Q3

INTERIM REPORT, JANUARY-SEPTEMBER 2021

Summary of the third quarter 2021

- Net sales amounted to SEK 3,260m (2,983). Organic growth was 5.6 percent.
- Lease adjusted EBITA[1], i.e., EBITA according to the previous accounting standard, was SEK 208m (162), corresponding to a lease adjusted operating margin of 6.4 percent (5.4). The effects of the pandemic reduced profit by an estimated SEK 25m (40).
- Operating profit (EBITA)[1] amounted to SEK 319m (269), corresponding to an operating margin of 9.8 percent (9.0).
- Profit for the period amounted to SEK 95m (64). Diluted earnings per share were SEK 0.58 (0.40).
- Adjusted earnings per share[2] after dilution were SEK 0.83 (0.64).
- Free cash flow amounted to SEK -114m (-128).

Summary of the January-September period

- Net sales amounted to SEK 9,529m (9,223). Organic growth was 4.1 percent.
- Lease adjusted EBITA[1], i.e., EBITA according to the previous accounting standard, was SEK 335m (288), corresponding to a lease adjusted operating margin of 3.5 percent (3.1). The effects of the pandemic reduced profit by an estimated SEK 41m (120).
- The comparison period includes a capital gain of SEK 41m.
- Operating profit (EBITA)[1] amounted to SEK 664m (604), corresponding to an operating margin of 7.0 percent (6.5).
- Profit for the period amounted to SEK 67m (-908). Diluted earnings per share were SEK 0.41 (-5.65). Adjusted earnings per share[2] after dilution were SEK 1.27 (1.12).
- Free cash flow amounted to SEK 96m (296).
- There were 20,935 (20,107) beds in Attendo's homes[3] at the end of the period. Occupancy in the homes[3] was 83 percent (81).

Group key figures

	Q3			Jan-Sep			Jan-Dec
SEKm	**2021**	**2020**	**Δ%**	**2021**	**2020**	**Δ%**	**2020**
Net sales	3,260	2,983	9%	9,529	9,223	3%	12,288
Lease adjusted operating profit (EBITA) [1]	208	162	28%	335	288	16%	375
Lease adjusted operating margin (EBITA)[1], %	6.4	5.4	-	3.5	3.1	-	3.1
Operating profit (EBITA)[1]	319	269	19%	664	604	10%	797
Operating margin (EBITA)[1], %	9.8	9.0		7.0	6.5	-	6.5
Profit for the period	95	64	48%	67	-908	-	-904
Earning per share diluted, SEK	0.58	0.40	46%	0.41	-5.65	-	-5.63
Adjusted earnings per share diluted[1, 2], SEK	0.83	0.64	29%	1.27	1.12	14%	1.43
Free cash flow	-114	-128	-	96	296	-68%	428

1) Note that unless otherwise stated, EBITA and lease adjusted EBITA in this report refer to EBITA/lease adjusted EBITA excluding items affecting comparability. See also definitions of key data and alternative performance measures on pages 33-34.
2) Profit for the period attributable to parent company shareholders excluding the effects of amortisation of acquisition-related intangible assets, IFRS 16 and items affecting comparability and related tax effects divided by the average number of shares outstanding after dilution.3) From the first quarter of 2021, Attendo reports beds and occupancy for all Attendo homes in own operations and outsourcing and in all service offerings. Historical periods have been restated.

CEO's statement

SOLID DEMAND PAVES THE WAY TO REGAINING OCCUPANCY

After a long period defined by the pandemic, we are pleased that we have been able to fill more beds in existing and new homes and once again demonstrate good organic growth in both Finland and Scandinavia. The trend is positive and sales are returning to normal in Scandinavia, although it will take some time until we are back to normal occupancy levels. Demand in Finland remains good, but a shortage of temporary summer substitutes due to high demand for workers for Covid testing and vaccination clinics has prevented us from filling beds to meet the demand. This also led to higher personnel costs over the summer.

Martin Tivéus, President and CEO

"There are many exciting solutions for the care of the future that can raise quality while creating scope for more people to gain access to care."

Scandinavia: Inflow of customers to nursing homes back to normal levels

Following the year of the pandemic that resulted in a historically low rate of move-ins of new customers to nursing homes in Sweden, we saw a distinct normalisation of the move-in rate in the third quarter. The result is an increase in the total occupancy rate, which is now about 78 percent, as opposed with the lowest level of 75 percent in April. We expect continued normalisation of demand in the fourth quarter.

Heading into 2020, we had a strong pipeline of new projects to meet the expected demand for new nursing home beds and opened about 800 new beds in Scandinavia during the pandemic, which put further pressure on occupancy and profitability during a period when the move-in rate was low. In the initial phase of the pandemic, we have adjusted our expansion plans and will open only about 200 additional beds in the next year. The goals are to further reinforce occupancy and enhance the customer experience in 2022.
Net sales in Attendo Scandinavia rose by 7.5 percent to SEK 1,516 million due to a combination of higher occupancy and acquisitions. Lease adjusted EBITA amounted to SEK 158 million, up about 30 percent over the preceding year. The improvement was driven primarily by an increase in the number of beds sold and lower pandemic-related effects.

Government support for sick pay paid by employers and other pandemic-related government relief will be withdrawn in the fourth quarter of 2021. Sick leave is expected to remain at a higher than normal level in upcoming periods as employees are still required to stay home if they have any symptoms of illness.

Finland: Competition for staff affected costs and occupancy during the summer

There is still a substantial need for nursing home beds in the Finnish market. Staff provision in Finnish care for older people was particularly strained in the summer of 2021 because vaccination programmes and other pandemic-related healthcare operations demanded additional health workers. Consequently, it was more difficult to recruit temporary substitute staff this summer and we were forced to replace some employees on holiday with nurses from staffing agencies.

This led to higher personnel costs and slowed the occupancy trend during the summer, when the new staffing law requires us to have more staff on duty to welcome new customers.

