDING CARE SOLUTIONS

Attendo's ambition is to make reliable, innovative and cost-effective care available as a leading partner to contracting local authorities.

Metrics 2021 (2020):

- New beds in own operations 832 (1,349)
- New beds under construction 231 (1,036)
- Total number of customers 29,300 (28,100)

Activities 2021:

- Expanded foster care offering with therapy
- Continued roll-out of digital tools
- Testing of new technology in home care services and for night supervision

Future metrics

Attendo intends to study whether an ongoing metric for added value to contracting authorities can be developed.

FOCUS AREAS

FOCUS AREA

EMPOWERED EMPLOYEES

All care is created in everyday situations, in the personal encounter between Attendo's employees and the customer. At Attendo, we are working to **give employees the conditions necessary to deliver excellent job performance**. We are doing this by basing our care on clear values, excellent leadership, personal development opportunities and encouragement to help improve care delivery.

A company with clear values

Attendo is a large company with a large workforce. Our mission and our values are both an ambition and a tool. The values - competence, commitment and care - function as signposts towards fulfilling the mission: Empowering the individual. The mission means that we must see, support and empower every person under our care so that they can lead independent and meaningful lives.

Values work is based on the circumstances in each individual unit 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.

Focus on care heroes

Attendo maintained its focus during 2021 on recognising employees who make a difference in care. Each region in Scandinavia has recognised a regional Care Hero who has tested new methods, demonstrated particular ability to elevate care or has been a role model to others. All Care Heroes have been profiled in *Magasinet Omsorg*, a customer and employee magazine distributed in more than 26,000 copies in Attendo Scandinavia. The employees voted and named Ahmed Idris Omar, a cleaner at Attendo Skutan in Huddinge, Sweden the Care Hero of the year in Scandinavia.

Respect for people's differences

Attendo welcomes employees from various cultural and ethnic backgrounds. Every Attendo employee must be treated respectfully and given equal working 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.

Satisfied 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 reviews, 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.

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.

Attendo Talents, a new tool that gathers all employee skills and skills development together, was introduced in 2021. Two extra days off and a higher wellness benefit has been offered to employees to ease their recovery after the pandemic.

Attendo is firmly committed to being an attractive employer and believes employees should be happy with their personal work situation and their immediate managers.

Managers with extensive personal responsibility

Attendo works systematically to recruit and develop the best managers. At Attendo, leadership is all about accountability, visibility and accessibility. Local managers bear personal responsibility for their operations and delegate 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. Sickness leaves are followed up to help employees quickly return to work.

FOCUS AREAS



An employer people can count on

Attendo’s many employees are the key to operating the business responsibly. Attendo strives to be an employer people can count on, one that promotes and respects employee rights, maintains good employment and working conditions and focuses on the work environment, company culture and opportunities to grow and develop.

Attendo strives to have constructive relationships with employees and their union representatives. Cooperation and constructive dialogue are expected aspects of getting Attendo’s employees to feel empowered, find meaning in providing care and feel committed to Attendo’s customers.

In response to a much-noted documentary on Swedish Radio in the spring of 2021, all employees of Attendo Scandinavia have been offered training in whistleblower protection. Operational managers and key individuals have also been offered training in communicative leadership.

Also during the year, Attendo held Covid talks at all local operations in Scandinavia aimed at gathering employees’ views on how the pandemic was managed.

FOCUS AREA: EMPOWERED EMPLOYEES

Attendo’s ambition is to be a leading employer with outstanding leadership, personal development and equal opportunities.

Metrics 2021 (2020):

- Job satisfaction (1–5) 4.0 (3.9)
- Satisfaction with manager (1–5) 3.9 (3.9)

Activities 2021:

- Care Heroes
- Attendo Talents
- Corona talks and extra time for recovery
- Training in transparency and communicative leadership

Future metrics

Attendo intends to develop new key figures to capture additional aspects of employee satisfaction with Attendo as an employer.

FOCUS AREAS

FOCUS AREA

ENVIRONMENT IN MIND

The resources used in care have significant external impact on the environment and the climate. Attendo strives to make **carefully considered environmental choices** in purchasing and use of various resources, and has a **long-term ambition to move towards net-zero greenhouse gas emissions to the atmosphere.**

Smart and effective choices for the environment

Attendo is a service company whose principal business is care provision. The environmental and climate impact that arises in our operations comes primarily from the energy used in buildings and transportation, as well as purchases of food and other consumables used in our local units.

Attendo's environmental policy guides us towards making green 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 continued to digitalise work processes in 2021 and to hold online meetings.

On the way to net zero carbon emissions

Attendo carried out a comprehensive survey in 2021 of the most important sources of greenhouse gas (GHG) emissions. The survey shows that about a quarter of GHG emissions come directly from operation of Attendo's local units (Scope 1 and Scope 2). This includes energy and fuel use in Attendo's buildings and vehicles, based on factors including heating, electricity consumption and fuel for cars used in home care operations. Attendo has an express long-term ambition to achieve net zero emissions of GHG from its own operations.

The majority of carbon emissions generated by Attendo's operations arise from external sources (Scope 3) related to e.g., Attendo's purchases of goods including food and consumables, investments and employee's commutes to and from work. Attendo can affect these emissions indirectly, by improving the use of consumable supplies, reducing food waste and making climate-smart menus, for example, and by encouraging employees to use modes of transport with less climate impact for their daily commutes.

Attendo will further develop the calculations of climate impact from external sources in the next few years.

System for constant 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 new solutions are planned based on the conclusions. Of these, 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 implement their own projects and set environmental targets within the framework of the environmental management system. Within Attendo Scandinavia in 2021, actions included calculating the climate footprint of menus in nursing homes, measuring food waste, exploring and considering eco-labelled products and preparing a roadmap to a fossil-free vehicle fleet. A project has begun in Finland to review how energy use in the buildings can be redirected to renewable sources.

Purchases that reduce environmental impact

Attendo coordinates all purchasing to achieve synergies and ensure environmental benefit. Suppliers that qualify to be included in Attendo's central purchasing system must be aware of and meet the requirements specified in Attendo's environmental policy.

FOCUS AREAS

ATTENDO'S EXPOSURE TO THE EU TAXONOMY FOR SUSTAINABLE INVESTMENT

The EU Taxonomy Regulation is an aspect of the Union's efforts with sustainable investment. In its current iteration, it is aimed at determining which economic activities can be considered environmentally sustainable. As Attendo is a listed company that meets the criteria for non-financial reporting in terms of both turnover and workforce, the company is required to report in compliance with the EU Taxonomy Regulation.

For 2021, non-financial undertakings must report their exposure to EU environmental objective 1 pertaining to climate change mitigation and objective 2, climate change adaptation. The items to be reported are turnover, CapEx and OpEx that can be traced to economic activities listed in the Taxonomy's delegated acts for the relevant objectives.

Classification of Attendo's operations according to the Taxonomy

The majority of Attendo's sales arise from operations categorised within the economic activity *12.1 Residential care activities* and which are listed under environmental objective 2. This includes all forms of care activities in nursing homes, group homes, treatment homes and daily activities programmes. Attendo has additional revenues that are not covered by the taxonomy, such as home care services and foster care, that are delivered in the customer or employee's private home.

Goal 1 – Climate change mitigation

Attendo's operations are not included in the economic activities listed in the delegated acts concerning environmental objective 1. Attendo therefore has no exposure to the Taxonomy's environmental objective of climate change mitigation.

Goal 2 – Climate change adaptation

In relation to environmental objective 2, Attendo must, according to the delegated acts for economic activities within area *12.1 Residential care activities*, report CapEx and OpEx that can be directly traced to adapting operations to climate change.

Attendo engages in active dialogue with property owners concerning adaptations to managing or responding to physical climate risks in the properties used by Attendo. As these CapEx and OpEx are incurred by the property owner, Attendo also has no exposure to the Taxonomy under environmental objective 2.

FOCUS AREA ENVIRONMENT IN MIND

Attendo's ambition is to be a resource-efficient care provider on the way towards net zero GHG emissions.

Metrics 2021 (2020):

- Grammes of CO₂e emissions per SEK in revenue 2.0 (*)

Activities 2021:

- CO₂ emissions survey and base calculation
- Reduction of food waste
- Reduced energy use/fuel use in vehicles
- Renewed sustainability strategy in relation to the environment and climate

Future metrics

Attendo intends to further develop and expand reporting of the company's climate impact and to set clearer targets for when climate goals are to be achieved.

*New calculation method; comparable data for 2020 unavailable

FOCUS AREAS

FOCUS AREA

RESPONSIBLE OPERATIONS

Attendo care services are delivered almost exclusively as ordered by contracting local authorities. This places demands on use to **run our business in an open and responsible manner**. As a leading care provider, we must not only live up to the expectations of customers and their families, employees and local contracting authorities. We must also deserve public trust.

Sustainable finances for long-term business

Attendo's revenues are based on long-term contracts with municipal contracting authorities, where care needs and short-term customer choice affect occupancy and thus profitability in the local unit. At the same time, a substantial share of Attendo's costs is of a more long-term nature, such as leases for the properties in which the business is operated.

In order to operate a care business that is resilient against fluctuations in occupancy while providing scope to invest in new capacity, innovations and methods, Attendo strives to generate stable earnings. Debt can facilitate strategic acquisitions or investments that increase the economic viability of Attendo's business over the long term. In order to successfully carry the debt, Attendo has a financial target that net loan debt should not exceed 3.75 times reported EBITDA.

Attendo's owners have set a target to distribute 30 percent of profits as dividends when financial circumstances otherwise allow. Accordingly, the majority of profit is, as a rule, reinvested in the business. There were no dividends distributed for the years 2019-2021 and all profits were reinvested.

A significant taxpayer

Attendo always pays taxes in the country it operates in and is one of the private providers of care services in the Nordic countries that pays the most tax. Tax payments mainly comprise wage-related taxes and fees, non-deductible VAT on purchases and investments and corporation tax on the profit generated. Attendo also collects VAT and preliminary income taxes for all employees.

In 2021, Attendo had a tax footprint of about SEK 3.9Bn, including SEK 2.4Bn in paid tax. The majority of the tax footprint refers to wage-related taxes and fees and employees' preliminary income tax. Corporation tax for 2021 amounted to SEK 74m.

Our operations are firmly regulated

Both Attendo and our employees must follow a comprehensive and complex collection of laws and regulations governing both the care business and being a listed company. All activities must be conducted so that they meet both current regulations such as Attendo's own code of conduct and other policies and guidelines.

The business is operated in collaboration with public payors. The content of our services is governed by official permits,

SEK million	Group		Finland		Sweden		Denmark	
	2021	2020	2021	2020	2021	2020	2021	2020
Taxes paid								
Corporate tax (excl. deferred taxes)	74	58	7	4	67	54	-	-
Wage-related taxes ¹⁾	1,727	1,566	763	631	957	926	7	9
Non-deductible VAT ²⁾	586	567	441	421	134	138	11	8
Stamp duty and property tax	8	7	8	7	-	-	-	-
Other taxes ³⁾	20	17	-	-	20	17	-	-
Total taxes paid	2,415	2,215	1,219	1,063	1,178	1,135	18	17
Taxes collected								
VAT collected by Attendo	31	38	23	21	1	7	7	10
Preliminary income tax	1,422	1,330	639	577	760	721	23	32
Total tax collected	1,453	1,368	662	598	761	728	30	42
Total tax footprint	3,868	3,583	1,881	1,661	1,939	1,863	48	59

¹⁾ Including statutory employer's contributions

²⁾ Refers to VAT on purchases and investments, estimated

³⁾ Carbon tax and vehicle taxes

FOCUS AREAS



negotiated contracts with local authorities and customer choice systems in various forms. In our role as a partner to local authorities, we are always reliable, transparent and solution-oriented. We respect regulatory authority of government agencies, but also communicate information and opinions on matters that affect the care industry, conditions for providing care or our business. Transparency and openness guide all of our interactions with representatives of the public. As one aspect of this, we welcome representatives of government agencies and elected decision-makers who wish to visit our local operations.

The Code of Conduct guides all employees

In 2021, Attendo adopted an updated Code of Conduct based on our mission and values. The Code contains key principles for how Attendo as a company and all employees within Attendo must conduct themselves in relation to customers and their close ones, colleagues and the local authorities with which we cooperate. The Code also describes appropriate conduct when there is suspicion that something is amiss. This includes channels of communication and particularly important areas that all employees should be aware of, such as procedures for reporting risks of unsatisfactory conditions related to care and care-related injuries, the whistleblower function and whistleblower protection. The Code is an expression of Attendo's position on openness. The Code of Conduct applies to all Attendo employees, regardless of form of employment. Efforts to train managers and employees in working with the Code will continue in 2022 with focus on digital training and annual certification.

Transparency in operations and deviations

Attendo has strict procedures for managing deviations in care delivery. This includes procedures for reporting, managing and following up deviations from internal guidelines or methods, as well as serious incidents that led to or risked leading to health and nursing care injuries to individuals (under the Swedish Lex Sarah and Lex Maria statutes).

Attendo's operations are inspected and audited carefully by national authorities, such as the Regional State Administrative Agency (AVI) in Finland or the Health and Social Care Inspectorate (IVO) in Sweden. In 2021, 26 serious incidents were reported to Swedish authorities and 8 critical observations from national regulatory authorities in Finland were addressed.

High standards for privacy and reliability

Attendo works with people who are in a vulnerable position and whose conditions must be treated with great respect for personal privacy. We apply procedures that meet high standards regarding the processing of personal data and sensitive information. Managers and staff are continuously trained in matters related to information security and protection of personal privacy.

As a listed company and partner to the public sector, Attendo strives to ensure that external reporting is reliable, informative and transparent. We do not accept the reporting of erroneous or misleading information in our systems to manipulate goal attainment, performance measures or information to be reported to municipalities or authorities.

FOCUS AREA: RESPONSIBLE OPERATIONS

Attendo's ambition is to be a reliable care provider that delivers values-driven care that is robust and transparent.

Metrics 2021 (2020):

–

Activities 2021:

- New Code of Conduct
- Entire annual profit reinvested in the business
- Ongoing training in information security

Future key indicators

Attendo intends to study which relevant key indicators that can be reported to increase transparency surrounding care provision and monitoring of own operations.

UN SUSTAINABLE DEVELOPMENT GOALS

ATTENDO'S CONTRIBUTIONS TO THE UN GLOBAL GOALS

Attendo's operations are contributing to several of the UN Sustainable Development Goals (SDGs) under Agenda 2030. An overview of the SDGs to which Attendo is contributing, directly and indirectly, through its operations and examples of direct contributions in 2021 are presented in the table below.



Attendo's impact on the UN SDGs

Direct impact

Goal	Definition	Attendo's contribution	Examples of activities in 2021
 3 GOOD HEALTH AND WELL-BEING	Health and wellbeing	Attendo provides innovative, high-quality care services, which helps promote good health and well-being for people of all ages.	In 2021, Attendo continued working assiduously to limit the impact of Covid-19 on older people and consistently went further than official recommendations concerning the use of personal protective equipment.
 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.	Attendo appointed two female function managers in 2021. Since 2019, the top operational executives of both Attendo business areas are women and members of executive management. Six out of ten board directors are women.
 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Attendo has a good and close relationship and cooperation with local unions and complies with valid collective agreements that offer employees good working conditions and benefits.	Attendo has implemented a higher wellness benefit for employees in Scandinavia and has compensated them for their efforts during the Covid-19 pandemic with time off for rest and recovery.
 10 REDUCED INEQUALITIES	Reduced inequalities	Attendo actively spreads best working methods throughout its operational geographies, which increases health and care equality for people who need care.	Attendo continued developing the Attendo Way operational model and implementing it in all local units during 2021. A new model for quality improvement work is being developed. A pilot project for measuring quality of life has begun in Attendo Scandinavia.
 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 publicly financed care of high quality to more people who need care.	During the year, Attendo began construction of 231 new beds in care homes and opened 832 finished beds in own operations. Preparation of a sustainability strategy for property management has begun.
 16 PEACE AND JUSTICE	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.	In 2021, Attendo continued rolling out the <i>Nära</i> ("Close") app for customers and their families in Scandinavia and is working to make the intranet part of the Attendo mobile app.

UN SUSTAINABLE DEVELOPMENT GOALS

Indirect impact

Goal	Attendo's contribution	Attendo's operations can have indirect impact on the UN SDGs in these areas
	Quality education	Attendo offers its employees further education as part of their jobs and opportunities for further study with guaranteed pay increases.
	Clean water and sanitation	Attendo takes water from sustainable sources and applies strict requirements to recycling of environmentally hazardous waste.
	Affordable and clean energy	Attendo strives to reduce energy use in its operations and to buy sustainably produced energy.
	Industry, innovation and infrastructure	Attendo strives to use technology from suppliers that meet stringent requirements for sustainable production.
	Consumption and production	Attendo purchases supplies and consumables from reliable suppliers that meet stringent requirements for sustainable production.
	Climate action	Attendo strives to reduce its climate footprint and has commenced a project to achieve net zero GHG emissions from own operations.
	Life below water	Attendo strives to purchase aquatic products from sustainable stocks.
	Life on land	Attendo plants and maintains gardens at its local operations in a manner that protects local ecosystems and biodiversity.

No impact

Goal	Attendo's contribution	Attendo's operations have no impact on the UN SDGs in these areas
	No poverty	Attendo has no impact on economic development for people in poverty.
	Zero hunger	Attendo has no impact on the global food supply.
	Partnerships for the goals	Attendo does not participate in any global partnerships that promote the implementation of Agenda 2030.

INDICATORS

SUSTAINABILITY INDICATORS 2021

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

Environment and climate

In 2021, Attendo started working on refining the accounts and developing new working methods for the environment and climate. 2021 indicators are therefore not comparable with 2020. The latest indicators are mainly based on actual consumption and refer to market-based greenhouse gas emissions from vehicles and travel, buildings (scope 1 and 2) and from the majority of purchases of goods and ser-

vices (scope 3). For scope 2, location specific calculations are reported for a more accurate comparison, where information on energy agreements are missing for buildings. For scope 3, consumption has actually been added to standard calculations based on costs as well assumptions about employees' work commuting.

Attendo intends to continue to refine the calculations of the indicators in the future.

Area	Corporate governance metrics	2021	2020 ¹⁾
Use of land and buildings ^{1,2}	Gross floor space controlled by local Attendo units ¹⁾ , m ²	1,084,000	1,017,000
	Energy usage ^{2,3}		
	Direct energy consumption, kWh per m ²	207	137
	Direct energy consumption, kWh/FTE	11,800	7,700
	Total direct energy consumption, MWh	224,900	139,600
	Indirect energy consumption (purchased mains electricity), MWh	–	29,200
Greenhouse gas emissions	Direct GHG emissions from buildings and vehicles (Scope 1), t	2,500	3,350
	Electricity indirect GHG emissions (Scope 2), t	41,600 (23,800)	3,300
	Indirect GHG emissions from other purchases (Scope 3), t	41,800 (119,700)	–
	Emissions per EUR revenue, g	2.0	0.6
Energy mix, purchased mains electricity ³	Renewable	44	70
	Nuclear	28	9
	Fossil fuel/peat	14	20
Water usage ⁴	Thousands m ³	1,318	928
Waste management and recycling ^{4,5}	Total waste produced, t	8,100	10,400
	Of which hazardous waste, t	139	0.83
	Of which recycled waste, t	6,300	3,500

¹⁾ Indicators for 2020 are not comparable with 2021.

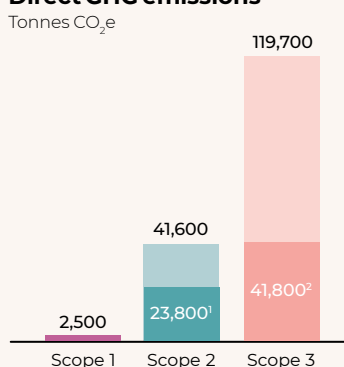
²⁾ For 2021, only the total energy use has been calculated.

³⁾ Location-based calculations are within parentheses. 2020 only refers to household electricity.

⁴⁾ Only a volume-based calculation (total incl. template-based calculation in parentheses).

⁵⁾ 2020 total energy mix only refers to household electricity.

Direct GHG emissions



¹⁾ Location-based emissions (total value refers to market-calculated emissions)

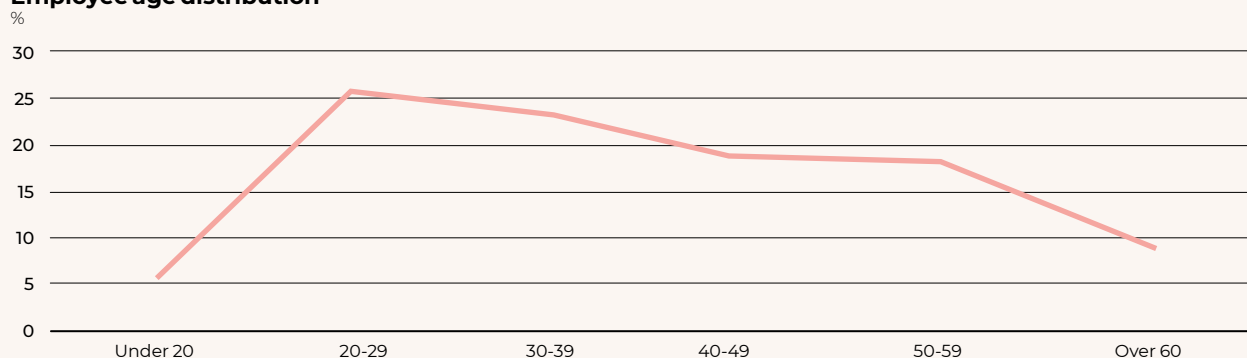
²⁾ Volume-calculated emissions (total value includes template-based calculations)

Employee gender diversity



INDICATORS

Employee age distribution



Social conditions

Area	Corporate governance metrics	2021	2020
Employee gender diversity	Number of total full-time employees (FTE)	19,041	18,178
	Of whom women	15,894	15,268
	Percentage women (%)	83	84
Diversity in entry and mid-level positions	Number of employees	18,093	17,323
	Of whom women	15,075	14,519
	Percentage of women in entry and mid-level positions (%)	83	84
Gender diversity, managerial and executive levels ¹	No. of managers	948	855
	Of whom women	819	749
	Percentage of female workers in senior and executive positions (%)	86	88
Age distribution	Average age	40	39
Language	Number of languages spoken in care for older people	57	57
CEO compensation	Total pay and benefits including pension and social insurance fees (SEK)	12,285	12,890
Employee compensation ²	Median pay and benefits including social insurance fees (SEK)	412,000	414,000
	CEO/employee pay ratio	0.03:1	0.03:1
Gender pay gap men/women	Median salary, men (SEK)	417,700	417,900
	Median salary, women (SEK)	407,400	413,300
	Pay ratio, female/male (%)	-2.5	-1.12
Serious incidents	Number of serious incidents (Scandinavia) and critical observations by regulatory authorities (Finland) ³	26/8	31/1
	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 (Scandinavia) and externally initiated official matters (Finland).

Corporate governance

Area	Corporate governance metrics	2021	2020
Board diversity	Number of board members	10	9
	Of whom women	6	5
	Percentage women directors	60	56
Board independence	Number of independent directors ¹⁾	5	4
	Number of union representative directors	3	3
	Percentage independent directors	71	67
Board committees	Number of committees	2	2
	Number of committees chaired by women	1	1
	Percentage of committees chaired by women	50	50
Collective bargaining	Percentage of FTE covered by collective bargaining 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.

RISKS

SUSTAINABILITY RISKS

Area	Risk	Risk management
Quality of Life	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 penalty 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 shared working methods that cover all operations and a quality system in which shortcomings can be quickly discovered and corrected. Attendo has internal systems for detecting quality shortcomings in operations and opportunities for individual employees to raise the alarm if they suspect shortcomings that have not been dealt with locally (whistle-blowing).
Value-adding Care Solutions	Risks arise from Attendo establishing operations or launching innovations and methods: 1) for which there is no local demand, either due to over-establishment, declining capacity to pay or reluctance to engage private providers, or 2) which do not meet the standards set by the local contracting 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 the conditions for private providers and to persuade government authorities to allow new innovations or methods that improve quality or increase care efficiency (see the "Risks and risk management" section).
Empowered Employees	The competence, commitment and care of Attendo 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 provide.	Attendo measures employee job satisfaction, monitors local sickness absence rates and employee turnover and, as needed, assists local managers with action plans. Employees are offered opportunities to build their skills by means including web-based training. Further training to obtain managerial or specialist skills is encouraged. Central projects are ongoing to secure recruitment in occupations where there are shortages, such as nurses. Work environment management is pursued systematically 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.
Environment in Mind	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 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 both 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 consideration for the environment and how employees, partners and suppliers are expected to act. All managers are responsible for ensuring that operations comply with the environmental laws that apply and take national and local environmental aspects into consideration with regard to products and services, buildings, transport, energy and water use and waste management.
Responsible Operations	Risks include lost contracts, legal sanctions and/or scrutiny of or damage to the Attendo brand if Attendo breaches rules and agreements under labour law. 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, sex 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 negative impact on the brand.	Attendo complies with applicable collective agreements and strives to maintain good relationships with union representatives and central union organisations. 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. Non-conformances with 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 clients, customers or suppliers.

AUDITOR'S OPINION

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Attendo AB,
corporate registration number 559026-7885.

Engagement and responsibility

It is the board of directors who are responsible for the 2021 sustainability report (pages 16–38) and for that it has been prepared in accordance with the Annual Accounts Act.

Scope and orientation 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, ISA, and other generally accepted auditing standards in Sweden. We believe the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 14 March 2022
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Principal Auditor

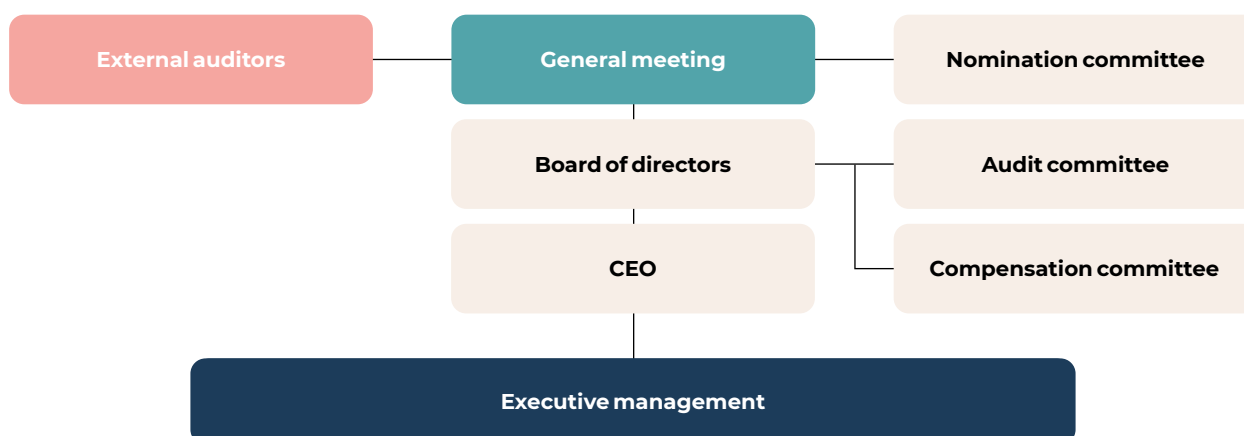


CORPORATE GOVERNANCE REPORT

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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 2021. Attendo has not deviated from the Code, Nasdaq Stockholm's Rule Book for Issuers or from good stock market practice during 2021.

Shares and shareholders

Attendo had 161,386,592 registered shares as of 31 December, 2021 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, 2021 are Nordstjernan AB 19 percent and Pertti Karjalainen 11 percent. The 20 largest shareholders hold about 70 percent of share capital and votes. In total, Attendo owns 473,744 own shares as per 31 December, 2021.

The 2021 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, 2021, this mandate has not been utilised. The 2022 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 2021 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

CORPORATE GOVERNANCE REPORT

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 2022 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 2021

The AGM 2021 was held on 14 April, 2021.

AGM 2022

The AGM 2022 will be held on 26 April, 2022. Please refer to page 111 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 2021, the Board has consisted of seven 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 participate, 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 46–47.

Board charter

The Board follows a written charter that is revised annually and adopted at the constituent Board meeting. The charter governs issues including Board practices, functions and the division of responsibilities between the Board of Directors and the CEO and between the Board and Board committees. Separate instructions have been adopted for Board committees. In connection with the constituent Board meeting, the Board of Direc-

Board composition and meeting attendance in 2021

Board member	Title	Independent of shareholders/ company	Attendance		
			Board	Audit Committee	Compensation Committee
Ulf Lundahl	Chair and committee member	Yes/Yes	11/11	–	3/4
Margareta Danelius ¹⁾	Board member	Yes/Yes	9/11	–	–
Catarina Fagerholm	Board and committee member	Yes/Yes	10/11	5/5	–
Alf Göransson	Board and committee member	Yes/Yes	11/11	5/5	4/4
Amanda Hellström	Employee representative, deputy	–	7/11	–	–
Faya Lahdou	Employee representative	–	8/11	–	–
Tobias Lönnevall	Board and committee member	No/Yes	11/11	5/5	4/4
Katarina Nirhammar	Employee representative, deputy	–	9/11	–	–
Suvi-Anne Siimes	Board member	Yes/Yes	11/11	–	–
Anssi Soila	Board member	No/Yes	11/11	–	–

¹⁾ Elected by the AGM in April 2021.

All employee representatives are appointed by the Swedish Municipal Workers' Union.

CORPORATE GOVERNANCE REPORT

tors also adopts instructions for the CEO, which include instructions for financial reporting. The Board meets according to an annual timetable. In addition to regular meetings, additional Board meetings may be convened to address issues that cannot be postponed until the next ordinary meeting.

The work of the Board of directors in 2021

The Board held 11 meetings during 2020, including the constituent meeting. The attendance among Board members is presented in the 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 2021, the Board of Directors maintained strong focus on developments and measures related to Covid-19 and the financial and operational impacts of the pandemic on Attendo. The long-term work to restore profitability and further develop the strategy for Attendo also continued, with intensified focus on quality and employee satisfaction among the Board as well. The Board of Directors has monitored and particularly addressed the depiction of Attendo in the Swedish media during the year and focused especially on staff provision in Finland.

The Board 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 2021: the Audit Committee and the Compensation Committee. After each committee meeting, the Chair of each committee presents a report to the entire Board. The following presentation of committee members refers to composition of the committee after the 2021 AGM.

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 2021.

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 2021.

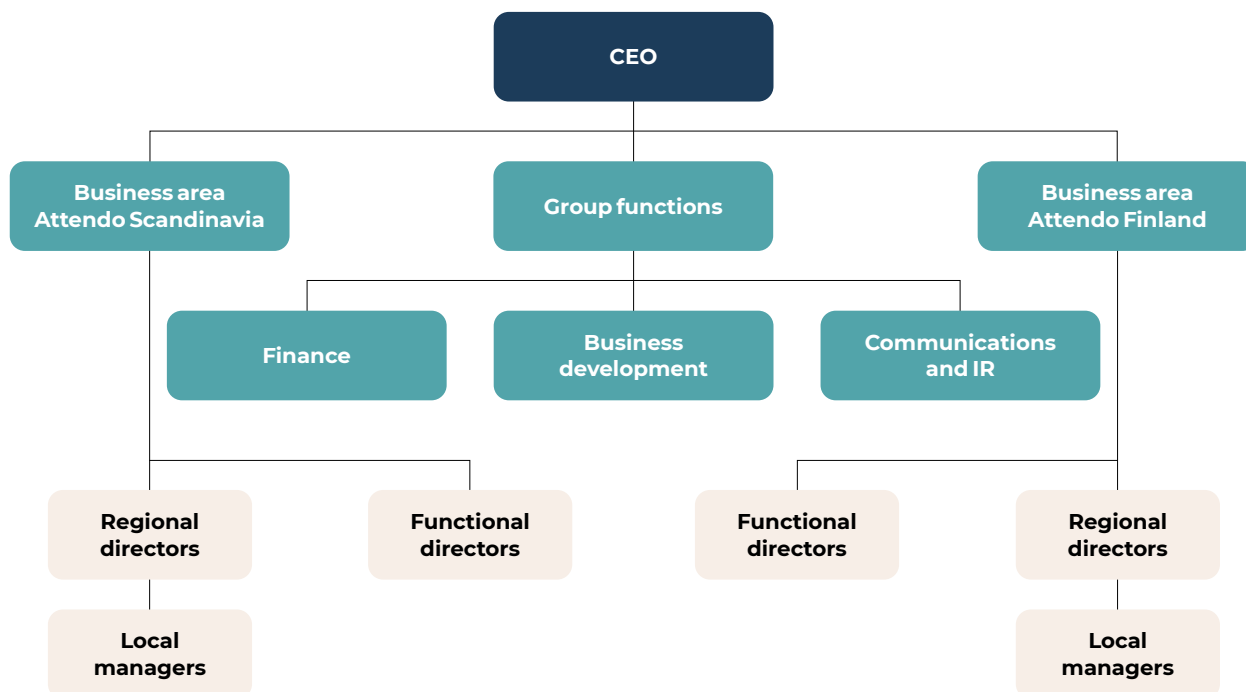
Evaluation of Board and CEO

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 2021 AGM re-elected PricewaterhouseCoopers AB (PwC) as Attendo's auditor for a term of one year, with Patrik Adolfsen as lead auditor.

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 45. 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.

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 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 52–55 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 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 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 with support from the internal control 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 Board of Directors.

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 the internal control and ensuring that any misstatements are 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.

Monitoring

The group's internal control function reviews compliance with group control activities. 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 2021

During 2021, 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, information security and data protection.

Danderyd, 11 March 2022

Attendo AB (publ)

Board of Directors

BOARD OF DIRECTORS AND AUDITORS

Board of Directors and auditors



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, 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.



Margareta Danelius

Board Member

Born 1964. Master of Science, Medicine, Uppsala University

Voted to the Board: 2021

Position and Board Directorships: Chief Medical Officer, Capio Sweden

Previous positions: Senior medical positions within the Capio Group and senior positions with Ersta sjukhus (hospital), including as chief medical officer and head of operations, paediatric and adolescent hospice.

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

Attendo holdings: 0 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, CapMan Oyj, Byggmax Group AB and Lekolar AB.

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 Anticimex AB, 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.

BOARD OF DIRECTORS AND AUDITORS

**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. Chair of the Board of 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.

**Suvi-Anne Siimes**

Board Member

Born 1963. Licentiate of Political Science (Economics) and Master of Political Science (Economics), University of Helsinki.

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 Jahnsson 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.

**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 Stödstiftelsen 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.

Faya Lahdou

Employee representative from Union Kommunal

Born: 1983

Elected to the board: 2019/2020

Attendo holdings: –

Amanda Hellström

Employee representative from Union Kommunal, deputy

Born: 1988

Elected to the board: 2020

Attendo holdings: –

Katarina Nirhammar

Employee representative from Union Kommunal, deputy

Born: 1963

Elected to the board: 2020

Attendo holdings: –

Auditors

PricewaterhouseCoopers AB

Patrik Adolfson

Principal auditor until the close of the 2022 AGM

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

Other audit assignments: AcadeMedia AB (publ), Bonava AB (publ), Nordstjernan AB, Pandox AB (publ), Röko AB and SHH Bostad AB (publ).

EXECUTIVE MANAGEMENT

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 60,000, call options 1,083,892, warrants 298,730 .


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 5,000., call options 101,942


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: Call option 123,287.


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 31,413, call options 68,493, warrants 104,732.

EXECUTIVE MANAGEMENT

**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 options 240,934, warrants 167,339.

**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, Principal at The Boston Consulting Group 2005-2017.

Attendo holdings: Warrants, 58,630.

AUDITOR'S STATEMENT

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 2021 on pages 40–49 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, 14 March 2022
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Principal Auditor



*Attendos mission is to empower the individual, which means that we **see, support and empower every person**. We want everyone to be able to lead an **independent and meaningful life**.*

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.

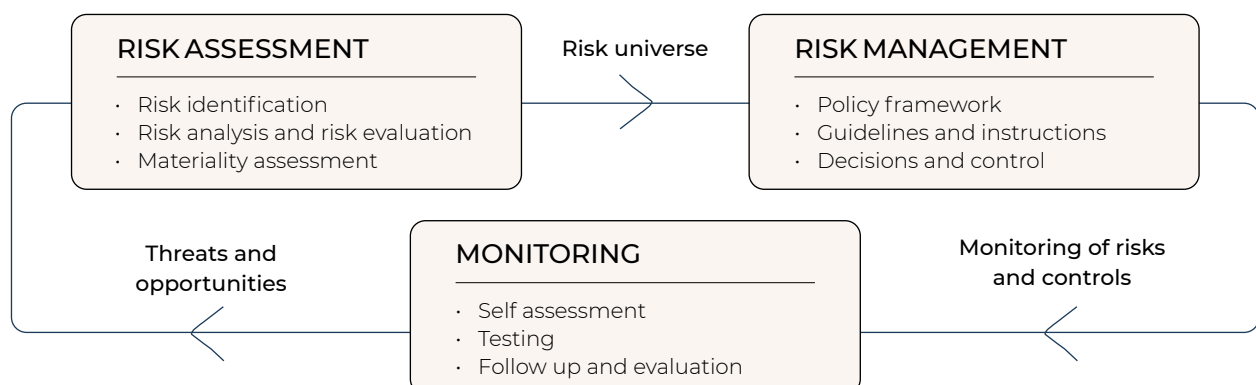
Identifying and managing risks is also a central part of Attendo’s strategic process, where the risks that may prevent the company from reaching its strategic goals are evaluated on a continuous basis in a structured framework, taking into account the effect each risk would have if it occurred as well 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 controls. 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 again had profound impact on Attendo’s operations and financial performance in 2021. The impact in 2021 was evident mainly in a lower occupancy rate in Attendo Scandinavia than before the pandemic.