Society's need for nurses to manage the pandemic is expected to gradually decrease in the autumn combined with a seasonally lower need for holiday substitutes. We thus expect continued normalisation of staff provision in the fourth quarter.

Currency-adjusted net sales in Attendo Finland rose by about 13 percent in relation to the comparison quarter in 2020, to SEK 1,744 million. Lease adjusted EBITA was SEK 66 million for Finland in the third quarter, a 12 percent improvement compared to last year. Price effects in 2021 have largely been offset by higher costs to meet stricter staffing requirements related to the new staffing law. Personnel costs rose during the quarter due to wage increases in accordance with collective agreements.

Price negotiations are now in progress ahead of 2022. We intend to present the outcomes in connection with the year-end report for 2021.

Improved overall results driven by Sweden

Organic growth was 5.6 percent, driven primarily by higher customer inflow in Finland and Sweden. Lease adjusted EBITA for the third quarter was SEK 208 million, an improvement of nearly 30 percent compared to last year. The improvement in Sweden was the main driver of the higher profit.

Attendo is still experiencing adverse financial impact from the Covid pandemic. For the third quarter alone, effects of the pandemic had a net negative effect on profit of about SEK 25 million. The negative effects of the pandemic are expected to subside in upcoming quarters, as will opportunities for government compensation.

The aftermath of the pandemic

Societies across the Nordic region reopened during the quarter. Most restrictions were lifted while we at Attendo are continuing the efforts to prevent the spread of Covid 19. A comprehensive project is ongoing to encourage as many employees as possible to get vaccinated and thus provide greater protection for our customers and colleagues. Internal information campaigns are being carried out, employees have the opportunity to be vaccinated during working hours and we are considering more far-reaching measures. The work to vaccinate all care staff will continue to be a top priority for us going forward.

As I previously mentioned, we consider it important to gather insights and thoughts from employees who worked most closely with our customers during the pandemic. We held group discussions at hundreds of local operations all over Sweden during the quarter. We are now compiling the results so that we can make use of employees' suggestions for improvement and communicate the overall picture of our efforts during the pandemic. There were many profoundly sad stories told, but also anecdotes about moments of joy in the midst of the tragedies brought by the pandemic.

The care of the future

In parallel with the evaluation process, we have initiated several development projects to build 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 believe it should 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. The introduction of automated drug dispensers in home health care that help customers take their medicines at home is one example of quality improvements implemented during the quarter. The aim is to provide greater independence and decrease medication errors.

There are many exciting solutions for the care of the future that can raise quality while creating scope for more people to gain access to care. It is essential that numerous actors are involved and participate and that cooperation between private and public providers is welcomed. We at Attendo have been pioneers in developing good care for more than 35 years and we look forward to continuing to develop new and innovative solutions in the decades to come.

Martin Tivéus, President and CEO

Group

July–September 2021

Net sales and operating profit

Net sales increased by 9.3 percent to SEK 3,260m (2,983) during the quarter. Adjusted for currency effects, net sales increased by 10.2 percent. Organic growth accounted for 5.6 percent and the net change due to acquisitions and divestments was 4.6 percent. Organic growth is attributable mainly to higher net sales in Attendo Finland, particularly in nursing homes. The Covid pandemic had adverse impact on net sales in Attendo Scandinavia in the current quarter.

Lease adjusted operating profit (EBITA)[1] increased to SEK 208m (162). The lease adjusted operating margin (EBITA)[1] was 6.4 percent (5.4). The increase is due primarily to higher profit in Attendo Scandinavia. The negative effect of the Covid pandemic on profit for the quarter is estimated at SEK 30m (40), primarily in Attendo Scandinavia's nursing homes. The impact was partially offset by that Attendo received government compensation of SEK 6m for certain additional costs arising from the Covid pandemic attributable to 2020. Lease adjusted EBITA also increased in Attendo Finland, but profit was reduced by wage increases in accordance with collective agreements and higher costs related to the shortage of care workers during the summer months.

Effects on operating profit (EBITA)[1] related to IFRS 16 amounted to SEK 111m (107). The increase is attributable to new homes.

Operating profit (EBITA)[1] amounted to SEK 319m (269) and the operating margin was 9.8 percent (9.0). Currency effects had a marginal negative effect on profits.

The total number of beds in operation in all homes was 20,935 (20,107) at the end of the quarter, an increase by 4 percent. Average occupancy in all homes was 83 percent (81) at the end of the quarter. Mature units showed a lease adjusted operating margin (EBITA)[1] on a rolling 12-month basis (r12) of 7.0 percent including a proportional share of Attendo's administrative expenses, but excluding capital gains. The number of beds under construction in own operations was 449 across 8 nursing homes.

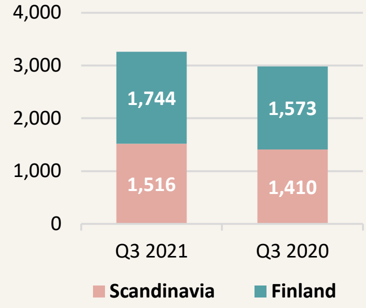
Operating profit (EBIT) excluding items affecting comparability amounted to SEK 306m (239), corresponding to an operating margin (EBIT) excluding items affecting comparability of 9.4 percent (8.0). The change is attributable to the same factors described above, as well as lower amortisation of acquisition-related intangible assets.

Items affecting comparability during the comparison quarter refer to currency effects related to the impairment of goodwill and right-of-use assets in the Finnish operations recognised in the second quarter of 2020.

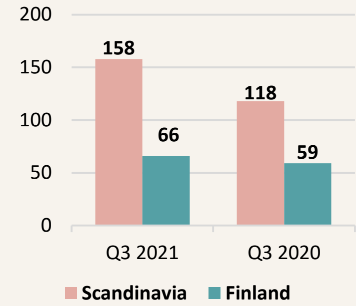
Operating profit (EBIT) amounted to SEK 306m (249), corresponding to an operating margin (EBIT) of 9.4 percent (8.3).