A comprehensive care reform has been carried out in Finland, in which staffing requirements are being raised in several stages. Higher staffing requirements entail higher costs for all care providers. Private providers must negotiate with each local authority or county on price compensation for staffing changes, which entails uncertainty. Costs also arise before each stage (staffing requirements) takes effect and there is thus a lag before compensation is received. The reform has exacerbated the staff provision situation in Finland, which was already



RISKS AND RISK MANAGEMENT

under strain, leading to higher personnel costs and, in certain cases, adverse impact on the occupancy trend in units located in areas where it is difficult to gain access to workers.

There is intense interest among politicians and the media in care in general and in privately provided care in particular. The portrayal of Attendo in the Swedish media was challenging in 2021. An extensive report on Attendo's methods during the Covid-19 pandemic, the measures taken by the company and

their effects on Attendo's local units is available on Attendo's website. The report also sheds light on specific criticisms expressed in the media and by political decision-makers regarding events at a single nursing home, but also more generally regarding the company's culture and methods and its management of government Covid support.

A general summary of risk areas for Attendo and how we are working to manage these risks follows.

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 monitors research in the care sector and 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 and in a manner characterised by transparency, both internally and towards the media. We also strive 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 and a good reputation.
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. in the form of increased costs. Furthermore, severe non-compliance can give payors the right to cancel contracts or demand that an operation is discontinued. The principles for quality control and regulatory enforcement from authorities and payors vary and the consequences for Attendo may therefore be hard to project in individual cases.	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 to regulatory development within the area.

RISKS AND RISK MANAGEMENT

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Occupancy and lease agreement risk	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.	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.
Staffing and human capital risk	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.	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.
Pricing risk	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.	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 minimized 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.
Permit risk	A significant proportion of Attendo's operations require permits and many of its operations require dedicated permits. Permits can only be obtained when operations satisfy stipulated quality and safety requirements and other demands. 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.	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.

RISKS AND RISK MANAGEMENT

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 C26.	As of year-end 2021, 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.

BOARD OF DIRECTORS' REPORT



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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 2021.

Operations

Attendo is the leading private provider of care services in the Nordics. The company operates 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 with more than 700 units in operation and about 27,000 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, where 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 under contract. Attendo has outsourced units for care for older people, people with disabilities, individuals and families.

Municipalities are typically 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 period is typically two to five years.

Financial overview

Net sales and operating profit

Net sales for the year increased by 4.7 percent to SEK 12,867m (12,288). Adjusted for currency effects, net sales increased by 6.6 percent. Organic growth accounted for 4.4 percent and the net change due to acquisitions and divestments was 2.2 percent. Organic growth is attributable mainly to higher net sales in Attendo Finland, particularly in care for older people. The pandemic has had significant negative impact on Attendo Scandinavia's business.

Lease adjusted operating profit (EBITA)¹ amounted to SEK 400m (375). The lease adjusted operating margin (EBITA)¹ was 3.1 percent (3.1). Attendo Finland's profit increased overall and in all service offerings, while Attendo Scandinavia's profit decreased. The net effects of the pandemic on profit for the year

is estimated to SEK -80 million (-120). Increased costs and negative profit due to loss of revenue were partially offset by SEK 81 million in public compensation that Attendo received during the period for additional costs due to the Covid pandemic attributable to 2020. In relation to the comparison year, profits were negatively affected by a total of SEK 96m consequent upon a number of effects of a non-recurring nature: additional recovery days in 2021, SEK 15m; compensation to property owners in 2021, SEK 20m; the leap day in 2020, SEK 20m; and a capital gain in 2020, SEK 41m.

Effects on operating profit (EBITA)¹ related to IFRS 16 amounted to SEK 436m (422). The increase is attributable to rental contracts in new homes.

Operating profit (EBITA)¹ amounted to SEK 836m (797) and the operating margin was 6.5 percent (6.5). Adjusted for currency effects, operating profit (EBITA)¹ was SEK 846m.

Operating profit (EBIT) excluding items affecting comparability amounted to SEK 755m (673), corresponding to an operating margin (EBIT) excluding items affecting comparability of 5.9 percent (5.5). The change is attributable to the same factors as described above, as well as 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 were taken in Q2 2020 on goodwill and right-of-use assets, which reduced profit for the comparison year by SEK -955m.

Operating profit (EBIT) amounted to SEK 755m (-282), corresponding to an operating margin (EBIT) of 5.9 percent (-2.3).

Attendo opened 13 homes during the year with a total of 832 beds, discontinued 500 beds and began construction on five homes with a total of 231 beds.

Net financial items

Net financial items amounted to SEK -652m (-644), including net interest expense of SEK -36m (-57). Interest expense related to the lease liability for real estate in accordance with IFRS 16 amounted to SEK -581m (-559).

Income tax

Income tax for the year amounted to SEK -44m (22), corresponding to a tax rate of 42.7 percent (20.9), adjusted for the impairment of goodwill in the comparison year.

¹) Excluding items affecting comparability

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Profit and earnings per share

Profit for the year was SEK 59m (-904), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK 0.35 (-5.63). Adjusted earnings per share after dilution were SEK 1.48 (1.43).

Five-year summary

SEKm	2021	2020	2019	2018	2017 ^{2,3}
Net sales	12,867	12,288	11,935	10,987	8,977
Lease adjusted operating profit (EBITA) ^{1,5}	400	375	441	711	-
Lease adjusted operating margin (EBITA), % ^{1,5}	3.1	3.1	3.7	6.5	-
Operating profit (EBITA) ^{1,5}	836	797	812	1,008	890
Operating margin (EBITA), % ^{1,5}	6.5	6.5	6.8	9.2	9.9
Profit (-loss) for the year	59	-904	81	955	542
Profit margin, %	0.5	-7.4	0.7	8.7	6.0
Capital employed ⁴	18,835	17,855	18,186	19,063	10,657
Free cash flow ^{1,4}	249	428	196	593	691
Earnings per share diluted, SEK	0.35	-5.63	0.51	1.52	3.38
Adjusted earnings per share diluted ¹ , SEK	1.48	1.43	1.71	-	-

1) See page 109 for definitions of alternative performance measures.

2) Including divested operations

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

4) Including divested operations 2017-2018

5) Operating profit excluding items affecting comparability for 2020

Cash flow

Free cash flow was SEK 249m (428) for the year, of which changes in working capital amounted to SEK -72m (246).

Cash flow from operating activities was SEK 1,378m (1,645). Cash used for net investments in non-current assets was SEK -151m (-319) and cash flow from assets and liabilities held for sale amounted to SEK 2m (196). Business acquisitions reduced cash flow by SEK -263m (-114). Divestment of subsidiaries reduced cash flow by SEK -1m (-22). Cash flow from investing activities thus amounted to SEK -413m (-259).

Cash flow from financing activities was SEK -1,176m (-1,172). Bank loans of SEK -300m (-475) were repaid during the year. Total cash flow amounted to SEK -211m (214).

Financial position

Equity attributable to shareholders in the parent company amounted to SEK 4,932m (4,849) as of 31 December 2021, representing diluted equity per share attributable to shareholders in the parent of SEK 30.65 (30.13). Net debt amounted to SEK 13,366m (12,268). Lease adjusted net debt, excluding lease liability for real estate, amounted to SEK 1,590m (1,573).

Financial position

SEKm	31 Dec 2021	31 Dec 2020
Interest-bearing liabilities	13,877	12,976
Provisions for post-employment benefits	2	8
Cash and cash equivalents	-513	-716
Net debt	13,366	12,268
Lease liability real estate	-11,776	-10,695
Lease adjusted net debt¹	1,590	1,573

1) Alternative performance measure. Refer to page 109 for definitions.

Interest-bearing liabilities as of 31 December 2021 amounted to SEK 13,877m (12,976). Attendo had cash and cash equivalents as of 31 December 2021 of SEK 513m (716) and SEK 1,665m (1,800) in unutilised credit facilities.

Net debt/EBITDA amounted to 6.2 (6.0). Lease adjusted net debt/lease adjusted EBITDA was 2.6 (2.6).

An option was exercised in the fourth quarter to extend the due date for existing loan agreements from 25 November 2022 to 25 November 2024.

Attendo has during the year performed a test of potential impairment of reported goodwill. The impairment test concluded that there is no need for impairment.

Items affecting comparability

In the comparison year Attendo impaired goodwill in the Finnish business of SEK 821m as a consequence of the Covid situation. In addition, an impairment loss of SEK 134m was taken on right-of-use assets in Finland in the comparison year. Impairments of goodwill and right-of-use assets last year has been reported as items affecting comparability.

Financial performance by business area Scandinavia

SEKm	Jan-Dec 2021	Jan-Dec 2020
Net sales	6,037	6,027
Lease adjusted EBITA ¹	428	481
Lease adjusted EBITA margin % ¹	7.1	8.0
Operating profit (EBITA) ¹	611	658
Operating margin (EBITA), % ¹	10.1	10.9

1) Alternative performance measure. See page 109 for definitions.

Net sales in Attendo Scandinavia amounted to SEK 6,037m (6,027), corresponding to a change of 0.2 percent. The divestment of the Norwegian operations in Q3 2020 reduced net sales by about SEK 190m. Adjusted for the divestment and currency effects, the change was 3.4 percent. Organic growth was negatively affected by the pandemic, ended outsourcing contracts and home care operations. Occupancy in homes was lower in 2021 than in 2020.

Lease-adjusted EBITA amounted to SEK 428m (481), corresponding to a lease adjusted operating margin of 7.1 percent (8.0). Effects of the pandemic had an estimated net impact on profit of just over SEK -80m (-120) during the year, which includes SEK 62m in compensation for certain additional costs attributable to the Covid pandemic in 2020. The profit was negatively affected by costs of nursing homes opened in 2020 and 2021, as occupancy is initially low. A historically high number of homes were opened in 2021 and 2020.

In relation to the comparison year, profit was negatively affected by non-recurring items of SEK 86m in total, comprised of additional recovery days in Q2 2021, SEK 15m; compensation to property owners in Q1 2021, SEK 20m; the leap day in Q1 2020, SEK 10m; and a capital gain in Q2 2020, SEK 41m. Profit in home care operations improved compared to the comparison year.

Effects on operating profit related to IFRS 16 amounted to SEK 183m (176). The increase is attributable to rental contracts in new nursing homes.

Operating profit (EBITA) amounted to SEK 611m (658), corresponding to an operating margin (EBITA) of 10.1 percent (10.9). The decrease is attributable to the same factors described above for lease adjusted EBITA.

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Finland		
SEKm	Jan-Dec 2021	Jan-Dec 2020
Net sales	6,830	6,261
Lease adjusted EBITA ¹	43	-45
Lease adjusted EBITA margin, % ¹	0.6	-0.7
Operating profit (EBITA) ¹	296	200
Operating margin (EBITA), % ¹	4.3	3.2

1) Alternative performance measure. See page 109 for definitions.

Net sales in Attendo Finland amounted to SEK 6,830m (6,261) corresponding to growth of 9.1 percent. Adjusted for currency effects, net sales increased by 12.8 percent. The growth is attributable mainly to higher net sales in care for older people as a result of an increase in beds sold, acquisitions and price increases. The total price increases correspond to about 3 percent of total net sales. Occupancy in homes was higher than in the comparison year. Attendo Finland has closed several homes since the comparison year.

Lease adjusted EBITA¹ amounted to SEK 43m (-45) and the lease adjusted EBITA margin¹ was 0.6 percent (-0.7). The profit increase is due to improved profit in care for older people and care for people with disabilities arising from more sold beds and price effects. Price increases in care for older people were partially offset by higher operating costs arising from more the new law that came into force in 2020, annual wage and cost inflation and higher personnel costs in the second half due to staff shortage. In relation to the comparison year, profit was negatively affected by SEK 10m due to the leap day in 2020. Net Covid-related effects on profit are estimated to be marginal for the full years 2021 and 2020, but profit fell sharply in the latter half of Q4 2021 due to higher sick leave. Lease adjusted operating profit increased in Attendo Finland in all service offerings.

Effects on operating profit related to IFRS 16 amounted to SEK 253m (245). The increase is attributable to rental contracts in new homes.

Operating profit (EBITA)¹ increased to SEK 296m (200) and the operating margin (EBITA)¹ rose to 4.3 percent (3.2). The increase is attributable to the same factors as described above for lease adjusted EBITA¹ and effects related to IFRS 16. Currency effects amounted to SEK -10m.

Market

Demand for Attendo's offering in care for older people in own operations in Sweden began to recover in 2021 after a very weak year that was profoundly affected by the pandemic. Demand for nursing home beds remained muted in early 2021 before the vaccination programme had been carried out. Demand returned to the pre-pandemic rate in the second half of 2021. In spite of the recovery in demand, occupancy for Attendo and the market is clearly lower than before the pandemic in Sweden.

Attendo estimates that construction started on about 1,800 beds in care for older people in Sweden during 2021 and that private providers accounted for about 30 percent of these.

Contracted volumes in the outsourcing market in care for older people amounted to about SEK 700m, down about 25 percent since 2020. Contracted volumes in the outsourcing market in care for people with disabilities amounted to about SEK 300m, nearly double that of 2020, measured as sales under renegotiated contracts.

Demand was stable in own operations in Finland in 2021. The impact of the pandemic in 2020 and 2021 was significantly less severe than in Sweden and occupancy in Attendo homes in the Finnish market is consequently higher.

There is still a substantial need for care workers and the shortage will worsen in pace with the staged implementation of the higher staffing requirements. The number of new projects has decreased in recent years. Attendo estimates that construction began on about 1,100 beds in care for older people, care for people with disabilities and in social psychiatric care, which is on par with 2020. Private providers accounted for about 85 percent of the new beds. The number of new projects is expected to remain low in the next few years.

A new law on staffing in nursing homes took effect in Finland in October 2020. Among else, the law regulates how staffing should be calculated and entails a general increase in the staffing ratio from 0.5 care workers per resident to 0.7 once fully implemented. The first two stages of the increase have been implemented and the final stage from 0.6 to 0.7 care workers per resident will take place in 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 county or municipality, 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 ahead of the each stage, meaning that it is compensation will lag behind to a certain extent.

Risks and uncertainties

All business requires companies to take risks in various forms and to various extents. 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 industry and market risks, operational risks and financial risks. External risks related to the conditions for private companies to operate care businesses, political risks, regulatory risks and reputational risks. Operational risks refer to risks directly linked 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.

In the drive to further develop Attendo, external risks, operational risks and financial risks are assessed in the light of Attendo's strategy and financial targets.

The Covid pandemic remains a significant risk for Attendo, with serious impact on Attendo's business and financial performance. The most significant effects of the pandemic are decreased occupancy and increased personnel costs due to high sick leave among employees.

A comprehensive care reform is ongoing in Finland. One of the aspects of the reform is that staffing requirements have been increased in several steps and are planned to increase further in 2023. Higher staffing requirements entail higher costs for all providers. Private providers must negotiate with each local authority or county on price compensation for staffing changes, which entails an uncertainty. Costs also arise before each stage (staffing requirements) comes into force and there is consequently a lag before compensation is received.

Staff provision in Finnish care for older people is generally-

1) Excluding items affecting comparability

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strained and the shortage of care workers has been exacerbated by the reform and the effects of the pandemic.

Risks and a description of Attendo's risk management are presented in more detail on pages 52–55.

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. The leap day positively affects net sales and profit because the majority of net sales are based on days while the majority of costs are based on monthly periods.

Acquisitions and divestments

Acquisitions

The group completed a number of minor acquisitions during the year. Refer to Note C29 Acquisitions and Note C32 Divested operations for more information about all acquisitions during the year.

Divestments

As of 1 July, Attendo had divested one home in social psychiatry. The divestment resulted in a capital loss of SEK 12m.

Employees

The average number of full-time equivalent employees was 19,041 (18,178) of whom 15,894 women (15,268). 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 "Empowered employees" on page 28 and Note C5, Information on board members, senior executives and employees.

Organisational changes

Ulrika Eriksson took over as Business Area Director for Attendo Scandinavia on 1 January 2021, whereupon she became a member of executive management for Attendo AB.

Attendo's nomination committee has decided to nominate Ulf Mattsson to succeed Ulf Lundahl as board chair of Attendo at the annual general meeting on 26 April 2022. Ulf Lundahl has notified the nomination committee that he declines re-election.

Policy for remuneration to executive management

The following policy for remuneration to executive management was adopted by the 2020 annual general meeting. From 2021, the ability to pay variable remuneration is not used. For further information, see note C5 (information on Board members, senior executives and employees) on pages 76–78.

Guidelines adopted by the 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 long-term share-related incentive programs proposed by the Board of Directors for approval by the Annual General Meeting 2020, including one directed to the executive management, are excluded for the same reason.

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 percent of the total fixed cash salary under the

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measurement period for such criteria. The variable cash remuneration to other members of the executive management may amount to not more than 50 percent, 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 percent 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 percent 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 percent 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 contrib-

ute 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 remunera-

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tion-related matters. This includes any resolutions to derogate from the guidelines.

Environmental impact

Making green choices is a focus area in the new sustainability agenda adopted by Attendo as an integrated part of the company's overall business strategy. The general ambition for the focus area is that Attendo should be a resource-efficient care provider on the way towards net zero GHG emissions. An environmental policy lists these and several other environmental aspects as signposts for the day-to-day effort. The aim of the policy is to minimise Attendo's environmental impact and continuously develop environmental initiatives with focus on the areas assessed as most significant to the business: purchasing of consumable supplies 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

Attendo has adopted a new sustainability agenda as an integrated part of the business strategy. The agenda covers five focus areas aimed at creating value for Attendo's shareholders and for society. In accordance with chapter 6, section 10 of the Swedish Annual Accounts Act, Attendo has chosen to prepare the sustainability report as part of the Board of Directors' report. For more information about sustainability work at Attendo, refer to the statutory sustainability report on pages 18–39 of this annual report. The sustainability report covers Attendo AB and all subsidiaries. Further information about sustainability work at Attendo is also available on the company website, attendo.com.

Outlook

There will be a steep rise in the older population in the next ten years in all countries where Attendo operates. Accordingly, 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 this creates prerequisites for long-term growth at Attendo, which is the leading private provider in care in the Nordic region.

During the Covid pandemic, demand for nursing home beds in Sweden has been subdued and clearly below the demand trend. Inflow normalised in the second half of 2021 and Attendo estimates that new customer inflow will continue at pre-pandemic levels, resulting in the gradual increase of occupancy in the market.

The Finnish market for nursing homes has been negatively affected by local and regional overcapacity combined with increased staffing requirements that have created a shortage of trained care workers. As the number of new establishments has decreased over the last three years, the market has gradually come into better balance and occupancy is rising steadily. The problems with the staffing situation in the market remain, as the final stage of the staffing law has not yet been implemented.

Parent company

The business of the parent company is to provide services to the subsidiaries and manage shares in subsidiaries. The company's costs include parent company costs including costs for executive management and the Board, as well as external consultancy costs.

Financial information

Net sales for the year amounted to SEK 15m (13) and were entirely related to services provided to subsidiaries. Profit for the year after net financial items was SEK 523m (15). Attendo received dividends of SEK 510m from subsidiaries during the year. 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 6,534m (6,010).

New financial targets

In early 2021, Attendo set new financial targets for 2023, including a profit target for adjusted earnings per share of at least SEK 4 by 2023. The target was based primarily on the following factors: expected recovery after the pandemic, higher occupancy in all markets, higher price levels in Finland and operational improvements.

The target of SEK 4 per share can be compared to SEK 1.5 per share in 2021 (1.4). The profit improvement 2021 in relation to 2020 was constrained by significant negative pandemic effects and high personnel costs in Finland. Our plan to achieve at least SEK 4 per share in 2023 still applies. In order to obtain this target, we need to continue to increase occupancy in our two main markets and reach satisfactory price levels in Finland also 2023. We still have significant potential to improve our methods in all segments, and possibilities for value creating acquisitions. We expect the pandemic to affect profit in 2022 but to a lesser extent than in 2021, and we anticipate very limited impact in 2023.

Share information

The total number of shares is 161,386,592. Attendo's holding of treasury shares amounts to 473,744, which means the number of shares outstanding at 31 December 2021 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 shall be balanced with regard to the business's goals, scope and risk of the business, including investment opportunities and the company's financial position. In both financial and operational terms, 2021 was a challenging year for Attendo that was characterised by the Covid pandemic. In the light of these circumstances, the Board of Directors is therefore proposing to the 2022 annual general meeting that no dividend should be distributed for the 2021 financial year. No dividend was distributed for the 2020 financial year.

Proposed distribution of profits

Proposed distribution of profits in the company	Amounts in SEK
To be retained	6,534,547,278
Total non-restricted equity in the parent company	6,534,547,278

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

January–December, SEKm	Note	2021	2020
Operating income			
Net sales	C3	12,867	12,288
Other operating income	C4	24	73
Total revenue		12,891	12,361
Operating costs			
Personnel costs	C5, C6	-8,709	-8,285
Other external costs	C6, C7, C8	-2,016	-2,023
Operating profit before depreciation and amortisation (EBITDA)		2,166	2,053
Amortisation and depreciation of tangible and intangible assets	C13, C14, C15	-1,330	-1,256
Operating profit after depreciation (EBITA)		836	797
Amortisation of acquisition-related intangible assets	C13	-81	-124
Operating profit excluding items affecting comparability		755	673
Items affecting comparability	C9	-	-955
Operating profit (EBIT)		755	-282
Profit after financial items			
Financial income	C10	3	14
Financial expenses	C10	-655	-658
Net financial items		-652	-644
Profit before tax		103	-926
Income tax	C11	-44	22
Profit for the year		59	-904
Profit for the year attributable to:			
Parent company shareholders		56	-906
Non-controlling interests		3	2
Basic earnings per share, SEK	C12	0.35	-5.63
Diluted earnings per share, SEK	C12	0.35	-5.63
Adjusted earnings per share, diluted, SEK	C12, C35	1.48	1.43
Average number of shares outstanding, basic, thousands	C12	160,913	160,904
Average number of shares outstanding, diluted, thousands	C12	160,930	160,920

Consolidated statement of comprehensive income

January–December, SEKm	Note	2021	2020
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans, net of tax	C11, C23	5	-8
Items that may be reclassified to profit or loss			
Exchange rate differences on translation of foreign operations		26	-56
Other comprehensive income for the year, net of tax		31	-64
Profit for the year		59	-904
Total comprehensive income for the year		90	-968
Total comprehensive income attributable to:			
Parent company shareholders		87	-970
Non-controlling interests		3	2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

31 December, SEKm	Note	2021	2020
ASSETS			
Non-current assets			
Goodwill	C13	6,878	6,644
Other intangible assets	C13	478	493
Property, plant and equipment	C14	538	562
Right-of-use assets	C15	10,535	9,709
Deferred tax assets	C11	381	352
Other non-current receivables	C16	53	58
Total non-current assets		18,863	17,818
Current assets			
Trade receivables	C17	1,312	1,039
Current tax assets		53	82
Other current receivables	C18	317	399
Cash and cash equivalents		513	716
		2,195	2,236
Assets held for sale	C19	18	18
Total current assets		2,213	2,254
TOTAL ASSETS		21,076	20,072
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Other contributed capital		4,405	4,405
Retained earnings		526	443
Equity attributable to shareholders		4,932	4,849
Non-controlling interests		25	22
Total equity		4,957	4,871
Non-current liabilities			
Liabilities to credit institutions	C21	2,069	2,246
Long-term lease liabilities	C15, C22	10,739	9,811
Deferred tax liabilities	C11	105	97
Provisions for post-employment benefits	C23	2	8
Other provisions	C24	70	64
Other non-current liabilities	C25	1	23
Total non-current liabilities		12,986	12,249
Current liabilities			
Liabilities to credit institutions	C21	1	0
Short-term lease liabilities	C15, C22	1,068	919
Short-term provisions	C24	53	117
Trade payables		425	358
Current tax liabilities		11	20
Other current liabilities	C27	1,571	1,534
		3,129	2,948
Liabilities held for sale	C19	4	4
Total current liabilities		3,133	2,952
TOTAL EQUITY AND LIABILITIES		21,076	20,072

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flow

January–December, SEKm	Note	2021	2020
Operating activities			
Profit before tax		103	-926
Adjustments for items not included in cash flow	C28	1,405	2,362
Paid income tax	C11	-58	-37
Cash flow from operating activities before changes in working capital		1,450	1,399
Cash flow from changes in working capital			
Changes in current receivables		-140	-126
Changes in current liabilities		68	372
Cash flow from operating activities		1,378	1,645
Investing activities			
Net change in assets and liabilities held for sale	C19	2	196
Investments in subsidiaries (net of acquired cash)	C29	-263	-114
Divestment of subsidiaries	C32	-1	-22
Investments in intangible assets	C13	-28	-12
Investments in tangible assets	C14	-142	-333
Divestments of tangible and intangible assets	C13, C14	19	26
Cash flow from investing activities		-413	-259
Financing activities			
Repayment of lease liabilities		-978	-898
Warrants		2	2
New borrowings	C21, C26	100	199
Repayment of loans	C21, C26	-300	-475
Cash flow from financing activities		-1,176	-1,172
Cash flow for the year		-211	214
Cash and cash equivalents at the beginning of the period		716	523
Effect of exchange rate changes on cash		8	-21
Cash and cash equivalents at the end of the period		513	716

See Note 28 Cash flow statement for information about interest received/paid.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in equity

SEKm	Equity attributable to shareholders						Non-controlling interests	Total equity
	Share capital	Capital contributions	Retained earnings		Total equity			
			Accumulated translation differences	Other retained earnings				
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								
Remeasurement 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								
Transactions with non-controlling interests	–	–	–	-14	-14	–	-14	
Share savings plan	–	–	–	0	0	–	0	
Warrants	–	–	–	2	2	–	2	
Total transactions with shareholders	–	–	–	-12	-12	–	-12	
Transactions with non-controlling interests	–	–	–	–	–	20	20	
Closing balance, 31 December 2020	1	4,405	76	367	4,849	22	4,871	
Opening balance, 1 January 2021	1	4,405	76	367	4,849	22	4,871	
Profit								
Profit for the year	–	–	–	56	56	3	59	
Other comprehensive income								
Remeasurement of defined benefit pension plans, net of tax	–	–	–	5	5	–	5	
Exchange rate differences on translation of foreign operations	–	–	26	–	26	–	26	
Total other comprehensive income	–	–	26	5	31	–	31	
Total comprehensive income	–	–	26	61	87	3	90	
Transactions with shareholders								
Share savings plan	–	–	–	2	2	–	2	
Warrants	–	–	–	1	1	–	1	
Total transactions with shareholders	–	–	–	3	3	–	3	
Transactions with non-controlling interests	–	–	–	-7	-7	–	-7	
Closing balance, 31 December 2021	1	4,405	102	424	4,932	25	4,957	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 health and 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 58-95 of the printed annual report. The consolidated financial statements will be subject to adoption by the Annual General Meeting (AGM) on 26 April 2022.

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 intra-group dealings, transactions, revenue and 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

A clarification of IAS 38 was issued during the year that explains how cloud computing arrangements should be accounted for.

The substance of the terms of the contract with the supplier determines how the contract should be accounted for. If the company has control over software and meets the criteria for recognising an asset, the costs should be capitalised.

If implementation costs do not meet the criteria to be recognised as an intangible asset, the costs must be expensed as the implementation services are rendered according to the contract. This clarification has not led to any material impact on the financial statements.

No new or amended accounting standards or improvements have otherwise taken effect during the year. IFRIC has also issued other interpretations and amendments. Implementation of these has not led to any restatement of earlier accounts.

Key accounting judgements, estimates and assumptions

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 judgements, 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 contingent consideration or share purchase 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 purchase option liabilities to these NCI. Remeasurements of share purchase option liabilities in NCI are accounted for as equity transactions in the consolidated financial statements. The Group finds that this accounting is justified because it reflects the implications of the transactions and thus provide a fairer picture. Accordingly, accounting conforms to other transactions with NCI. For each acquisition, a decision is made as to whether all NCI in the acquired entity should be measured at fair value or the NCI's proportionate share of the net assets of the acquired entity.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Statement of cash flow

The statement of cash flow 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 leases with property owners. 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.

Revenue recognition

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 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 negotiations 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.

Assistance and grants

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 of the inception of the lease, the company measured future lease payments at the present value of the lease payments unpaid as of that date. Lease payments are discounted using the implicit interest rate. 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 major contractual 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 in equity in equity, 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.

Leases

Attendo accounts for its leases according to IFRS 16 Leases. 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. 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 lease agreements 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 implicit interest rate in the lease is used to calculate the lease liability (the present value of future lease payments). 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. Recognised right-of-use assets under IFRS 16 include only the value of discounted leases that have been taken into use. Moreover, the obligations last for longer than 12 months and the leases are at 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 acquired entity and the fair value of non-controlling interests in the acquired entity.

Goodwill from business combinations is allocated to the cash-generating unit (CGU) 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 CGU 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 judgements, estimates and assumptions and Note C13, Intangible assets.

Customer relationships

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

Customer relationships 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 amortisa-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

tion and any impairment losses. Assets are amortised by the straight-line method over the estimated useful lives of customer relationships.

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 assets are amortised. The estimated useful lives of the assets are as follows:

Asset	Years
Customer relationships	5–10

Impairment testing and the recognition of impairment for customer relationships 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 according to the straight-line method 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 acquires 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 good will. The estimated useful lives of the assets are as follows:

Asset	Years
Customer contracts	6–20
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 impairment for other intangible assets are conducted in the same manner as for goodwill.

Cloud-based IT services are accounted for according to the substance of the agreement.

If the company has control over software and meets the criteria for recognising an asset, the costs should be capitalised. If implementation costs do not meet the criteria to be recognised as an intangible asset, the costs must be expensed as the implementation services are rendered according to the contract.

Property, plant and equipment

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

Depreciation is recognised using the straight-line method over the estimated useful life of the asset. In cases where part of property, plant and equipment consist of several components, where each component 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 follows:

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 using the straight-line method over the life of the lease. The estimated useful lives of the assets are as follows:

Asset	Years
Real estate	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 are 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 settlement is material, provisions are calculated on the basis of discounting estimated future cash flows.

Right-of-use assets are impaired when the economic ben-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

efits 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 disposal. Value in use is calculated through discounting the future cash flow. 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, where applicable, personnel 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 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. Payments that fall due more than 12 months after the end of the reporting period are discounted to present value.

Items affecting comparability

Items classified as items affecting comparability are those where it is important to note the profit impact when profit for the period is compared with earlier periods, such as significant impairment losses and other significant, non-recurrent costs or revenues. 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.

Share-based incentive programmes

Attendo launched two share-based incentive programmes, the Attendo+ share savings programme and a Performance-based Shares Programme based on share rights that give employees the opportunity to acquire shares in Attendo. In accordance with IFRS 2, costs related to the share savings programmes are expensed as a personnel cost during the vesting period and recognised directly in equity. The social insurance fees paid by reason of the share-based incentive programmes 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 the number of matching shares and performance-based shares expected to be granted and is recognised as a provision on an ongoing basis.

New or amended IFRS standards

New or amended standards or interpretations that will take effect in the next reporting year or later were not early applied in the preparation of the consolidated financial statements. These new amendments and interpretations are not expected to have material impact on the consolidated financial statements.

Performance measures not defined in IFRS

The Attendo Group's consolidated financial statements are prepared according to IFRS. Only a few performance 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 (AFM). An AFM 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 109.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C2 KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The consolidated financial statements are prepared in accordance with IFRS. The preparation of financial statements 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.

Attendo tested carried goodwill during the year for indication of impairment. As in previous years, impairment testing was done separately for Attendo Scandinavia (AS) and Attendo Finland (AF). Attendo has large recognised asset values related to long-term leases, usually with terms of more than 10 years. In addition, future demographic changes are expected to lead to further increases in the need for the group's services after year five in the forecast period. Attendo has therefore used a ten-year forecast period.

The test showed no indication of impairment. Further information is provided in 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.

Attendo assessed right-of-use assets for indication of impairment during the year. This resulted in impairment of right-of-use assets in Sweden by SEK 33m in 2021. An impairment loss of SEK 134m on assets in Finland was taken in the comparison year. The majority of the impairment loss in 2020 was due to that the start-up period for new units, were expected to be extended, as the inflow of new customers has decreased as a consequence of concerns related to Covid, resulting in a reduction of value in use.

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 impairments 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 any 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. If this involves a right-of-use asset, it is recognised as an impairment of the right of use. As of 31 December 2021, the total provisions for onerous contracts amounted to SEK 54m (63). See Note C15 Right-of-use assets and Note C24 Provisions for more information regarding provisions and impairments.

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 thus 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 2021, the group recognised income tax expenses of SEK -44m (22).

Deferred tax assets and liabilities are recognised as temporary differences and unutilised tax loss carry forwards. The valuation of tax loss carry forwards is based on management's estimates of future taxable income in the respective tax areas. At 31 December 2021, the value of deferred tax assets amounted to SEK 381m (352). More detailed information on taxes is found in Note C11 Taxes.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 may 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.

The Covid pandemic

The Covid pandemic remains a significant risk for Attendo, with serious impact on Attendo's business and financial performance. The main impacts of the pandemic are decreased occupancy and increased personnel costs due to high absenteeism due to illness among employees. The Covid pandemic reduced profit by about SEK -80m (-120) in 2021 due to lost sales and increased costs, including public relief measures. Attendo carried out impairment tests during the comparison year of non-current assets due to the Covid situation. See Note C13 Intangible assets and Note C15 Right-of-use assets for further information. "Other eliminations in the segment tables covers costs for the head office and Group eliminations.

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

2021, SEKm	Scandinavia	Finland	Group
Net sales by contract model	6,037	6,830	12,867
Own operations	4,632	6,772	11,404
Outsourcing	1,405	58	1,463

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

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 78 outsourcing contracts. Average annual sales in Sweden for outsourced units are SEK 29m for nursing homes and SEK 12m 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 6.5bn. Of these, an estimated 25 percent will be generated next year and a further 22 percent in the year after next.

Transaction prices allocated to remaining performance obligations, SEKm	2022	2023	Total
Aggregated expected revenues related to outsourcing contracts:	1,631	1,411	6,512

Contracting local authorities

Attendo had no contracting local authorities in 2021 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, p. 33.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

SEKm	2021				2020			
	Scandinavia ³	Finland	Other and eliminations	Group	Scandinavia ³	Finland	Other and eliminations	Group
Operating income								
Net sales	6,037	6,830	0	12,867	6,027	6,261	–	12,288
Other operating income	15	9	0	24	64	9	–	73
Total revenue	6,052	6,839	0	12,891	6,091	6,270	–	12,361
Operating costs								
Personnel costs	-4,113	-4,542	-54 ¹	-8,709	-4,125	-4,111	-49	-8,285
Other external costs	-744	-1,257	-15 ²	-2,016	-777	-1,234	-12 ²	-2,023
Operating profit before depreciation and amortisation (EBITDA)	1,195	1,040	-69	2,166	1,189	925	-61	2,053
Amortisation and depreciation, tangible and intangible assets	-585	-744	-1	-1,330	-531	-725	–	-1,256
Operating profit after depreciation (EBITA)	611	296	-70	836	658	200	-61	797
Amortisation of acquisition-related intangible assets	-14	-68	–	-81	-21	-103	–	-124
Operating profit, excluding items affecting comparability	597	228	-70	755	637	97	-61	673
Items affecting comparability	–	–	–	–	–	-955	–	-955
Operating profit (EBIT)	597	228	-70	755	637	-858	-61	-282
Profit after financial items								
Financial income	–	–	–	3	–	–	–	14
Financial expenses	–	–	–	-655	–	–	–	-658
Net financial items	–	–	–	-652	–	–	–	-644
Profit (-loss) before tax	–	–	–	103	–	–	–	-926
Income tax	–	–	–	-44	–	–	–	22
Profit for the year	–	–	–	59	–	–	–	-904

1) Other, i.e., the cost of the head office, amounts to SEK 54m (49). Eliminations amount to SEK 0m (1).

2) Other, i.e., the cost of the head office, amounts to SEK 15m (12).

3) Net sales for Scandinavia are distributed as follows: Sweden, SEK 5,881m (5,684), Norway SEK – m (178) and Denmark SEK 156m (165).