[1)] Excluding items affecting comparability

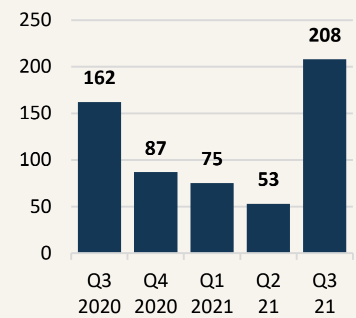
Net sales per business area, Q3 2021 (SEKm)



Lease adjusted operating profit (EBITA)[1] per business area, Q3 2021 (SEKm)



Lease adjusted operating profit (EBITA)[1] per quarter (SEKm)



Financial net

Net financial items amounted to SEK -171m (-166) for the quarter, including net interest expense of SEK -9m (-14). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -146m (-138).

Income tax

Income tax for the period amounted to SEK 40m (19), corresponding to a tax rate of 29.6 percent (22.9).

Profit and earnings per share for the period

Profit for the period amounted to SEK 95m (64), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK 0.58 (0.40). Adjusted earnings per share after dilution were SEK 0.83 (0.64).

January–September 2021

Net sales and operating profit

Net sales for the period increased by 3.3 percent to SEK 9,529m (9,223). Adjusted for currency effects, net sales increased by 5.6 percent. Organic growth accounted for 4.1 percent and the net change due to acquisitions and divestments was 1.5 percent. Organic growth is attributable mainly to higher net sales in Attendo Finland, particularly in care for older people. The Covid pandemic has had significant negative impact on Attendo Scandinavia's business.

Lease adjusted operating profit (EBITA)[1] amounted to SEK 335m (288). The lease adjusted operating margin (EBITA)[1] was 3.5 percent (3.1). Attendo Finland's profit increased in total and in all service offerings, while Attendo Scandinavia's profit fell sharply due to the Covid pandemic. The negative effect of the Covid pandemic on profit for the period is estimated at SEK 120m (120), primarily in Attendo Scandinavia's nursing homes. The impact was partially offset by government compensation of SEK 79m received by Attendo during the period for additional costs arising from the Covid pandemic attributable to 2020. In relation to the comparison period, profit was reduced by SEK 96m in total 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 329m (316). The increase is attributable to new homes. Non-recurring items had positive effect on the comparison period.

Operating profit (EBITA)[1] amounted to SEK 664m (604) and the operating margin was 7.0 percent (6.5). Adjusted for currency effects, operating profit (EBITA)[1] was SEK 674m.

Operating profit (EBIT) excluding items affecting comparability amounted to SEK 596m (511), corresponding to an operating margin (EBIT) excluding items affecting comparability of 6.3 percent (5.5). The change is attributable to the same factors 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 the second quarter 2020 on goodwill and right-of-use assets, which reduced profit for the period by SEK -961m.

Operating profit (EBIT) amounted to SEK 596m (-450), corresponding to an operating margin (EBIT) of 6.3 percent (-4.9).

Financial net

Net financial items amounted to SEK -493m (-480) for the period, including net interest expense of SEK -29m (-44). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK 435m (-418).

Income tax

Income tax for the period amounted to SEK 36m (+22), corresponding to a tax rate of 34.9 percent (21.3), adjusted for the impairment of goodwill in the comparison period.

Profit and earnings per share for the period

Profit for the period was SEK 67m (-908), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK 0.41 (-5.65). Adjusted earnings per share after dilution were SEK 1.27 (1.12).

1) Excluding items affecting comparability

Business area:

ATTENDO SCANDINAVIA

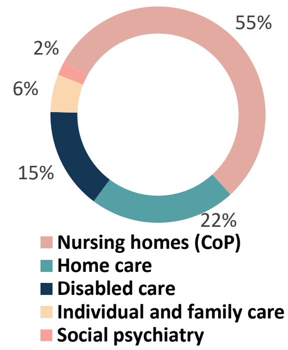
Continued improvement in customer inflow

	Q3		Jan-Sep		Jan-Dec
SEKm	2021	2020	2021	2020	2020
Net sales	1,516	1,410	4,452	4,552	6,027
Lease adjusted EBITA	158	118	323	369	481
Lease adjusted EBITA margin, %	*10.4*	*8.4*	*7.2*	*8.1*	*8.0*
Operating profit (EBITA)	204	163	459	503	658
Operating margin (EBITA), %	*13.4*	*11.6*	*10.3*	*11.1*	*10.9*

Share of net sales, Q3 2021

47%

Net sales per service offering, Q3 2021



July–September 2021

Net sales in Attendo Scandinavia amounted to SEK 1,516m (1,410), corresponding to growth of 7.5 percent before and after currency effects. The increase is attributable mainly to an increase in nursing home beds sold, but also to acquisitions. Organic growth is still inhibited by the Covid situation, as well as ended home care operations. Occupancy in Attendo homes was lower than in the comparison quarter but higher than in Q2 2021.

Lease adjusted EBITA amounted to SEK 158m (118), corresponding to a lease adjusted operating margin of 10.4 percent (8.4). The increase is attributable to a higher number of beds sold, improved profit in home care and acquisitions. The pandemic is estimated to have negative effects on the profits in the quarter of SEK 30m (45). Attendo received SEK 5m in government compensation for certain additional costs in 2020 due to the pandemic.

Effects on operating profit related to IFRS 16 amounted to SEK 46m (44). The increase is attributable to new homes.

Operating profit (EBITA) amounted to SEK 204m (163), corresponding to an operating margin (EBITA margin) of 13.4 percent (11.6).

Two homes with a total of 85 beds were opened during the quarter. The number of beds opened in own operations in the last twelve months amounts to 603, which is still a historically high level for Scandinavia. A high percentage of new units has negative effect on the average occupancy rate. Attendo also closed a number of homes during the quarter.