Other segment information

SEKm	2021				2020			
	Scandinavia	Finland	Head office balance sheet	Group	Scandinavia	Finland	Head office balance sheet	Group
Assets	10,378	10,431	267	21,076	9,522	10,202	348	20,072
Liabilities	5,976	8,004	2,139	16,119	5,204	7,726	2,271	15,201
Investments in tangible and intangible assets	65	104	1	170	74	271	0	345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Non-current assets by country

2021, SEKm	Sweden	Denmark	Finland	Head office	Total
Intangible non-current assets	4,714	–	2,641	1	7,356
Property, plant and equipment	165	10	363	–	538
Right-of-use assets	4,309	99	6,127	–	10,535
Non-current receivables	6	4	43	–	53
Total	9,194	113	9,174	1	18,482

2020, SEKm	Sweden	Denmark	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

C4 OTHER OPERATING INCOME

Other operating income

SEKm	2021	2020
Gains on sales of non-current assets	9	12
Gains on sales of assets held for sale	1	43
Other	14	18
Total	24	73

C5 INFORMATION ON BOARD MEMBERS, SENIOR EXECUTIVES AND EMPLOYEES

Board remuneration

The Board of Directors of the parent company was composed of seven directors elected by the general meeting at the end of the year, of whom three women. The 2021 AGM approved Board fees of SEK 3,670,000 in total (including base fee and committee fee), to be distributed as follows: SEK 1,000,000 to the Chair of the Board and SEK 350,000 to other Board members not employed by the company, SEK 200,000 to the Chair of the Audit Committee and SEK 85,000 to the other members of the Audit Committee (maximum of 2) and SEK 100,000 to the Chair of the Compensation Committee and SEK 50,000 to the other members of the Compensation Committee (maximum of 2).

SEKk	Board fee		Committee fee		Total fee	
	2021	2020	2021	2020	2021	2020
Chair						
Ulf Lundahl	1,000	1,000	50	50	1,050	1,050
Directors						
Catarina Fagerholm	350	350	200	200	550	550
Tobias Lönnevall	350	350	185	185	535	535
Alf Göransson	350	350	135	135	485	485
Suvi-Anne Siimes	350	350	–	–	350	350
Anssi Soila	350	350	–	–	350	350
Margareta Danelius	350	–	–	–	350	–
Employee representatives						
Faya Lahdou	–	–	–	–	–	–
Katarina Nirhammar, alternate	–	–	–	–	–	–
Amanda Hellström, alternate	–	–	–	–	–	–
Total	3,100	2,750	570	570	3,670	3,320

For further information about the work of the Board of Directors and board committees, please refer to Attendo's Corporate Governance Statement on page 40.

Remuneration to the CEO and Executive Management

The remuneration to Executive Management (the CEO and the other members of the Executive Management team) is based on the guidelines for executive remuneration adopted by the general meeting and resolved by the Board. According to the guidelines, 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.

In 2021, the Board resolved to abolish the system with variable cash remuneration to the CEO and Executive Management. Variable cash remuneration has been replaced with a gradual increase of the fixed salary of 20 percent, in total, over two years (10 percent per year). The total remuneration to the CEO in 2021 amounted to kSEK 12,285, which is a decrease of 5 percent compared to 2020.

From 2022, the CEO and members of the Executive Management will also participate in Attendo's long-term performance share program for senior executives, which gives participants the right to receive shares in Attendo after three years, subject to Attendo meeting targets regarding customer satisfaction and financial development and that the participant is still employed at the time of the final allotment.

In total, the transition from the old remuneration system (2020) to the new system entails, for the CEO, that the potential of receiving 8 monthly salaries in variable cash remuneration (67 percent of the fixed salary) has been replaced by an increase of the fixed salary of approximately 2.5 monthly salaries (20 percent) and the possibility to receive shares in the company's long-term performance share program corresponding to a maximum of three monthly salaries.

For the other members of the Executive Management, the transition entails that that the potential of receiving 6 monthly salaries in variable cash remuneration (50 percent of the fixed salary) has been replaced by an increase of the fixed salary of approximately 2.5 monthly salaries (20 percent) and the possibility to receive shares in the company's long-term performance share program corresponding to a maximum of two monthly salaries.

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 end of the financial year, because costs could include booked costs for share related remuneration that is paid after the relevant vesting period. The table below refers to the group's employee benefits expenses for Executive Management in the financial year.

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Compensation to the CEO and other members of the Executive Management

	Fixed salary ²		Variable salary ³		Share-based compensation ⁴		Other remuneration and benefits ⁵		Pension cost		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SEKk												
CEO	8,707	7,723	–	2,587	894	158	110	128	2,574	2,295	12,285	12,891
Other members of Executive Management ¹	12,015	10,651	–	2,252	784	340	588	608	3,312	3,304	16,699	17,155
Total	20,722	18,374	–	4,839	1,678	498	698	736	5,886	5,599	28,984	30,046

1) Other members of executive management (excluding the CEO) comprised five individuals at year-end 2021.

2) Fixed salary includes annual leave pay.

3) The system with variable cash remuneration was abolished in 2021. Reported variable remuneration for 2020 includes both the accrued cost for short-term variable remuneration and vested subsidies for acquisitions of call options and warrants. From 2021, vested subsidies for acquisitions of instruments in the company's long-term incentive programs are accounted as share-based payments as such subsidies are part of the programmes. Variable remuneration for 2020 was earned as a result of achieved targets regarding quality and customer satisfaction as well as employee satisfaction (not financial results), which was paid in 2021. The CEO Martin Tivéus decided to give the variable remuneration that was paid to him to Attendo for employee purposes.

4) Share-based payments refers to the forecast outcome of long-term incentive programmes, calculated in accordance with IFRS 2, and were expensed in 2020 and 2021. As discussed above, vested subsidies of investments in the company's long-term incentive programmes are accounted for as share-based payments as of 2021.

5) Other remuneration and benefits refer mainly to company cars.

Composition of Executive Management

At the end of 2021, 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 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 and is determined in accordance with the guidelines for remuneration to Executive Management adopted by the general meeting. The CEO is entitled to a premium-based pension plan of own 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 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 six months' salary.

Number of employees, salaries and other remuneration

Number of employees	2021			2020		
	Women	Men	Total	Women	Men	Total
Scandinavia	6,972	2,080	9,052	7,096	1,979	9,075
Finland	8,922	1,067	9,989	8,172	931	9,103
Total	15,894	3,147	19,041	15,268	2,910	18,178

Costs of remuneration to employees

SEKk	2021	2020
Salaries and wages	6,758	6,465
Social costs	1,083	1,062
Pension costs	838	728
Total	8,679	8,255

Other remuneration

Under the currently applicable guidelines for remuneration to executive management adopted by the general meeting, the board may resolve to pay variable cash remuneration, subject to achievement of targets linked to shareholder value (financial targets for the group and the respective business areas, as appropriate), as well as quality, customer satisfaction and employee satisfaction. In 2021, the board resolved to abolish the system with variable cash remuneration. The board may, under the guidelines, resolve on payments of specific remuneration in order to enable investments in Attendo to promote a personal long-term interest in Attendo's development as well as in extraordinary circumstances.

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. The investment in the options acquired in 2018 was subsidized by Attendo, with approximately 50 percent of the option premium, post tax, which was paid in 2020 and 2021.

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, have been eligible to receive matching and/or performance shares (subject to fulfillment of predetermined performance targets during the program period). Attendo+ 2019, which was approved by the general meeting in 2019, ended 31 December 2021. The program was directed to members of the Attendo's Executive Management. The program entitled 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 was subject to Attendo achieving a certain predetermined target, adopted by the board, related to the group's accumulated EBITA (calculated in accordance with the previous accounting standard IAS 17, i.e. excluding effects from the implementation of IFRS 16) during the time period 2019–2021. The board has resolved that the target fulfillment is 0 percent.

Performance share programs

The annual general meetings 2020 and 2021 have also resolved to adopt performance based long-term incentive program to senior executives and key employees in the Attendo group. The programs entail that the participants are granted, free of

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Outstanding share rights

Share rights	2021				2020				
	Performance shares programme 2021	Performance shares programme 2020	Attendo+ 2019	Attendo+ 2018	Performance shares programme 2020	Attendo+ 2019	Attendo+ 2018	Attendo+ 2017	Attendo+ 2016
As of 1 January	–	198,090	270,023	–	–	270,023	137,074	–	25,944
Granted (Recognised)	177,556	–	–	–	198,090	–	–	–	–
Forfeited	4,587	39,742	249,975	–	–	–	137,074	–	3,365
Exercised (Allotted)	–	–	–	–	–	–	–	–	22,579
As of 31 December	172,969	158,348	20,048	–	198,090	270,023	–	–	–

charge, performance-based share awards that entitle to shares in Attendo, after three years, subject to the participants still being employed and that the performance conditions for the programs are fulfilled.

Performance share program 2020/2023 comprises a maximum of 200,000 shares and the performance conditions are based on EBITA targets (including the effects of the implementation of IFRS 16) for Attendo's respective business areas (Scandinavia and Finland, respectively) for 2022, as determined by the Board of Directors. The program is directed to approximately 50 individuals.

Performance share program 2021/2024 comprises a maximum of 230,000 shares and the performance conditions are based on EBITA targets (excluding the effects of the implementation of IFRS 16) for Attendo's respective business areas (Scandinavia and Finland, respectively) for 2023, as determined by the Board of Directors. The program is directed to approximately 50 individuals.

Warrant programs

The annual general meetings 2020 and 2021 have resolved to adopt long-term incentive programs to senior executives in the Attendo Group based on warrants. The programs and entail that the participants 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 three years (program 2021/2024) and three-five years (program 2020/2025). Each warrant entitles to subscription of one new share in Attendo.

Warrants in warrant programmes have been issued in accordance with the below.

Participant	Number of warrants	
	2021/2024	2020/2025
Program		
CEO	140,000	158,730
Other Executive Management	305,340	127,302
Other	–	41,027
Total	445,340	327,059
Warrants	Market value (at acquisition), SEK	
Warrant program, series 2021/2024	4.12	
Warrant program, series 2020/2025	6.30	
	Program	
Assumptions in market valuation*	2021/2024	2020/2025
Share price, SEK	41.63	39.91
Volatility, %	30	29
Risk free interest rate, %	-0.26	-0.23
Exercise price, calculated in accordance with the terms established by the general meeting	50.20	49.90

* Valuation according to Black & Scholes by independent audit firm.

Attendo shall, according to the resolutions by the general meetings, 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 a cash payment to be paid 24 and 36 months, respectively, after the subscription date (with 50 percent at each of the respective dates).

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, 2021 Attendo held 473,744 own shares.

Outstanding share rights

The table above shows granted, forfeited and exercised share rights within Attendo+ and the Performance share pro[ogrammes]. The performance shares in Attendo+ 2018 and Attendo+ 2019 are considered forfeited. Assuming that the performance targets in the Performance share program 2020 and Performance share program 2021 are fully met, the total cost for the programmes is estimated at SEK 17m. Maximum dilution for the programmes is estimated at 0.22 percent of total outstanding shares.

C6 GOVERNMENT GRANTS

In relation to the pandemic, Attendo has received government grants to compensate for increased costs for personal protective equipment (PPE) and increased wage costs as a result of higher sick leave or cohort care. Compensation for costs due to higher sick leave in Sweden is a general grant that covers all employers in Sweden, while other compensation refers to specific added costs. Private providers can receive government grants in the form of compensation for specific added costs in Sweden and Finland only by applying for compensation via local authorities and regions, which grant compensation for which they are reimbursed by the state. In the financial statements, this is accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance and has reduced the corresponding costs as shown on the table below.

Received government grants

SEKm	2021	2020
Other external costs	83	33
Personnel costs	82	100
Total	165	133

Of the grants received in 2021, SEK 81m refers to compensation for certain added costs incurred in 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The pandemic has entailed significantly higher than normal costs for personnel and PPE. In addition to these direct cost increases, the pandemic has caused significantly lower occupancy, especially in Attendo Scandinavia, and thus lower profit due to a large share of fixed costs. As mentioned above, Attendo has received government compensation for certain added costs. Attendo estimates the net profit impact of all pandemic-related effects, including the aforementioned grants, at SEK -80m (-120).

C7 OTHER EXTERNAL COSTS

Other external costs

SEKm	2021	2020
Care and health care services	188	156
Consumables	575	626
Rent costs	184	199
Other property costs	488	480
External services	51	50
IT costs	179	150
Other	351	362
Total	2,016	2,023

C8 AUDIT FEES

Audit fees

SEKm	2021	2020
PwC		
Audit fees	9	8
<i>Of which to parent company auditors</i>	4	4
Fees, audit-related	0	0
<i>Of which to parent company auditors</i>	0	0
Fees, tax matters	0	0
<i>Of which to parent company auditors</i>	0	0
Other fees	0	0
<i>Of which to parent company auditors</i>	0	0
Total	9	8

SEKm	2021	2020
Other companies		
Audit fees	-	-
Fees, audit-related	-	-
Fees, tax matters	-	-
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 engagement.

Other services in 2021 consisted of various advisory services, as in the preceding year.

C9 ITEMS AFFECTING COMPARABILITY

Attendo reported items affecting comparability of SEK 955m in the comparison year. As a consequence of the Covid situation, Attendo retested goodwill for impairment. Considering the impact and uncertainty of the pandemic, the test was performed with assumptions of weaker profitability in the short-term and a higher cost of capital due to a higher risk premium. The impairment test resulted in an impairment of SEK 821m for the Finnish operations.

In addition to the impairment of goodwill, Attendo also reviewed right-of-use assets for indication of potential impairment in the preceding year. This resulted in an impairment of right-of-use assets in Finland by SEK 134m. The majority of the impairment loss was due to the extension of the estimated loss period for new units, as the inflow of new customers has decreased as a consequence of concerns related to Covid, resulting in a reduction of value in use.

Items affecting comparability

SEKm	2021	2020
Impairment of goodwill	-	821
Impairment of right-of-use assets	-	134
Total items affecting comparability	-	955

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

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

1) If the impairment of ROU assets had been reported on the line "Amortisation, depreciation and impairments on property, plant and equipment and intangible assets", the total would have been SEK -1,390m.

2) If the impairment of ROU assets had been reported on the line "Amortisation of acquisition-related intangible assets", the total would have been SEK -945m.

C10 FINANCIAL INCOME AND EXPENSE

Financial income

SEKm	2021	2020
Interest income	3	2
Exchange rate gains	0	12
Total financial income	3	14

Financial expenses

SEKm	2021	2020
Interest expenses on borrowings	-39	-59
Depreciation of capitalised financing costs	-5	-5
Impairment of capitalised financing costs	-	-
Interest expenses related to lease liabilities	-581	-559
Interest expenses on post-employment benefits	-2	-2
Exchange rate losses	0	-1
Other financial expenses	-28	-32
Total financial expenses	-655	-658
Net financial items	-652	-644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C11 TAXES

Income taxes recognised in the income statement

SEKm	2021	2020
Current tax	-74	-58
Deferred tax	30	80
Total tax	-44	22

The effective tax rate is 42.7 percent.

A reconciliation between this year's recognised tax expense and the tax expense that would arise if the Swedish tax rate of 20.6 percent was applied to profit before tax is shown below.

Reconciliation of effective tax

SEKm	2021	2020
Profit (-loss) before tax	103	-926
Tax according to Swedish tax rate	-21	198
Effect of foreign tax rates	-1	-18
Tax effect of non-deductible items	-15	-27
Tax effect of non-taxable income	1	9
Tax effect of changed tax rate	0	0
Tax effect of non-deductible goodwill impairment	-	-164
Revaluation of temporary differences	-5	0
Revaluation of tax loss carry forwards	2	13
Tax attributable to previous years	-5	-1
Other	0	12
Tax expense	-44	22

Deferred tax assets and tax liabilities

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

Deferred tax assets

SEKm	2021	2020
Tax loss carryforwards	95	84
Provisions for post-employment benefits	0	2
Other provisions	92	95
Right-of-use assets	188	159
Other	6	12
Total	381	352

Changes in deferred tax assets

SEKm	2021	2020
Opening balance, 1 January	352	293
Tax loss carryforwards	11	3
Provisions for post-employment benefits	-2	-2
Provisions	-3	32
Right-of-use assets	29	33
Exchange rate differences	0	-7
Other	-6	0
Closing balance, 31 December	381	352

Deferred tax liabilities

SEKm	2021	2020
Intangible assets	50	52
Other temporary differences	55	45
Total	105	97

Deferred tax liabilities consist of tax on customer relations of SEK 48m, tax on brands of SEK 2m and other deferred tax liabilities totalling SEK 55m.

Changes in deferred tax liabilities

SEKm	2021	2020
Opening balance, 1 January	97	88
Customer contracts	-	-
Customer relations	-2	-33
Exchange rate differences	1	-3
Other	9	45
Closing balance, 31 December	105	97

Deferred tax, Other Comprehensive Income

Tax items attributable to OCI

SEKm	2021	2020
Deferred tax on revaluation of provisions for post-employment benefits	1	-2
Deferred tax on OCI	1	-2

Tax loss carryforwards

SEKm	2021	2020
Tax loss carryforwards, Sweden	1	22
Tax loss carryforwards, Finland	581	341
Tax loss carryforwards, Norway	5	0
Tax loss carryforwards, Denmark	234	218

Total tax loss carryforwards as of 31 December 2021 amounted to SEK 169m (121). Of the loss carryforward, SEK 95m (84) has been measured and these are found in Finland in 2021 and in Finland and Sweden in 2020.

C12 EARNINGS PER SHARE

Basic and diluted earnings per share

SEK	2021	2020
Basic earnings per share	0.35	-5.63
Diluted earnings per share	0.35	-5.63
Adjusted earnings per share attributable to parent company shareholders, diluted	1.48	1.43

Basic earnings per share

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

Basic earnings per share	2021	2020
Profit attributable to parent company shareholders (SEKm)	56	-906
Weighted average shares outstanding during the year, basic	160,912,848	160,903,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Diluted earnings per share

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

Diluted earnings per share	2021	2020
Profit attributable to parent company shareholders (SEKm)	56	-906
Weighted average shares outstanding during the year, basic	160,912,848	160,903,587
Adjusted for:		
Warrants	-	-
Share savings programmes	16,960	16,697
Weighted average outstanding shares during the year, diluted	160,929,808	160,920,284

C13 INTANGIBLE ASSETS

Intangible assets 2021

SEKm	Goodwill	Customer relations	Customer contracts	Other assets	Total
Opening balance	6,644	432	0	61	7,137
Acquisitions	208	47	-	-	255
Investments	-	-	-	28	28
Sales and obsolescenc	-13	-	-	-	-13
Reclassifications	-	-	-	-	-
Amortisation	-	-81	0	-16	-97
Impairments	-	-	-	-	-
Exchange rate differences	39	6	-	1	46
Closing balance	6,878	404	-	74	7,356

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 obsolescenc	-15	-5	0	-1	-21
Reclassifications	-	-	-	-	-
Amortisation	-	-123	-1	-19	-143
Impairments	-821	-	-	-	-821
Exchange rate differences	-95	-16	0	-1	-112
Closing balance	6,644	432	0	61	7,137

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 (CGU) 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 CGU, as these reflect the way Attendo manages its operations. In addition, these two CGU correspond to the lowest level at which financial position is monitored. The two CGU are designated Attendo Scandinavia (AS) and Attendo Finland (AF).