Business area:

ATTENDO SCANDINAVIA

At the end of the quarter, there were 319 beds under construction in own operations. Since the comparison quarter, Attendo has discontinued home care operations in several municipalities, including in Denmark, and executed a number of acquisitions.

Government support for sick leaves paid by employers and other pandemic-related government relief will be withdrawn in the fourth quarter of 2021. Sick leave is expected to remain high in the coming period, as there are still the same high requirements for staying at home in the event of illness symptoms.

Key data per quarter

Attendo Scandinavia	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Number of beds in homes in operation[1]	6,492	6,645	6,677	6,772	6,779
Occupancy in homes[1], %	80	80	77	77	78
Number of opened beds in own homes (r12)[2]	614	548	497	518	603
Number of beds in own homes under construction[2]	898	796	592	386	319
Number of home care customers	10,110	10,327	9,868	10,391	10,585

1) All homes.
2) Own homes.

January–September 2021

Net sales in Attendo Scandinavia amounted to SEK 4,452m (4,552), corresponding to a change of -2.2 percent. The divestment of the Norwegian operations in the third quarter of 2020 reduced net sales by about SEK 190m. Adjusted for currency effects, the change was 2.0 percent. Organic growth was negatively affected by the pandemic, ended outsourcing contracts and home care operations as well as the leap day in 2020. Occupancy in homes was lower than in the comparison period.

Lease adjusted EBITA amounted to SEK 323m (369), corresponding to a lease adjusted operating margin of 7.2 percent (8.1). The decrease is due to lower profit in care for older people consequent upon negative Covid effects and the costs of nursing homes opened in 2020 and 2021, as occupancy is initially low. The pandemic is estimated to have a negative impact on profits for the period of SEK 110 m (100). This was partly compensated by that Attendo Scandinavia during the period received SEK 59m in compensation for certain additional costs in 2020 due to the Covid pandemic. In relation to the comparison period, profit was negatively affected by non-recurring items of SEK 86m in total, comprised of additional recovery days in 2021, SEK 15m; compensation to property owners in 2021, SEK 20m; the leap day in 2020, SEK 10m; and a capital gain in 2020, SEK 41m. Profit in home care operations improved in relation to the comparison period.

Effects on operating profit related to IFRS 16 amounted to SEK 137m (134). The increase is attributable to new nursing homes. Non-recurring items had positive effect on the comparison period.

Operating profit (EBITA) amounted to SEK 459m (503), corresponding to an operating margin (EBITA margin) of 10.3 percent (11.1). The decrease is attributable to the same factors described above for lease adjusted EBITA.

Business area:

ATTENDO FINLAND

Shortage of temporary substitute staff increased costs over the summer

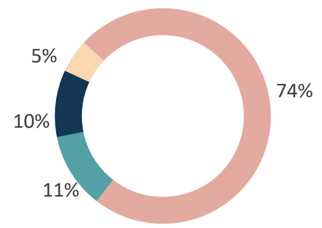
	Q3		Jan-Sep		Jan-Dec
SEKm	2021	2020	2021	2020	2020
Net sales	1,744	1,573	5,076	4,671	6,261
Lease adjusted EBITA[1]	66	59	67	-30	-45
Lease adjusted EBITA margin[1], %	*3.8*	*3.8*	*1.3*	*-0.6*	*-0.7*
Operating profit (EBITA)[1]	130	121	259	152	200
Operating margin (EBITA)[1], %	*7.5*	*7.7*	*5.1*	*3.3*	*3.2*

1) Excluding items affecting comparability

Share of net sales, Q3 2021

53%

Net sales per service offering, Q3 2021



July–September 2021

Net sales in Attendo Finland amounted to SEK 1,744m (1,573) corresponding to growth of 10.8 percent. Adjusted for currency effects, net sales increased by 12.6 percent. The growth is attributable mainly to higher net sales in care for older people as a result of acquisitions, more sold beds and price increases. The total price increases amounted to about 3 percent of total net sales. Occupancy in homes was significantly higher than in the comparison quarter but somewhat lower than in Q2 2021. Subsequent to the comparison quarter, Attendo Finland has discontinued several units and most residents were moved to newly built and modern Attendo homes, although a few units were discontinued entirely. The shortage of temporary substitute staff during the summer months due to society's extensive need for health workers for Covid testing and vaccination clinics entailed higher costs for overtime and external rented staff. This also hampered inflow of new customers and the occupancy trend over the summer because the staffing requirements for accepting new customers could not be met in several regions.

Lease adjusted EBITA amounted to SEK 66m (59) and the lease adjusted EBITA margin[1] was 3.8 percent (3.8). The profit increase is due mainly to improved profit in care for people with disabilities arising from higher occupancy and price effects, as well as profit generated in acquired units. Price increases in care for older people were partially offset by higher operating costs in local units arising from the new law that took effect in 2020, as well as higher annual wage and cost inflation. Wage increases in accordance with collective agreements were implemented in July and September 2021, while wage adjustments in 2020 took place in August and September. Covid effects during the quarter are estimated to be marginal.

1) Excluding items affecting comparability

Business area:

ATTENDO FINLAND

Effects on operating profit (EBITA)[1] related to IFRS 16 amounted to SEK 65m (63). The increase is attributable to new homes.

Operating profit (EBITA)[1] excluding items affecting comparability increased to SEK 130m (121) but the operating margin (EBITA margin)[1] decreased to 7.5 percent (7.7). Currency effects amounted to SEK -4m.

Three nursing homes with 158 beds were opened during the quarter, bringing the number of beds opened in the last twelve months to 328. One home for people with disabilities was acquired during the quarter. 115 beds were discontinued, bringing the net increase in the number of beds to 43. Construction of two homes with a total of 78 beds began during the quarter, bringing the total number of beds in own operations under construction at the end of the quarter to 130. During the third quarter, Attendo won a contract for food deliveries amounting to approximately SEK 70 million on an annual basis.