As in the preceding year and in response to the Covid-19 situation, Attendo has performed an updated test of goodwill to determine whether there was any indication of impairment of

carried goodwill. Considering the impact and uncertainty of the pandemic, the test was performed with assumptions of weaker profitability in the short-term 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 indication of impairment

	AS	AF
WACC before tax 2021, %	10.0	10.7
WACC before tax 2020, %	10.4	11.1

Sensitivity analysis of impairment testing of goodwill

The following sensitivity analyses of the calculation of value in use in connection with the impairment assessment have been carried out, assumption by assumption: general reduction of organic growth by 1 percentage point in the forecast period; general reduction of the operating margin by 1.0 percentage points; general increase of WACC by 1.0 percentage points; and a general reduction of the growth rate after the forecast period by 1.0 percentage points. A sensitivity analysis for the changes in assumptions used in impairment testing has been carried out for all cash-generating units.

The conclusion of the sensitivity analyses performed is that an isolated adjustment of assumptions does not generate an indication of in the Finland CGU, but does arise in the Scandinavia CGU i the amounts of SEK 960m, SEK 2,474m and SEK 275m, respectively.

Attendo has large recognised asset values related to long-term leases, usually with terms of more than 10 years. In addition, future demographic changes are expected to lead to further increases in the need for the group's services after year five in the forecast period. Attendo has used a ten-year forecast period in impairment testing. The growth rate in the budget and ten-year forecast is based on industry data, expected changes in the market and management's experience from similar markets and Attendo's strategy. The budget and ten-year forecast are used for operational management and are intended to ensure that financial targets are met over time. Attendo takes a conservative approach to its estimates to determine value in use, which means that financial targets are the basis for estimates when they are lower than budgeted and forecast outcomes. A long-term growth rate of 1 percent (2) was assumed for the subsequent period. This does not exceed the average long-term growth rate for the sector as a whole and is based on industry data, expected changes in the market and management and the Board of Directors' experience from similar markets. The Board of Directors and management have determined the assumptions based on historical outcomes and their expectations for market development. The weighted average growth rate used is consistent with forecasts issued in industry reports. The discount rates used are stated before tax and reflect the specific risk for the identified cash generating unit.

The test of goodwill showed no indication of impairment. The test in the preceding year resulted in an impairment of goodwill in Attendo Finland of SEK 821m.

Distribution of goodwill in the Group

SEKm	AS	AF	Total
Goodwill as of 2021-12-31	4,639	2,239	6,878
Goodwill as of 2020-12-31	4,584	2,060	6,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 2021

SEKm	Buildings and land	Equipment and vehicles	Total
Opening balance	107	455	562
Acquisitions	10	3	13
Investments	4	138	142
Disposals and divestments	-5	-14	-19
Reclassifications	-	-	-
Depreciation and impairments	-17	-149	-166
Exchange rate differences	2	4	6
Closing balance	101	437	538

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

C15 RIGHT-OF-USE ASSETS

Right-of-use assets 2021

SEKm	Premises	Vehicles	Total
Opening balance	9,674	35	9,709
New leases and index adjustments	1,935	17	1,952
Sales	-18	3	-15
Depreciation	-1,124	-24	-1,148
Impairments	-33	0	-33
Reclassifications from provisions	-46	0	-46
Exchange rate differences	116	0	116
Closing balance	10,504	31	10,535

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

Amount recognised in income statement

SEKm	2021	2020
Costs attributable to short-term leases	31	35
Costs attributable to low-value leases	41	39
Costs attributable to variable lease payments not included in the lease liability	112	124
Total	184	198
Interest expense attributable to right-of-use assets	581	559

Lease liabilities

SEKm	2021	2020
>12 months	1,068	919
2-5 years	4,323	3,848
6-10 years	4,018	3,608
>10 years	2,398	2,355
Total	11,807	10,730

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). For 2021, an interest rate of 3.25–4.55 percent is used for leases in Sweden, (3.40–5.00); 3.65–5.10 percent in Finland (3.90–5.50); and 4.25–6.25 percent in Denmark (4.40–6.60). The discount rate for cars leased in Sweden is based on the estimated interest in each lease.

Indexation

Variable lease payments tied to an index or price are included in the value of right-of-use assets 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 and 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 1,559m (1,457).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. As of the end of this financial year, the guaranteed residual value not included in lease liabilities amounted to SEK 46m (46). 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.

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 non-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, and is therefore not defined as a sublease within the framework of 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.

Impairments and reclassifications

Attendo assesses right-of-use assets for any indication of impairment at each reporting date. This has resulted in impairment of right-of-use assets during the year by SEK 33m (134). The majority of the impairment loss was due to the extension of the estimated loss period for new units, as the inflow of new customers has decreased as a consequence of concerns related to Covid, resulting in a reduction of value in use.

SEK 30m (0) was reclassified during the year from accrued expenses to impairments of right-of-use assets and SEK 16m (49) was reclassified from provisions to impairments of right-of-use assets, of which SEK 5m (67) refers to Finland and SEK 11m (-18) refers to Sweden.

C16 OTHER NON-CURRENT RECEIVABLES**Other non-current receivables**

SEKm	2021	2020
Deposits, rent for premises	18	23
Financing of projects in own operations	1	1
Deposit guarantees	4	4
Other	30	30
Total	53	58

C17 TRADE RECEIVABLES**Trade receivables**

SEKm	2021	2020
Trade receivables	1,317	1,045
Allowance for doubtful debt	-5	-6
Trade receivables, net	1,312	1,039

Ageing structure

SEKm	2021	2020
Not past due	1,127	937
Past due 1-30 days	161	82
Past due 31-60 days	9	7
Past due 61-90 days	7	3
Past due > 90 days	13	16
Trade receivables, gross	1,317	1,045

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

Change in allowance for doubtful debts

SEKm	2021	2020
Opening balance	-6	-6
Allowance for doubtful debts for the year	-7	-1
Confirmed trade losses	7	1
Recovered doubtful debt	1	0
Closing balance	-5	-6

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

Trade receivables by currency

SEKm	2021	2020
SEK	619	552
EUR	66	47
NOK	0	0
DKK	11	10

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2021	Current (<30 days)	Past due 31-60 days	Past due 61-90 days	Past due >90 days	Total
Expected loss level, %	0.02	0.16	1.07	35.29	
Recognised trade receivables – gross (SEKm)	161	9	7	13	190
Credit loss allowance (SEKm)	0	0	0	5	5
1 January 2021					
Expected loss level, %	0.02	0.16	1.07	35.29	
Recognised trade receivables – gross (SEKm)	82	7	3	16	108
Credit loss allowance (SEKm)	0	0	0	6	6

C18 OTHER CURRENT RECEIVABLES

Other current receivables

SEKm	2021	2020
Other receivables	18	95
Prepaid rent	90	66
Accrued income	121	174
Other prepaid expenses	88	64
Total	317	399

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 in profit and loss in 2021 amounts to SEK 1m (43), by reason of a capital gain of SEK 1m (41) related to 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 66.

SEKm	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Goodwill	0	0
Other intangible assets	0	0
Property, plant and equipment	18	18
Total non-current assets	18	18
Total assets held for sale	18	18
LIABILITIES		
Deferred tax liabilities	0	0
Total non-current liabilities	0	0
Current liabilities		
Trade payables	0	0
Other current liabilities	4	4
Total current liabilities	4	4
Total liabilities attributable to assets held for sale	4	4
Net assets classified as held for sale	14	14

Change in net assets held for sale

SEKm	2021	2020
Opening balance	14	167
Investments	5	13
Divestments	-5	-166
Other	0	0
Closing balance	14	14

C20 EQUITY

Equity comprises registered share capital, other contributed capital, retained earnings or loss and non-controlling interests.

Share capital

Share capital amounted to SEK 884,551 as of 31 December 2021. There were 161,386,592 shares outstanding. The quotient value is SEK 0.005 and each share carries equal voting rights.

Capital contributions

Refers to equity contributed by shareholders. This includes share premiums paid in connection with share issues.

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 translation of 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

The share of equity attributable to shareholders with non-controlling interests is reported as an item in equity segregated from the parent company's share of equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C21 LIABILITIES TO CREDIT INSTITUTIONS*Liabilities to credit institutions*

SEKm	2021	2020
Liabilities to credit institutions	2,079	2,255
Less capitalised financing costs	-9	-9
Total	2,070	2,246

Change in liabilities to credit institutions

SEKm	2021	2020
Opening balance	2,246	2,838
Cash items		
Borrowings and acquired loans	100	199
Repayment of loans	-300	-475
Non-cash items		
Exchange rate fluctuations	24	-54
Divested loans	-	-257
Change in capitalised financing costs	0	-5
Closing balance	2,070	2,246

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

Liabilities to credit institutions as of 31 December 2021 were distributed among the following currencies:

	Local currency	SEKm
EUR	125	1,278
SEK	800	800

Effective interest rate at the reporting date

	2021	2020
Bank loans, %	1.60	2.15
Bank overdraft facility, %	1.60	2.15

Liabilities to credit institutions consist of a revolving line of credit and a term loan

Attendo's financing agreement has a term of three years (from 2019) with an option to extend the term by up to two years. The option to extend the due date for existing loan agreements was extended from 2022 to 2024 was exercised in 2021. According to the financing agreement, the group has two financial covenants (net debt/EBITDA and interest coverage ratio) linked to the group's loan facilities. Attendo regularly monitors these covenants and reports them to lenders on a quarterly basis.

C22 LEASE LIABILITIES

SEKm	2021	2020
Lease liability	11,807	10,730
Total	11,807	10,730

Change in lease liabilities

SEKm	2021	2020
Opening balance	10,730	9,502
Cash items		
Amortisation of lease liability	-978	-898
Non-cash items		
Exchange rate differences	128	-239
Change in lease liabilities	1,927	2,365
Closing balance	11,807	10,730

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 2021 amounts to SEK 121m (119). The expected cost for the ITP2 plan in 2022 is SEK 109m. The surplus in Alecta can be allocated to the insured employer and/or the insured employees. Alecta's preliminary consolidation level on 31 December 2021 was 172 percent (148). 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 who were employed by the Group's Norwegian company before the Norwegian business was sold are covered primarily by defined contribution pension plans, other than certain occupational categories that are covered by defined benefit pension plans. As the Norwegian business has been sold, the defined contribution pension plans constitute a minor part of the group's total pension plans.

Other countries

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

Defined contribution pension plans

SEKm	2021	2020
Sweden	199	185
Finland	638	530
Norway	-	3
Denmark	7	9
Total	844	727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Defined benefit pension plans

As the group reports only defined benefit pension plans in Norway, all information refers to the group's former operations in Norway. The cost of defined benefit pension plans was SEK 0m (-7) and recognised in consolidated comprehensive income the defined benefit pension plans amount to SEK 5m (-8).

The present value of defined benefit pension obligations is SEK 94m (86) and the present value of plan assets is SEK -92m (-78). The total present value of pension obligations at 31 December 2021 was SEK 2m (8).

C24 PROVISIONS*Provisions*

SEKm	2021	2020
Provisions for onerous contracts	54	63
Provisions for demolition costs	61	106
Other provisions	8	12
Closing balance	123	181
Of which long-term provisions	70	64
Of which short-term provisions	53	117

Change in provisions

SEKm	2021	2020
Opening balance	181	227
New/extended provisions	3	2
Exchange rate differences	2	-7
Reclassifications to impairments of right-of-use assets	-16	-49
Other provisions	-47	8
Closing balance	123	181

C25 OTHER NON-CURRENT LIABILITIES*Other non-current liabilities*

SEKm	2021	2020
Additional purchase consideration	0	0
Purchase options ¹	0	14
Other liabilities	1	9
Total	1	23

Change in other non-current liabilities

SEKm	2021	2020
Opening balance	23	63
Additional purchase consideration	0	0
Exchange rate differences	0	-1
Purchase options ¹	-14	14
Change in other non-current liabilities	-8	-53
Closing balance	1	23

1) Attendo Oy acquired 51 percent of the shares in Aurio Hoiva Oy during the comparison period. The agreement included a purchase option by which Attendo can acquire the remaining shares. The purchase option was recognised in 2021 as current liability under "Other current liabilities".

C26 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Through its business, the group 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 on 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

The group 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 is in this respect significant and investments in Finland have therefore been part-financed through borrowing in EUR. As currency exposure in DKK is insignificant, 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 2021, with all other variables constant, profit after tax would have been approximately SEK 16m lower.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 1,665m (1,800).

Credit and 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/P1 and with which Attendo has a long-term relationship.

Maximum exposure to credit risk

SEKm	2021	2020
Trade receivables	1,312	1,039
Cash and cash equivalents	513	716
Other non-current receivables	53	58
Other current receivables	18	95
Total	1,896	1,908

See Note C17 Trade receivables regarding credit risk in trade receivables.

Financial assets and liabilities

SEKm	Level	2021	2020
ASSETS			
Financial assets at fair value			
Trade receivables		1,312	1,039
Cash and cash equivalents		513	716
Total financial assets		1,825	1,755
LIABILITIES			
Financial liabilities at fair value through profit or loss or equity			
Contingent considerations	3	0	0
Purchase option from non-controlling interest	3	21	14
Financial liabilities measured at amortised cost			
Borrowings		2,070	2,246
Lease liabilities		11,807	10,730
Trade payables		425	358
Total financial liabilities		14,323	13,348

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

2021, SEKm	1-12 months	2-5 years	6-10 years	>10 years	Total	Carrying amount receivables/liabilities
Liabilities to credit institutions	–	2,070	–	–	2,070	2,070
Lease liabilities	1,631	6,426	5,038	2,691	15,786	11,807
Trade payables	425	–	–	–	425	425
Contingent consideration and purchase option	21	–	–	–	21	21
Total	2,077	8,496	5,038	2,691	18,302	14,323

Contingent consideration and purchase options

SEKm	2021	2020
Opening balance	14	0
Acquisitions	0	14
Payments	0	0
Exchange rate differences	0	0
Revaluation	7	0
Closing balance	21	14

The fair value of contingent consideration and purchase option is based on the estimated outcome of contractual clauses in share transfer agreements and 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

2021	Change	Effect on profit/loss	Effect on equity
Market interest rates ¹⁾	+/-1% point	16	16
Exchange rates ¹⁾			
– EUR/SEK	+/-10%	7	710

1) The sensitivity analysis is based on Attendo's financing as of 31/12/2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 4,957m (4,871) as of 31 December 2021. Attendo's target is a capital structure that results in an efficient, weighted cost of capital 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	2021	2020
Personnel-related liabilities	1,391	1,315
Other liabilities ¹	46	31
Contingent consideration	0	0
Accrued interest rate costs	2	3
Other accrued costs	121	154
Other prepaid expenses	11	31
Total	1,571	1,534

¹ This item includes one call option of 21 SEKm. For more information, see Note C25.

C28 CASH FLOW STATEMENT

Interest paid in 2021 (excluding lease interest) amounted to SEK 51m (73) and interest received amounted to SEK 0m (0).

Cash flow adjustments

SEKm	2021	2020
Depreciation and amortisation	263	323
Depreciation of right-of-use assets	1,148	1,056
Depreciation of capitalised financing costs	5	5
Deferred non-paid interest	2	-9
Gain/loss from divestment of subsidiaries	12	17
Gains or losses on sales of non-current assets	-2	-7
Provisions	-22	21
Other items	-1	1
Impairment of goodwill	-	821
Impairment of right-of-use assets	-	134
Total	1,405	2,362

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 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:*

- Nursing home operations with around 40 customers in Lappajärven palvelukoti ry in Lappajärvi were acquired in January.
- Uudenmaan Seniorikodit Oy, with 11 nursing homes and around 440 beds in Nyland, Finland was acquired in March.
- Nursing home operations with around 120 customers in Kuopio and Mikkeli were acquired in March.
- Tjust Behandlingsfamiljer AB, a provider of enhanced family home care, was acquired in April. Sales amount to around SEK 75m annually.
- Kotkan Jelpiskoti Oy, which operates a home for people with disabilities in Kotka, Finland, was acquired in August.
- A number of small home care operations in Sweden were acquired during the year.

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

Goodwill

The goodwill of SEK 208m (130) 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	2021	2020
Purchase consideration at acquisition date		
Purchase consideration paid	296	151
Conditional purchase consideration	0	0
Total estimated purchase consideration	296	151
Identifiable acquired assets and liabilities		
Cash and cash equivalents	31	5
Property, plant and equipment	13	0
Customer relations	47	82
Intangible assets	0	0
Deferred tax assets	-9	0
Trade receivables ¹ and other receivables	29	13
Trade payables and other liabilities	-18	-54
Deferred tax liabilities	-5	-25
Total identifiable net assets	88	21
Goodwill²	208	130

¹ No doubtful trade receivables have been assumed.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The acquisition analysis is preliminary and will be finalised no later than one year after transaction date. Acquisition-related costs amounted to SEK 3.1m (4.9) during the year and are included in other costs in the consolidated income statement. Other acquired companies would have contributed SEK 350m (62) to net sales and SEK 16m (6) to profit for the year if they had been acquired on 1 January 2021.

Income from the acquired companies included in the consolidated income statement since acquisition date amounts to SEK 281m (34). The acquired companies contributed profit of SEK 15m (4) 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 good will. Recognised goodwill attributable to these acquisitions amounts to SEK 0m and customer relationships to SEK 0m (67). The total consideration transferred for these transactions amounted to SEK 0m (130) in 2021.

Attendo Oy acquired 51 percent of the shares in Aurio Hoiva Oy for SEK 21m during the comparison period. The agreement included a purchase option by which Attendo can acquire the remaining shares for SEK 14m. The purchase option is accounted for under other non-current liabilities in 2020.

C30 PLEDGED ASSETS

Pledged assets

SEKm	2021	2020
Cash and cash equivalents and blocked funds	23	27
Vehicles	31	37
Other pledged assets	0	0
Total	54	64

C31 CONTINGENT LIABILITIES

Companies within the group are involved in tax audits and other legal proceedings that have arisen 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 positions.

Contingent liabilities during the year amounted to SEK 2,943m (4,615).

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

SEKm	2021	2020
Leases	2,877	4,556
Other	66	59
Total	2,943	4,615

C32 DIVESTED OPERATIONS

As of 1 July, Attendo had divested one home in social psychiatry. The divestment resulted in a capital loss of SEK 12m.

The Norwegian operations were divested in the preceding year, effective 1 July 2020. In total, the Norwegian operations had sales of approximately SEK 370m on an annual basis and contributed marginally to Attendo's earnings. The divestment generated a capital loss of SEK 16m. Furthermore, currency gains of SEK 6m were realised 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 in the amount of SEK 179m. The divested companies contributed a profit of SEK 13m.

The subsidiary Suomen Hoiva ja Asumto Oy was divested in December of the preceding year. The company owned and managed 11 properties in Finland at which Attendo ran care operations. As the properties were financing using specially regulated loans and state subsidies in Finland (ARA), the company was classified as a public benefit enterprise, which entailed restrictions on the withdrawal of profits. The company was acquired by a consortium led by Pertti Karjalainen (employee of and major shareholder in Attendo). The transaction was executed at market value and the valuation was established by an independent valuation institute. In connection with the sale of the company, bank loans of SEK 297m were divested along with buildings and land at a total carrying amount of SEK 320m. The effect on Attendo's net sales and profits was immaterial. Attendo still runs care operations in the properties.

C33 TRANSACTIONS WITH RELATED PARTIES

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.

Related-party transactions take place on market terms. There were no significant transactions with related parties during the period.

See Note C5 for disclosures on executive remuneration.

C34 EVENTS AFTER THE REPORTING DATE

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C35 RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES

Return on capital employed

SEKm	2021	2020
Operating profit excluding items affecting comparability (EBIT), rolling 12 months	755	673
Average capital employed		
Opening balance		
Equity	4,871	5,831
Non-current interest-bearing liabilities	12,065	11,491
Current interest-bearing liabilities	919	864
Capital employed at the beginning of the period	17,855	18,186
Closing balance		
Equity	4,957	4,871
Non-current interest-bearing liabilities	12,810	12,065
Current interest-bearing liabilities	1,068	919
Capital employed at the end of the period	18,835	17,855
Average capital employed	18,345	18,010
Return on capital employed (%)	4.1	3.7

Free cash flow

SEKm	2021	2020
Cash flow from operating activities	1,378	1,645
Investments in non-current assets	-170	-345
Divestments of property, plant and equipment and intangible assets	19	26
Amortisation of lease liability	-978	-898
Free cash flow	249	428

Organic growth

%	2021	2020
Net sales growth	4.7	3.0
Acquired growth	-2.2	0.7
Exchange rate fluctuations	1.9	-0.7
Organic growth	4.4	4.4

Working capital

SEKm	2021	2020
Current assets	2,195	2,236
Cash and cash equivalents	-513	-716
Total	1,682	1,520
Current liabilities	3,129	2,948
Current liabilities to credit institutions	-1,069	-919
Total	2,060	2,029
Working capital	-379	-509

See page 109 for definitions of key figures.

Lease-adjusted EBITDA/lease-adjusted EBITA

SEKm	2021			2020		
	Reported	IFRS 16 effect	Excl. IFRS 16 effect ¹	Reported	IFRS 16 effect	Excl. IFRS 16 effect ¹
Net sales	12,867	–	12,867	12,288	–	12,288
Other operating income	24	–	24	73	-2	71
Total revenue	12,891	–	12,891	12,361	-2	12,359
Personnel costs	-8,709	–	-8,709	-8,285	–	-8,285
Other external costs	-2,016	-1,558	-3,574	-2,023	-1,452	-3,475
Operating profit before depreciation, amortisation and impairments (EBITDA)	2,166	-1,558	608	2,053	-1,454	599
Amortisation, depreciation and impairments on tangible and intangible assets	-1,330	1,124	-207	-1,256	1,032	-224
Operating profit (EBITA)	836	-436	400	797	-422	375

1) This column shows adjusted EBITDA and adjusted EBITA.

Lease-adjusted net debt

SEKm	31 Dec 2021	31 Dec 2020
Interest-bearing liabilities	13,877	12,976
Pension for post employment benefits	2	8
Cash and cash equivalents	-513	-716
Net debt	13,366	12,268
Lease liability, real estate	-11,776	-10,695
Lease-adjusted net debt	1,590	1,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Adjusted diluted earnings per share

SEKm	Reported	Acquisi- tions ¹	IFRS16 ²	Items affect- ing compa- rability ³	Total adjust- ments	Adjusted earnings
Adjustments 2021						
Net sales	12,867	–	–	–	–	12,867
Other operating income	24	–	–	–	–	24
Operating profit before depreciation, amortisation and impairments (EBITDA)	2,166	–	-1,558	–	-1,558	608
Amortisation and depreciation of tangible and intan- gible assets	-1,330	–	1,124	–	1,124	-207
Operating profit (EBITA)	836	–	-436	–	-436	400
Amortisation, depreciation and impairments on acquisition-related intangible assets	-81	81	–	–	81	–
Operating profit excluding items affecting comparability	755	81	-436	–	-355	400
Items affecting comparability	–	–	–	–	–	–
Operating profit (EBIT)	755	81	-436	–	-355	400
Net financial items	-652	–	581	–	581	-71
Profit before tax (EBT)	103	81	145	–	226	329
Tax	-44	-16	-28	–	-44	-88
Profit for the year	59	65	117	–	182	241
Profit (-loss) attributable to:						
Parent company shareholders, SEKm	56	65	117	–	182	238
Non-controlling interests, SEKm	3	–	–	–	–	3
Average number of shares outstanding, diluted, thousands	160,930	160,930	160,930	160,930	160,930	160,930
Earnings per share, diluted SEK	0.35	0.40	0.73	–	1.13	1.48
Adjustments 2020						
Net sales	12,288	–	–	–	–	12,288
Other operating income	73	–	–	–	–	73
Operating profit before depreciation, amortisation and impairments (EBITDA)	2,053	–	-1,454	–	-1,454	599
Amortisation and depreciation of tangible and intan- gible assets	-1,256	–	1,032	–	1,032	-224
Operating profit (EBITA)	797	–	-422	–	-422	375
Amortisation and impairments on 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
Tax	22	-25	-54	–	-79	-57
Net profit for the year	-904	99	217	821	1,137	233
Profit (-loss) attributable to:						
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

1) Profit for the period attributable to parent company shareholders excluding the effects of amortisation of acquisition-related intangible assets.

2) Tax effects related to IFRS 16 divided by the average number of diluted shares outstanding.

3) Items affecting comparability

See page 109 for definitions of performance measures.

PARENT COMPANY FINANCIAL STATEMENTS

Parent company income statement

January–December, SEKm	Note	2021	2020
Net sales	P2	15	13
Personnel costs	P3	-29	-28
Other external costs	P4, P5	-11	-10
Operating profit (-loss)		-25	-25
Net financial items		502	-9
Profit (-loss) after financial items		477	-34
Group contributions		50	54
Profit before tax		527	20
Tax	P6	-4	-5
Profit for the year		523	15

Net profit for the year corresponds to comprehensive income for the year.

Parent company balance sheet

31 December, SEKm	Note	2021	2020
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		50	54
Other receivables		1	0
Prepaid expenses and accrued income		1	1
Cash and cash equivalents		0	0
Total current assets		52	55
Total assets		6,546	6,549
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		-591	-607
Profit for the year		523	15
Total non-restricted equity		6,534	6,010
Total equity		6,535	6,011
Liabilities			
Current liabilities			
Liabilities to group companies		0	525
Current tax liabilities		0	0
Other current liabilities		3	2
Accrued expenses and prepaid income		8	11
Total current liabilities		11	538
Total liabilities		11	538
Total equity and liabilities		6,546	6,549

PARENT COMPANY FINANCIAL STATEMENTS

Parent company statement of changes in equity

SEK	Restricted equity	Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings	
Opening balance, 1 January 2020	1	6,602	-610	5,993
Vested shares	-	-	3	3
Other comprehensive income	-	-	15	15
Closing balance, 31 December 2020	1	6,602	-592	6,011
Opening balance, 1 January 2021	1	6,602	-592	6,011
Vested shares	-	-	1	1
Other comprehensive income	-	-	523	523
Closing balance, 31 December 2021	1	6,602	-68	6,535

Parent company statement of cash flow

January–December, SEKm	2021	2020
Operating activities		
Profit before tax	527	19
Adjustments for items not included in cash flow	-50	-51
Paid tax	-5	-4
Cash flow from operating activities before changes in working capital	472	-36
Cash flow from changes in working capital		
Change in current receivables	0	0
Change in current operating liabilities	-474	36
Cash flow from operating activities	-2	0
Financing activities		
Warrants	2	-
Cash flow from financing activities	0	-
Cash flow for the year	0	0
Cash and cash equivalents at the beginning of the period	0	0
Cash and cash equivalents at the end of the period	0	0

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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 except in the instances indicated below. The parent company applies IAS 9. The parent company does not apply IFRS 16. Reference is otherwise made to the accounting policies applied by the Group for recognition and measurement of financial instruments in Note C26.

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. Investments are tested for indications of impairment annually or when there is a risk that the carrying amount of investments exceeds the recoverable amount.

P2 NET SALES

Parent company revenue relates to intragroup services in the amount of SEK 15m (13).

P3 SALARIES AND OTHER REMUNERATION

Salaries and other remuneration

SEK	2021	2020
CEO		
Salaries and other remuneration	10	10
Pension costs	3	3
Social costs	3	3
Total	16	16
Other employees		
Salaries and other remuneration	7	7
Pension costs	3	2
Social insurance costs	2	2
Total	12	11
Total	28	27

Average number of full-time employees

	2021	2020
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

SEK	2021	2020
External services	3	2
Board remuneration Other	4	4
Other	4	4
Total	11	10

P5 AUDIT FEES

Audit fees

SEK	2021	2020
PwC		
Audit fees	1	1
Other audit assignments	0	–
Tax advice	0	0
Other services	0	0
Total	1	1

	2021	2020
Other companies		
Other services	–	0
Total	–	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

SEK	2021	2020
Profit before tax	527	19
Tax according to the Swedish tax rate	-109	-4
Non-deductible expenses	0	-1
Non-taxable income	105	–
Tax expense	-4	-5

Attendo AB's tax loss carryforwards amounted to SEK 0m (0) as of 31 December 2021.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

P7 SHARES AND PARTICIPATIONS*Shares in group companies*

SEK	2021	2020
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 as of 31 December 2021 (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	6,011,697,452
Profit for the year	522,849,826
Total	6,534,547,278

Allocated as follows:

Amount to be retained by the parent company	6,534,547,278
Total non-restricted equity in the parent company	6,534,547,278

P9 EVENTS AFTER THE REPORTING DATE

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

ASSURANCE**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 2021.

Danderyd, 11 March 2022

Ulf Lundahl
Chairman

Catarina Fagerholm
Director

Alf Göransson
Director

Tobias Lönnevall
Director

Margareta Danelius
Director

Anssi Soila
Director

Suvi-Anne Siimes
Director

Faya Lahdou
Director
Employee representative

Martin Tivéus
President and
Chief Executive Officer

Our audit report was submitted on 14 March 2022.

PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Auditor in charge

AUDITOR'S REPORT

This is a translation of the Swedish original. For any interpretation the Swedish version prevails.

AUDITOR'S REPORT

To the annual 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 2021 financial year. The company's annual accounts and consolidated accounts are presented on pages 58–95 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 2021 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 2021 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 annual 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 for the Audit of the Financial Statements 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 the Audit Regulation (EU) No 537/2014, Article 5 (1) have been provided to the audited entity or, as 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 judgments, such as key accounting estimates made on the basis of assumptions 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 have disregarded internal control procedures and have, inter alia, considered whether there is evidence of systematic departures 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. Among other procedures, our audit included 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 as of 30 September and assessed key controls related to financial reporting based on Attendo's framework.
- We focused in particular on the system replacements that occurred during the year and are ongoing. A new accounting system was implemented in Finland during the year and a new consolidation system was implemented. Aspects including project management, data migration, system links and related functionality and system controls and access management were examined with regard to these system replacements. In addition, implementation of a new payroll system is ongoing in Sweden, which was monitored during the audit; and
- For other entities, analytical reviews are conducted 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 group's annual accounts. The outcome of the statutory audit was used in planning the audit and to follow up whether any key matter concerning financial reporting or internal control was observed at any entity.

In addition to that described above, the auditor in charge visited the Scandinavian operations during the year and has held digital meetings with the Finnish operations because we were

AUDITOR'S REPORT

unable to visit 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, how the business is developing and the impact of Covid-19 and to understand procedures and controls. In connection with these visits and meetings, the management of acquisitions and the impact of acquisition analyses, management of IFRS 16 Leases, needs for provisions for onerous contracts and impairment of right-of-use assets 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 irregularities 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.

VALUATION OF GOODWILL AND OTHER ACQUISITION-RELATED INTANGIBLE ASSETS

Key Audit Matter

We refer to notes C2 Key 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 6,878 million at 31 December 2021 (33 percent 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 indication of 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 recognised asset values related to long-term leases. The terms of these leases are usually more than ten years. Cash flows from the years beyond the next ten years are extrapolated based on the final 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 of impairment.

The test carried out by Attendo did not show any indication of impairment.

How our audit addressed the Key Audit Matter

When examining whether there is an indication of impairment in goodwill and other acquisition-related intangible assets and to assure the valuation and accuracy, we have performed the following audit procedures:

- In evaluating the assumptions, as set forth in Note C13 Intangible assets, and in the process of verifying that the model used is consistent with IFRS, we have engaged valuation experts from PwC to test and evaluate the models and methods used as well as material assumptions.
- On a random basis, we have 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 have also followed up the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes.

AUDITOR'S REPORT

Cont. Measurement of goodwill and other acquisition-related intangible assets

- We checked the sensitivity of the valuation to negative changes in significant parameters that could, individually or in the aggregate, indicate impairment.
- We assessed that the disclosures provided in the annual accounts are correct based on the valuation test performed, particularly based on information about the sensitivity in the valuations.
- 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 assessment of the risk that can have impact on the business, as reported under the Risks and risk management section in the Administration Report and Note C2 Key accounting estimates and judgements.

Based on our review, 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 estimates and judgements and C15 Leases.

IFRS 16 Leases took effect on 1 January 2019 and superseded earlier accounting standards. Implementation of the standard means 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 according to 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 key judgements on matters including discount rates, lease terms (and related management of extension clauses) and vacated space. In consideration of the material impact on Attendo's accounts and the key judgements upon which the accounts are based, the implementation of accounting in accordance with IFRS 16 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 in 2021 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 of any indications for 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 reports to the audit committee during the audit stated that the applied assumptions upon which the accounting is based have been determined to be within acceptable ranges overall.

AUDITOR'S REPORT

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 estimates and judgements, 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, in that Attendo judges whether any provision or impairment is required. According to the notes above, these include provisions for onerous contracts of SEK 54m 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 indications of impairment of right-of-use assets. The reason for this is that Attendo opened homes with more than 2,100 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 2021 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 54 million and for impairments of right-of-use assets of SEK 33 million, referring to right-of-use assets for Sweden and 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 indications of impairment in right-of-use assets against the requirements found in IAS 36 Impairment of Assets.

Apart from that the valuation 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 indication of impairment in right-of-use assets are based are within acceptable ranges.

AUDITOR'S REPORT

PROCEDURES AND PROCESSES AND ACCOUNTING FOR PERSONNEL-RELATED COSTS

Key Audit Matter

We refer to notes C2 Key accounting estimates and judgements, C5 Information on directors, senior executives and employees, C23 Pension provisions and C27 Other current liabilities.

Attendo has about 27,000 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 45 of the annual report.

How our audit addressed the Key Audit Matter

To be able to pay salaries to 27,000 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.

AUDITOR'S REPORT**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 1–39 and 105–111. Other information also consists 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 or 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 consolidated accounts, the board of directors and the CEO for assessing the company'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 must 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

Opinions

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 2021 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 Opinions

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 compa-

ny'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/revisornsansvar. This description constitutes a part of the auditor's report.

Audit of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the preparation of the annual accounts and consolidated accounts of Attendo AB for 2021 by the Board of Directors and the CEO for compliance with European Single Electronic Format reporting (the ESEF report) as required under chapter 16, section 4(a) of the Swedish Securities Market Act (SFS 2007:528).

Our examination and our opinion refer only to the statutory requirements.

In our opinion, the ESEF report #checksum complies, in all material respects, with Electronic Single Format Reporting.

Basis for Opinion

We conducted the audit in accordance with FAR's recommendation RevR 18 Auditor's Audit of the ESEF Report. Our responsibilities according to this recommendation are further described in the Auditor's Responsibilities section of our report. We are independent of Attendo AB, 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 opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for preparation of the ESEF report in accordance with chapter 16, section 4(a) of the Securities Market Act (2007:528) and for such internal control as management determines is necessary to enable the preparation of the ESEF report that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objective is to state our opinion, with reasonable assurance, as to whether the ESEF report has been prepared, in all material respects, in compliance with chapter 16, section 4(a) of the Securities Market Act (2007:528) based on our audit.

RevR18 requires us to plan and conduct our audit procedures to obtain reasonable assurance that the ESEF report has been prepared in a format that complies with these requirements.

Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with RevR 18 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 the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements and other Assurance and Related Services Engagements and thus has a comprehensive quality control system that includes documented guidelines and procedures regarding compliance with standards of professional ethics, standards for professional engagements and applicable legal and regulatory requirements.

The audit involves obtaining evidence by means of various measures as to whether the ESEF report has been prepared in a format that enables European Single Electronic Format reporting of the annual accounts and consolidated accounts. The auditor selects the measures to be performed, in part by assessing the risk of material misstatements in the report, whether by fraud or error. In this risk assessment, the auditor considers the aspects of internal control that are relevant to how the Board of Directors and the CEO prepare the input material in order to design audit measures that are appropriate under the circumstances, but not to issue an opinion on the effectiveness of internal control. The audit also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the CEO.

The audit measures mainly extend to technical validation of the ESEF report, i.e., whether the file containing the ESEF report meets the technical specifications provided in Commission Delegated Regulation (EU) 2019/815, and verification that the ESEF report is consistent with the audited annual accounts and consolidated accounts.

The audit also includes assessment of whether the ESEF report has been tagged with iXBRL, which enables a fair and complete machine-readable versions of the consolidated income statement, balance sheet, equity calculations and cash flow statement.

PricewaterhouseCoopers AB, with Patrik Adolfson as auditor in charge, was appointed auditor for Attendo AB (publ) by the annual general meeting held 14 April 2021 and has been the company's auditor since 27 October 2015.

Stockholm, 14 March 2022
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant

THE ATTENDO SHARE

THE ATTENDO SHARE

Attendo stock has been traded 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	2021	2020
Closing price 31 December	38.50	44.38
Market capitalisation 31 December, SEKbn	6.2	7.1
Share price performance during the year,%	-13	-18
Highest price paid 9 Jan (9 Jan)	52.40	55.50
Lowest price paid 15 Aug (26 Jul)	32.84	34.22

Shares in Attendo were traded on Nasdaq Stockholm in 2021 to a value of SEK 3bn, corresponding to average daily turnover of approximately SEK 12m. The volume traded in 2021 corresponds to about 45 percent of the average number of shares outstanding. Approximately 77 percent of the total volume was traded on Nasdaq Stockholm. Shares in Attendo are also traded on multi-lateral 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 held 473,744 treasury shares at year-end and the total number of shares outstanding as of 31 December 2021 was 160,912,848. All shares carry equal voting rights and equal rights to a share in the company's assets.

Dividends

Dividends shall be carefully considered with regard to the objectives, scope and risk of the business, including investment opportunities and the company's financial position. In both financial and operational terms, 2021 was a challenging year for Attendo that was characterised by the corona pandemic. 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 2021 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. The company presents webcasts of its interim reports.