Attendo will begin staff recruitments in the fourth quarter in preparation for the upwards adjustment of the staffing index from 0.55 to 0.60 that will go into effect at the start of the new year under the new staffing law. As many local authorities in Finland already apply a staffing index of 0.60, this does not affect all our operations. As a result, we expect a moderate increase in personnel costs at the end of the fourth quarter. Contractually, according to our contracts with local authorities, this entails a certain negative effect, as we will not be paid for the increase of staff until after the end of the year.

Key data per quarter

Attendo Finland	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Number of beds in homes in operation[1]	13,615	13,704	14,175	14,086	14,156
Occupancy in homes[1], %	81	82	83	85	85
Number of opened beds in own homes (r12)[2]	1,016	801	458	192	328
Number of beds in own homes under construction[2]	330	240	190	222	130
Number of home care customers	677	674	675	655	581

1) All homes.
2) Own homes.

January–September 2021

Net sales in Attendo Finland amounted to SEK 5,076m (4,671) corresponding to growth of 8.7 percent. Adjusted for currency effects, net sales increased by 13.0 percent. The growth is attributable mainly to higher net sales in care for older people as a result of an increase in the number of beds sold, acquisitions and price increases. Organic growth was negatively affected by the leap day in 2020. The total price increases correspond to about 3 percent of total net sales. Occupancy in Attendo homes was higher than in the comparison period. Since the comparison period, Attendo Finland has discontinued several units and most residents were moved to newly built and modern Attendo homes, although a few units were discontinued entirely.

Lease adjusted EBITA[1] amounted to SEK 67m (-30) and the lease adjusted EBITA margin[1] was 1.3 percent (-0.6). The profit increase is due to improved profit in care for older people and care for people with disabilities arising from an increase in the number of beds sold, price effects and lower Covid-related effects. Price increases in care for older people were partially offset by higher operating costs in local units arising from the new law that took effect in 2020, as well as annual wage and cost inflation. The third quarter was also impacted by high personnel costs due to the shortage of care workers during the summer months. In relation to the comparison period, profit was reduced by SEK 10m due to the leap day in 2020. Lease adjusted operating profit rose in Attendo Finland in all service offerings. Covid effects for the period are estimated to have a negative effect on profits of SEK 10m (20). Attendo Finland also received SEK 20m during the period in compensation for certain additional costs in 2020 due to the Covid pandemic.

Effects on operating profit related to IFRS 16 amounted to SEK 192m (182). The increase is attributable to new homes.

Operating profit (EBITA)[1] increased to SEK 259m (152) and the operating margin (EBITA margin)[1] increased to 5.1 percent (3.3). The increase is attributable to the same factors described above for lease adjusted EBITA[1] and effects related to IFRS 16. Currency effects amounted to SEK -10m.

1) Excluding items affecting comparability

Cash flow

July–September 2021

Free cash flow was SEK -114m (-128) during the quarter, whereof changes in working capital amounted to SEK -288m (-249).

Cash flow from operating activities was SEK 177m (143). Cash used for net investments in non-current assets was SEK -41m (-47). Business acquisitions reduced cash flow by SEK -17m (-6). Sale of a subsidiary reduced cash flow by SEK -1m (-13). Cash used in investing activities thus amounted to SEK -59m (-66).

Cash used in financing activities was SEK -548m (-165). Bank loans of SEK -300m (0) were repaid during the quarter. Total cash used amounted to SEK -430m (-88).

January–September 2021

Free cash flow was SEK 96m (296) for the period, whereof changes in working capital amounted to SEK -170m (199).

Cash flow from operating activities was SEK 928m (1,248). Cash used for net investments in non-current assets was SEK -103m (-279) and cash flow from assets and liabilities held for sale amounted to SEK 2m (196). Business acquisitions reduced cash flow by SEK -263m (-120). Sale of a subsidiary reduced cash flow by SEK -1m (-13). Cash used in investing activities thus amounted to SEK -365m (-216).

Cash used in financing activities was SEK -1,027m (-769). Bank loans of SEK -300m (-225) were repaid during the quarter. Total cash used amounted to SEK -464m (263).

Financial position

Equity attributable to shareholders in the parent company of 30 September 2021 amounted to SEK 4,932m (4,914), which represents diluted equity per share attributable to shareholders in the parent of SEK 30.65 (30.54). Net debt amounted to SEK 13,462m (12,909). Lease adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,761m (2,052).

Interest-bearing liabilities amounted to SEK 13,706m (13,683) on 30 September 2021. Cash and cash equivalents as of 30 September 2021 amounted to SEK 258m (784) and Attendo had SEK 1,800m (1,800) in unutilised committed credit facilities.

Net debt/EBITDA was 6.2 (6.5). Lease adjusted net debt/lease adjusted EBITDA was 2.8 (3.8).

	30 Sep		31 Dec
SEKm	**2021**	**2020**	**2020**
Interest-bearing liabilities	13,706	13,683	12,976
Provisions for post-employn	14	10	8
Cash and cash equivalents	-258	-784	-716
Net debt	**13,462**	**12,909**	**12,268**
Lease liability real estate	-11,701	-10,857	-10,695
Lease adjusted net debt	**1,761**	**2,052**	**1,573**

	30 Sep		31 Dec
SEKm	**2021**	**2020**	**2020**
Net debt / EBITDA	6.2	6.5	6.0
Lease adjusted net debt / Lease adjusted EBITDA	2.8	3.8	2.6

Quality and employees

Societies across the Nordic region reopened during the quarter. Most restrictions have been lifted while Attendo is continuing the efforts to prevent the spread of Covid 19. A comprehensive project is ongoing to encourage as many employees as possible to get vaccinated and thus provide greater protection for customers and colleagues. Internal information campaigns are being carried out, employees have the opportunity to be vaccinated during working hours and Attendo is considering more far-reaching measures.

A project to gather the experiences, insights and thoughts of employees who worked most closely with customers during the pandemic was carried out in the third quarter. About 1,500 discussions and workshops were held at around 300 local units all over Sweden. Attendo wants to discover and understand employees' experiences and perceptions to learn important lessons and improve conditions for managing future crises. The exchange of experience provides opportunities for reflection and for making an immediate difference in the local operation, ultimately aimed at reinforcing cohesion and commitment.