Numerous digital presentations and investor meetings were held during the year in conjunction with publication of interim reports. Attendo also participated in several digital investor conferences arranged by the banks and stockbrokers that have analysts who cover the Attendo share.

Shareholders

Name	Number of shares	% of equity and voting rights
Nordstjernan AB	29,821,930	18.5
Pertti Karjalainen ¹	18,039,265	11.2
Incentive Asset Management ¹	12,432,260	7.7
Swedbank Robur Fonder	8,073,543	5.0
SEB	5,774,686	3.6
SEB Stiftelsen	5,000,000	3.1
Third Swedish National Pension Fund, AP3	4,984,353	3.1
Elo Mutual Pension Insurance Company	4,800,000	3.0
Henrik Borelius	3,820,355	2.4
Confederation of Swedish Enterprise	3,200,000	2.0
Norges Bank	2,122,022	1.3
Gladiator	1,961,271	1.2
Avanza Pension	1,859,593	1.2
Lazard	1,847,000	1.1
PRI Pensionsgaranti	1,620,000	1.0
JosefssonXL AB	1,500,550	0.9
Öresund Investment AB	1,487,611	0.9
SEB AB, Luxembourg	1,459,161	0.9
SEB Asset Management	1,397,058	0.9
Catella Fondförvaltning	1,288,986	0.8
Total, 20 largest shareholders	112,489,644	69.9
Total, other	48,423,204	30.1
Total shares outstanding	160,912,848	100.0

Source: Euroclear Sweden AB per 31 Dec 2021.

¹) Information from owner.

THE ATTENDO SHARE

Share distribution

Holding	No. of share-holders	No. of shares outstanding
1-500	6,430	799,497
501-1,000	784	608,655
1,001-5,000	767	1,826,269
5,001-10,000	168	1,272,996
10,001-15,000	59	759,280
15,001-20,000	49	892,547
20,001-	177	155,227,348
Total	8,434	161,386,592

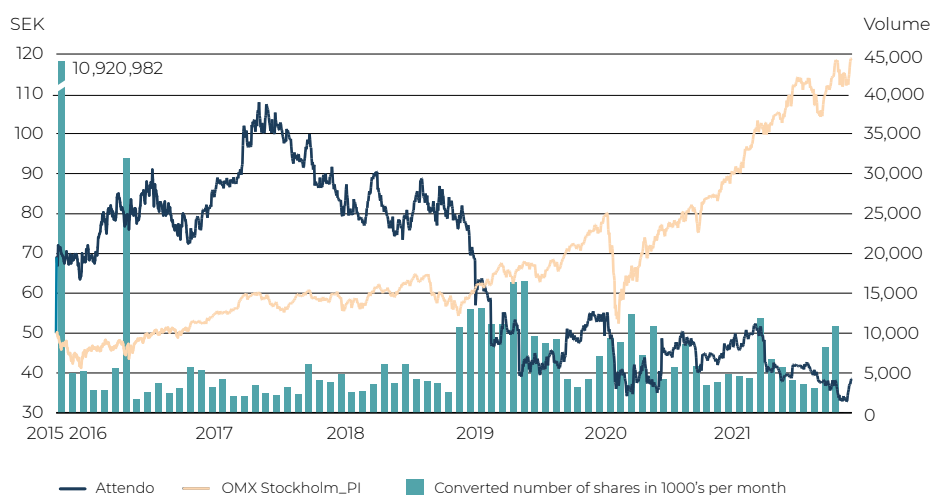
Source: Euroclear Sweden AB per 31 Dec 2021.

Per share data

SEK	31 Dec 2021	31 Dec 2020
Equity per share ¹	30.65	30.14
Earnings per share ¹	0.35	-5.63
Dividend per share	-	-
Dividend as a percentage of EPS	-	-
Dividend yield, % ²	-	-
P/E ratio ³	110	-

1) Basic.
 2) Dividend divided by share price at year-end.
 3) Share price at year-end divided by earnings per share.

Share price performance 2015-2021



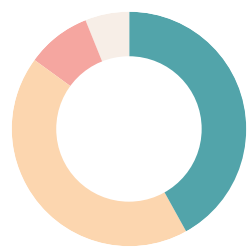
Read more at www.attendo.com



Geographical distribution of shareholders at 31 Dec 2021

- Sweden 58%
- Finland 11%
- USA 11%
- United Kingdom 8%
- Other 12%

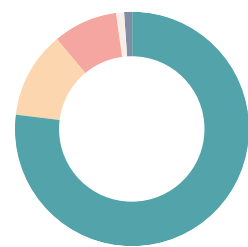
Source: Euroclear Sweden AB



Shareholders by category at 31 Dec 2021
 % of equity and voting rights

- Foreign owners 42%
- Swedish owners 58%
- Thereof:
 - Institutions 43%
 - Equity funds 9%
 - Retail investors 6%

Source: Euroclear Sweden AB



Trading on stock exchanges and MTFs FY 2021

- Nasdaq Stockholm 77%
- Cboe Europe 12%
- Aquis Exchange Europe 9%
- Turquoise Europe 1%
- Other 1%

Source: Fidessa

FIVE-YEAR SUMMARY

FIVE-YEAR SUMMARY

	2021	2020	2019	2018 ⁴	2017 ⁴
Total net sales	12,867	12,288	11,935	10,987	8,977
Growth, %	4.7	2.9	8.6	22.4	8.9
– Net sales, Attendo Scandinavia	6,037	6,027	6,305	6,367	5,664
– Net sales, Attendo Finland	6,830	6,261	5,630	4,620	2,747
Lease adjusted operating profit (EBITDA) ¹	608	599	656	918	–
Lease adjusted operating margin (EBITDA margin) ¹ , %	4.7	4.9	5.5	8.4	–
Lease adjusted operating profit (EBITA) ¹	400	375	441	711	–
Lease adjusted operating margin (EBITA margin) ¹ , %	3.1	3.1	3.7	6.5	–
Operating profit (EBITDA) ¹	2,166	2,053	1,940	1,999	1,024
Operating margin (EBITDA margin) ¹ , %	16.8	16.7	16.3	18.2	11.4
Operating profit (EBITA) ¹	836	797	812	1,008	890
Operating margin (EBITA margin) ¹ , %	6.5	6.5	6.8	9.2	9.9
Operating profit (EBIT) ¹	755	673	672	866	780
Operating margin (EBIT margin) ¹ , %	5.9	5.5	5.6	7.9	8.7
Profit for the year	59	-904	81	955	542
Profit margin, %	0.5	-7.4	0.7	8.7	6.0
Return on capital employed, % ⁵	4.1	3.7	3.6	4.9	10.1
Capital employed ⁵	18,835	17,855	18,186	19,063	10,657
Free cash flow ^{1,5}	249	428	196	593	691
Working capital ^{1,5}	-379	-508	-283	-429	-314
Equity/assets ratio ⁵	24	24	29	27	42
Net investments	151	319	241	205	193
Basic earnings per share, SEK	0.35	-5.63	0.51	1.52	3.39
Diluted earnings per share, SEK	0.35	-5.63	0.51	1.52	3.38
Adjusted earnings per share diluted, SEK ⁴	1.48	1.43	1.71	–	–
Equity per share, basic, SEK ^{3,5}	30.65	30.14	36.24	36.15	33.60
Equity per share, diluted, SEK ⁵	30.65	30.13	36.24	36.10	33.44
Average number of shares outstanding basic, thousands ³	160,913	160,904	160,877	160,455	159,784
Average number of shares outstanding diluted, thousands ³	160,930	160,920	160,899	160,702	160,544
Number of shares outstanding, end of period, thousands ²	160,913	160,913	160,890	160,867	160,412
Average number of employees	19,041	18,178	16,499	16,745	14,341
Total net sales	12,867	12,288	11,935	10,987	8,977
– Own operations	11,404	10,527	9,957	8,759	6,764
– Outsourcing	1,463	1,761	1,978	2,228	2,213

1) Alternative performance measure. Refer to page 109 for definitions.

2) See the calculation of average number of shares in the calculation, basic and diluted EPS in note C12 Earnings per share.

3) Alternative performance measure. Refer to page 109 for definitions. Calculations of APMs are available from 2019.

4) The periods have not been restated according to IFRS 16.

5) Including operations for sale

QUARTERLY SUMMARY

QUARTERLY SUMMARY

SEK	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	3,338	3,260	3,207	3,062	3,065	2,983	3,112	3,128
Other operating income	5	4	9	6	8	6	52	7
Total revenue	3,343	3,264	3,216	3,068	3,073	2,989	3,164	3,135
OPERATING COSTS								
Personnel costs	-2,294	-2,096	-2,233	-2,086	-2,052	-1,941	-2,162	-2,130
Other external costs	-538	-511	-487	-480	-512	-467	-531	-513
Operating profit before depreciations and amortisation (EBITDA)	511	657	496	502	509	581	471	492
Operating profit (EBITDA margin)	15.3	20.2	15.5	16.4	16.6	19.5	15.1	15.7
Amortisation and depreciation of tangible and intangible assets	-339	-338	-334	-319	-316	-312	-318	-310
Operating profit after depreciation (EBITA)	172	319	162	183	193	269	153	182
Operating profit (EBITA margin)	5.2	9.8	5.1	6.0	6.3	9.0	4.9	5.8
Amortisation and impairments on acquisition-related intangible assets	-13	-13	-26	-29	-31	-30	-31	-32
Operating profit excluding items affecting comparability	159	306	136	154	162	239	122	150
Operating margin excluding items affecting comparability, %	4.8	9.4	4.2	5.0	5.3	8.0	3.9	4.8
Items affecting comparability	-	-	-	-	6	10	-971	-
Operating profit (EBIT)	159	306	136	154	168	249	-849	150
Operating margin (EBIT margin)	4.8	9.4	4.2	5.0	5.5	8.3	-27.3	4.8
Net financial items	-159	-171	-158	-164	-164	-166	-168	-146
Profit (-loss) before tax	0	135	-22	-10	4	83	-1,017	4
Income tax	-8	-40	3	1	0	-19	42	-1
PROFIT OR LOSS FOR THE PERIOD	-8	95	-19	-9	4	64	-975	3
Profit (-loss) for the period attributable to:								
The parent company shareholders	-9	94	-19	-10	3	64	-976	3
Non-controlling interests	1	1	0	1	1	0	1	0
Profit margin, %	-0.2	2.9	-0.6	-0.3	0.1	2.1	-31.3	0.1
Tax rate, %	-	-29.6	-13.6	-10	0.0	-22.9	-4.1	-24.0
Basic earnings per share, SEK	-0.06	0.58	-0.12	-0.06	0.02	0.40	-6.06	0.02
Diluted earnings per share, SEK	-0.06	0.58	-0.12	-0.06	0.02	0.40	-6.06	0.02
Adjusted earnings per share, diluted, SEK	0.21	0.83	0.19	0.26	0.32	0.64	0.11	0.37
Average number of shares outstanding, basic, thousands	160,913	160,913	160,913	160,913	160,913	160,908	160,901	160,893
Average number of shares outstanding, diluted, thousands	160,929	160,928	160,926	160,925	160,924	160,923	160,911	160,910
Net sales by contract model								
Net sales, Own operations	2,957	2,897	2,849	2,700	2,668	2,604	2,627	2,628
Net sales, Outsourcing	381	362	358	362	397	379	485	500
Net sales by business area								
Net sales, Scandinavia	1,584	1,516	1,489	1,447	1,475	1,410	1,548	1,594
Net sales, Finland	1,754	1,744	1,718	1,615	1,590	1,573	1,564	1,534
Operational data								
Number of units in operational ¹	710	716	716	716	621	613	619	610
Number of beds in homes ²	21,093	20,935	20,858	20,852	17,668	17,485	17,650	17,260
Number of beds under constructions ³	433	449	608	782	1,036	1,228	1,110	1,423
Number of open beds (r12)	832	931	710	955	1,349	1,630	2,042	2,186
Occupancy in homes, % ²	84	83	83	81	80	79	78	80
Growth								
Organic growth	8.9	9.3	3.1	-2.1	0.4	-1.0	4.1	8.7
Acquired growth	5.4	5.6	4.8	2.0	4.8	3.0	3.9	5.9
Changes in currencies	4.5	4.6	1.2	-1.2	-2.5	-2.4	0.4	1.7
	-0.9	-1.0	-2.9	-2.9	-1.9	-1.6	-0.2	1.1

1) All units in all contract models and segments. 2) All homes. 3) Own homes

DEFINITIONS

Definitions of performance measures and alternative performance measures (APM)

Explanations of financial performance measures

Acquired growth (APM)

The net between the increase in the company's net sales from businesses and operations acquired during the past 12 months and loss of net sales from businesses and operations divested during the past 12 months. See Note C35 Reconciliations of alternative performance measures 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, IFRS 16 as well as items affecting comparability and related tax items divided by the number of outstanding shares after dilution.

Capital employed

Equity plus interest-bearing liabilities and provisions for post-employment benefits.

Cash and cash equivalents

Cash and bank balances, short-term investments and derivatives with a positive fair value.

Earnings per share

Profit or loss for the year divided by average shares outstanding.

Equity/assets ratio

Equity divided by total assets.

Equity per share

Profit or loss for the period attributable to the parent company shareholders divided by average shares outstanding.

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 operating cash flow after changes in working capital, cash flow from investments in and divestments of tangible and intangible assets, received/paid interest as well as interest expense for lease liabilities of real estate and repayment of lease liabilities according to IFRS 16. See the note C35 Reconciliations of alternative performance measures for more information.

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.

Lease adjusted EBITA (APM)

See the definition of operating profit (EBITA) below. Lease 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 lease adjusted operating profit. See Note C35 Reconciliations of alternative performance measures for more information.

Lease adjusted EBITDA (APM)

See the definition of operating profit (EBITDA) below. Lease 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 lease adjusted operating profit. See Note C35 Reconciliations of alternative performance measures for more information.

Lease adjusted net debt (APM)

See the definition of net debt below. Lease 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 Note C35 Reconciliations of alternative performance measures for more information.

Lease adjusted net debt/lease adjusted EBITDA (APM)

Lease adjusted net debt in relation to lease adjusted EBITDA r12.

Lease adjusted operating margin (EBITA) (APM)

Lease-adjusted operating profit (EBITA) divided by net sales.

Lease adjusted operating margin (EBITDA) (APM)

Lease-adjusted operating profit (EBITDA) divided by net sales.

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 Note C35 Reconciliations of alternative performance measures for more information.

Net debt/EBITDA (APM)

Net debt in relation to operating profit (EBITDA) r12.

Net debt to equity ratio

Net debt divided by equity.

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.

Organic growth (APM)

Attendo reports organic growth as a performance measure to show underlying net sales development excluding acquisitions and currency effects. The performance measure is calculated as net sales growth excluding acquisitions and changes in exchange rates.

Operating margin (EBIT margin)

Operating profit or loss (EBIT) divided by net sales. Operating margin (EBIT margin) is presented including and excluding items affecting comparability.

Operating margin (EBITA margin)

Operating profit (EBITA) divided by net sales.

Operating margin (EBITDA margin)

Operating profit (EBITDA) divided by net sales.

Operating profit (EBIT) (APM)

Attendo reports 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. Operating profit (EBIT) is presented including and excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBIT

DEFINITIONS**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 amortization and impairments of intangible assets from acquired companies and independently of financing. Operating profit (EBITA) refers to profit before amortization of acquisition-related intangible assets, financial items and tax. Operating profit (EBITA) is excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBITA.

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, amortization and impairments. Operating profit (EBITDA) is excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBITDA.

Profit (-loss) for the period

Profit or loss for the period attributable to parent company shareholders and non-controlling interest.

Profit or loss for the year

Profit or loss attributable to parent company shareholders and non-controlling interests.

Profit margin

Profit or loss for the year divided by net sales.

r12 "rolling 12 months"

The sum of the period's past 12 months.

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) excluding items affecting comparability for the past 12 months divided by average capital employed. See Note C35 Reconciliations of alternative performance measures for more information

Working capital (APM)

Working capital is a key performance measure 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 Reconciliations of alternative performance measures for more information.

Definitions of operational terms**CoP**

Care for older people

Mature unit

Own home in care for older people, care for people with disabilities and social psychiatry opened during the calendar year of 2017 or earlier, and units in other contract models and segments in operation for more than 12 months.

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.

Sustainability definitions**Code of Conduct**

Formal guidelines for how a company's values must be implemented in practise.

Environmental management system

A structured approach to improving and streamlining the company's environmental work.

Environmentally hazardous waste

Waste that must, according to national law, be managed by an authorised waste management firm.

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.

Materiality 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.

Stakeholder dialogue

Dialogue with stakeholders within and outside the company aimed at identifying the expectations of various groups concerning the business.

Stakeholders

Groups of people who are involved in and/or have a financial interest in a business.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of shareholders in Attendo will be held Wednesday, 26 April 2022. Due to the Covid situation, the 2022 Attendo AGM will be held through postal voting in advance as permitted under temporary legislation. No meeting with the option of attending in person or by proxy will be held.

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 14 April 2022; and (ii) have notified their intention to participate no later than 25 April 2022, by casting advance votes as instructed under "Advance voting" below so that the advance voting form is received by Computershare Sweden AB by that date.

To be entitled to participate in the meeting, shareholders whose shares are nominee-registered, must, in addition to notifying their intention to participate in the meeting, request re-registration of their shares in their own names. Such registration ("voting rights registration"), which may be temporary, must be requested from the nominee in accordance with the nominees' procedures by the advance date set by the nominee. Voting rights registrations effected by the second banking day after 14 April 2022 will be included in the register of shareholders entitled to vote at the meeting.

Advance voting

Shareholders may exercise their voting rights at the general meeting only by voting in advance ("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 must be used for advance voting. The form is available on Attendo's website, attendo.com. The advance voting form is also considered notification of participation at the meeting.

The completed voting form must be received by Computershare Sweden AB no later than 25 April 2022. The completed form must be sent to Computershare AB "Attendo AB:s årsstämma" by standard post to: PO Box 5267, SE-102 46 Stockholm, Sweden, or submitted electronically. Electronic submission through Bank-ID signature as instructed on attendo.com or by sending the completed form by email to info@computershare.com.

If the shareholder votes in advance by proxy, a power of attorney must be enclosed with the form. If the shareholder is a legal entity, a certificate of incorporation or equivalent document must be enclosed with the form. The shareholder cannot attach special instructions or conditions to the voting form. If such instructions or conditions are attached to the form, the vote (i.e., the advance vote in its entirety) will be invalid. Further instructions and conditions are included on the advance voting form.

FINANCIAL CALENDAR 2022

26 April 2022	Annual General Meeting
6 May 2022	Interim report January – March
21 July 2022	Interim report January – June
26 October 2022	Interim report January – September

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