Attendo's home healthcare operations in Uppsala and Norrtälje (Sweden) commenced a pilot project with an automated drug dispenser in home care operations. During a trial period, a number of customers will be able to try out the automated dispensers in their homes. The devices dispense the customer's medications in prefilled dose sachets and use light and sound signals to remind them when it is time to take their medicine. Nurses at the local unit are monitoring the pilot project. The automated drug dispenser is intended to contribute to greater independence and freedom for people who receive home care services. It also contributes to reducing medication errors and making care services more efficient. Advances in welfare technology will be critical to meeting higher needs for care for older people in the future.

Attendo has produced a health programme in partnership with KotiTV in Finland, as well as a chat show aimed at older people. The aim is to promote physical activity and social interaction among older people. Exercise and physical activity improve mood and prevent ill-health. The partnership initiated by Attendo's Finnish operations is a key aspect of efforts to contribute to higher quality of life among older people.

Significant events in the third quarter

Acquisitions and divestments

- During the quarter Kotkan Jelppiskoti Oy was acquired. The company operates a home for people with disabilities in Kotka, Finland.
- During the quarter a home care operation in the Stockholm area was acquired.
- A social psychiatry operation was divested.

Other information

Number of shares

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 30 September 2021 was 160,912,848.

Number of employees

The average number of employees was 20,104 (18,514) in the third quarter and 18,878 (18,374) for the period of January-September.

Transactions with related parties

Related party transactions had a value of SEK 0m (0) during the period. All related party transactions take place on market terms.

For further details, please refer to page 81 of Attendo's 2020 annual report.

Parent company, Attendo AB (publ)

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

Net sales for the period were SEK 11m (10), and were entirely related to services provided to subsidiaries. The loss for the period after net financial items was SEK -24m (-26). At the end of the quarter, cash and cash equivalents amounted to SEK 0m (0), shares in subsidiaries to SEK 6,494m (6,494), and non-restricted equity to SEK 5,988m (5,969).

Seasonal and calendar effects

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 had positive effect on net sales and profit because the majority of net sales are based on 24-hour periods while the majority of costs are based on monthly periods.

Roundings

Note that roundings occur in text, charts and tables.

Significant events after the closing date

No significant events after the closing date.

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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 are related to the conditions for private companies to operate care operations, 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. Risks and how Attendo manages them are described in greater detail in Attendo's annual report (see the "Risks and risk management" section in the 2020 annual report, pages 24-27).

Current risks and risk management

As part of the development of Attendo, risks related to the opening rate of new establishments, regulatory conditions and staffing are continuously evaluated in the light of Attendo's strategy and financial goals.

The corona pandemic has had profound impact on Attendo's operations and financial performance. As a result of the pandemic, known risks such as occupancy in our units and access to qualified employees have become more apparent.

Occupancy declined significantly in Attendo Scandinavia, mainly due to the ban on visits to nursing homes for older people and concerns about the pandemic. In addition, the entire organisation has been forced to work under very challenging circumstances, with rapid changes of method and direction to protect our customers, many of whom are at high risk of contracting covid-19. Lower occupancy is currently the risk that has the greatest short-term financial impact on Attendo's operations. However, due to the rapid development that has characterized both the spread of the corona virus and the measures that can and need to be taken by both Attendo and other actors in society, all kinds of estimates of the operational or financial impact of the pandemic are associated with significant uncertainty.

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

Accounting policies

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

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and should be read together with the annual report for 2021. The most significant accounting policies under IFRS, the reporting norm applied in preparing this interim report, are set forth in Note C1 on pages 61-65 of the annual report for 2020, which were applied to the preparation of this interim report.

The interim information on pages 1-16 is an integrated part of this financial report. The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities.

The interim report has not been reviewed by the company's auditors. This English report is an unofficial translation. In case of any discrepancy between the English version and the Swedish version, the Swedish text shall prevail.

Outlook

Attendo does not publish forecasts.

Danderyd, on October 26, 2021

Martin Tivéus

President and CEO

Auditor's limited review report (translation of the Swedish original)

Attendo AB. reg. no. 559026-7885

Introduction

We have reviewed the condensed interim financial information (interim report) of Attendo AB as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 26 October 2021

PricewaterhouseCoopers AB

Patrik Adolfson

Authorized public accountant

Financial reports

Consolidated Income Statement

	Q3		Jan-Sep		Jan-Dec
SEKm	**2021**	**2020**	**2021**	**2020**	**2020**
Net sales	3,260	2,983	9,529	9,223	12,288
Other operating income	4	6	19	65	73
Total revenue	**3,264**	**2,989**	**9,548**	**9,288**	**12,361**
Personnel costs	-2,096	-1,941	-6,415	-6,233	-8,285
Other external costs	-511	-467	-1,478	-1,511	-2,023
Operating profit before amortization and depreciations (EBITDA)[1]	**657**	**581**	**1,655**	**1,544**	**2,053**
Amortization and depreciation of tangible and intangible assets	-338	-312	-991	-940	-1,256
Operating profit after depreciation (EBITA)[1]	**319**	**269**	**664**	**604**	**797**
Operating margin (EBITA)[1], %	*9.8*	*9.0*	*7.0*	*6.5*	*6.5*
Amortization of acquisition related intangible assets	-13	-30	-68	-93	-124
Operating profit (EBIT), excluding items affecting comparability	**306**	**239**	**596**	**511**	**673**
Operating margin (EBIT), excluding items affecting comparability, %	*9.4*	*8.0*	*6.3*	*5.5*	*5.5*
Items affecting comparability	-	10	-	-961	-955
Operating profit (EBIT)	**306**	**249**	**596**	**-450**	**-282**
Operating margin (EBIT), %	*9.4*	*8.3*	*6.3*	*-4.9*	*-2.3*
Net financial items	-171	-166	-493	-480	-644
Profit before tax	**135**	**83**	**103**	**-930**	**-926**
Income tax	-40	-19	-36	22	22
Profit for the period	**95**	**64**	**67**	**-908**	**-904**
Profit margin, %	*2.9*	*2.1*	*0.7*	*-9.8*	*-7.4*
Profit for the period attributable to the parent company shareholders	94	64	65	-909	-906
Profit for the period attributable to non-controlling interest	1	-	2	1	2
Basic earnings per share, SEK	0.58	0.40	0.41	-5.65	-5.63
Diluted earnings per share, SEK	0.58	0.40	0.41	-5.65	-5.63
Average number of shares outstanding, basic, thousands	160,913	160,908	160,913	160,875	160,904
Average number of shares outstanding, diluted, thousands	160,928	160,923	160,928	160,910	160,920

1) Excluding items affecting comparability

Consolidated Statement of Comprehensive Income

	Q3		Jan-Sep		Jan-Dec
SEKm	**2021**	**2020**	**2021**	**2020**	**2020**
Profit for the period	**95**	**64**	**67**	**-908**	**-904**
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Remeasurements of defines benefit pension plans, net of tax	-11	2	-6	-10	-8
Items that may be reclassified to profit or loss					
Exchange rate differences on translating foreign operations attributable to the parent company shareholders	8	-4	22	13	-56
Other comprehensive income for the period	**-3**	**-2**	**16**	**3**	**-64**
Total comprehensive income for the period	**92**	**62**	**83**	**-905**	**-968**
Total comprehensive income attributable to the parent company shareholders	91	62	81	-906	-970
Total comprehensive income attributable to non-controlling interest	1	1	2	1	2

Consolidated Balance Sheet

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Non-current assets			
Goodwill	6,870	6,720	6,644
Other intangible assets	490	525	493
Equipment	539	1,062	562
Right-of-use assets	10,537	9,982	9,709
Financial assets	431	403	410
Total non-current assets	**18,867**	**18,692**	**17,818**
Current assets			
Trade receivables	1,161	1,004	1,039
Other current assets	443	446	481
Cash and cash equivalents	258	784	716
	1,862	**2,234**	**2,236**
Assets held for sale	18	19	18
Total current assets	**1,880**	**2,253**	**2,254**
Total assets	**20,747**	**20,945**	**20,072**
EQUITY and LIABILITIES			
Equity			
Equity attributable to the parent company shareholders	4,932	4,914	4,849
Non-controlling interest	25	23	22
Total equity	**4,957**	**4,937**	**4,871**
Non-current liabilities			
Liabilities to credit institutions	1,970	2,790	2,246
Long-term lease liabilities[1]	10,698	9,979	9,811
Provisions for post-employment benefits	14	10	8
Other provisions	82	152	64
Other non-current liabilities	98	151	120
Total non-current liabilities	**12,862**	**13,082**	**12,249**
Current liabilities			
Liabilities to credit institutions	1	4	0
Short-term lease liabilities[2]	1,037	910	919
Trade payables	316	489	358
Short-term provisions	76	119	117
Other current liabilities	1,494	1,400	1,554
	2,924	**2,922**	**2,948**
Liabilities held for sale	4	4	4
Total current liabilities	**2,928**	**2,926**	**2,952**
Total equity and liabilities	**20,747**	**20,945**	**20,072**

1) Long-term lease liabilities include car leases amounting to SEK 10m (11m) and full year SEK 16m.

2) Short-term lease liabilities include car leases amounting to SEK 24m (22m) and full year SEK 19m.

Consolidated Cash Flow Statement

	Q3		Jan-Sep		Jan-Dec
Operational cash flow (alternative performance measure), SEKm	**2021**	**2020**	**2021**	**2020**	**2020**
Operating profit (EBITA)[1]	319	269	664	604	797
Depreciation and amortization of tangible and intangible assets	338	312	991	940	1,256
Changes in working capital	-287	-249	-170	199	246
Paid income tax	-25	-26	-57	-53	-37
Other non-cash items	-11	2	-26	25	15
Cash flow after changes in working capital	**334**	**308**	**1,402**	**1,715**	**2,277**
Investments on tangible and intangible assets	-44	-55	-128	-295	-345
Divestments of tangible and intangible assets	3	8	25	16	26
Operating cash flow	**293**	**261**	**1,299**	**1,436**	**1,958**
Interest received/paid	-11	-27	-39	-49	-73
Interest expense for lease liabilities of real estate	-146	-138	-435	-418	-559
Repayment of lease liabilities	-250	-224	-729	-673	-898
Free cash flow	**-114**	**-128**	**96**	**296**	**428**
Net change in assets and liabilities held for sale	-	-	2	196	196
Acquisition of operations	-17	-6	-263	-120	-114
Divestment of subsidiaries	-1	-13	-1	-13	-22
Warrants	2	-	2	2	2
Repayment of loans	-300	-	-300	-225	-475
New borrowings	-	59	-	127	199
Total cash flow	**-430**	**-88**	**-464**	**263**	**214**
Cash and cash equivalents at the beginning of the period	686	867	716	523	523
Effect of exchange rate changes on cash	2	5	6	-2	-21
Cash and cash equivalents at the end of the period	**258**	**784**	**258**	**784**	**716**

	Q3		Jan-Sep		Jan-Dec
Cash flow according to IFRS, SEKm	**2021**	**2020**	**2021**	**2020**	**2020**
Cash flow from operations	177	143	928	1,248	1,645
Cash flow from investing activities	-59	-66	-365	-216	-259
Cash flow from financing activities	-548	-165	-1,027	-769	-1,172
Total cash flow	**-430**	**-88**	**-464**	**263**	**214**

1) Excluding items affecting comparability

Consolidated Statement of Changes in Equity

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
Opening balance	**4,871**	**5,831**	**5,831**
Total comprehensive income attributable to:			
The parent company shareholders	81	-906	-970
Non-controlling interest	2	1	2
Transactions with owners			
Warrants	2	2	2
Vested shares	-	1	1
Transactions with non-controlling interest	-	-15	-14
Share-savings plan	1	-	-1
Total transactions with owners	**3**	**-12**	**-12**
Equity attributable to the parent company shareholders	4,932	4,914	4,849
Non-controlling interests	25	23	22
Closing balance	**4,957**	**4,937**	**4,871**

Segment in Summary

SEKm	Scandinavia Q3 2021	Scandinavia Q3 2020	Finland Q3 2021	Finland Q3 2020	Other and eliminations Q3 2021	Other and eliminations Q3 2020	Group Q3 2021	Group Q3 2020
Net sales	**1,516**	**1,410**	**1,744**	**1,573**	**-**	**-**	**3,260**	**2,983**
- Net sales, own operations	1,168	1,060	1,729	1,544	-	-	2,897	2,604
- Net sales, outsourcing	348	350	14	29	-	-	362	379
Lease adjusted EBITA[1]	**158**	**118**	**66**	**59**	**-16**	**-15**	**208**	**162**
Lease adjusted operating margin (EBITA), %	*10.4*	*8.4*	*3.8*	*3.8*	*-*	*-*	*6.4*	*5.4*
Operating profit (EBITA)[1]	**204**	**163**	**130**	**121**	**-16**	**-15**	**319**	**269**
Operating margin (EBITA)[1], %	*13.4*	*11.6*	*7.5*	*7.7*	*-*	*-*	*9.8*	*9.0*

1) Excluding items affecting comparability.

SEKm	Scandinavia Jan-Sep 2021	Scandinavia Jan-Sep 2020	Scandinavia Full-year 2020	Finland Jan-Sep 2021	Finland Jan-Sep 2020	Finland Full-year 2020	Other and eliminations Jan-Sep 2021	Other and eliminations Jan-Sep 2020	Other and eliminations Full-year 2020	Group Jan-Sep 2021	Group Jan-Sep 2020	Group Full-year 2020
Net sales	**4,452**	**4,552**	**6,027**	**5,076**	**4,671**	**6,261**	**-**	**-**	**-**	**9,529**	**9,223**	**12,288**
- Net sales, own operations	3,414	3,310	4,425	5,033	4,549	6,102	-	-	-	8,447	7,859	10,527
- Net sales, outsourcing	1,038	1,242	1,602	43	122	159	-	-	-	1,081	1,364	1,761
Lease adjusted EBITA[1]	**323**	**369**	**481**	**67**	**-30**	**-45**	**-54**	**-51**	**-61**	**335**	**288**	**375**
Lease adjusted operating margin (EBITA)[1], %	*7.2*	*8.1*	*8.0*	*1.3*	*-0.6*	*-0.7*	*-*	*-*	*-*	*3.5*	*3.1*	*3.1*
Operating profit (EBITA)[1]	**459**	**503**	**658**	**259**	**152**	**200**	**-54**	**-51**	**-61**	**664**	**604**	**797**
Operating margin (EBITA)[1], %	*10.3*	*11.1*	*10.9*	*5.1*	*3.3*	*3.2*	*-*	*-*	*-*	*7.0*	*6.5*	*6.5*

1) Excluding items affecting comparability.

Net Financial Items

SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net interest expense (excluding lease liabilities for real estate)	-9	-14	-29	-44	-57
Interest expense, lease liabilities for real estate	-146	-138	-435	-418	-559
Other	-16	-14	-29	-18	-28
Net financial items	**-171**	**-166**	**-493**	**-480**	**-644**

Investments

SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Investments					
Investments in intangible assets	6	2	24	8	13
Investments in tangible assets	38	53	104	287	333
Divestments of tangible and intangible assets	-3	-8	-25	-16	-27
Total net investments	**41**	**47**	**103**	**279**	**319**
Intangible assets acquired through business combination					
Goodwill	-9	5	204	97	129
Customer relations	11	5	47	57	82
Other	-	0	-	0	0
Total intangible assets acquired through business combination	**2**	**10**	**251**	**154**	**211**

Financial Assets and Liabilities

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Financial assets measured at fair value			
Trade receivables	1,161	1,004	1,039
Cash and cash equivalents	258	784	716
Total financial assets	**1,419**	**1,788**	**1,755**
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	0	0	0
Financial liabilities measured at amortised cost			
Borrowings	1,971	2,794	2,246
Lease liabilities	11,735	10,889	10,730
Trade payables	316	489	358
Total financial liabilities	**14,022**	**14,172**	**13,334**

The table shows the Group's significant financial assets and liabilities. Assets and liabilities recognized as loans and receivables, and other financial liabilities are valued at amortized cost. Fair value for all financial assets and liabilities are equal to the carrying value. For complete table and further information see Attendo's Annual report 2020, note C26.

Valuation technique

Level 3: The fair value of contingent considerations is based on estimated outcome from the contractual clauses in the share purchase agreements

Pledged Assets and Contingent Liabilities

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
Assets pledged as collateral	57	66	64
Contingent liabilities[1]	3,930	4,554	4,615

1) Leases of assets not yet in use are reported in 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.

Adjusted Earnings and Adjusted Earnings per Share Q3 2021

SEKm	Reported	Acq.[1]	IFRS 16[2]	Items affecting comparability[3]	Total adj.	Adjusted earnings
Net sales	3,260	-	-	-	-	3,260
Other operating income	4	-	-	-	-	4
Operating profit before amortization and depreciation (EBITDA)	**657**	**-**	**-396**	**-**	**-396**	**261**
Amortization and depreciation of tangible and intangible assets	-338	-	285	-	285	-53
Operating profit (EBITA)	**319**	**-**	**-111**	**-**	**-111**	**208**
Amortization of acquisition related intangible assets	-13	13	-	-	13	-
Operating profit excluding items affecting comparability (EBIT)	**306**	**13**	**-111**	**-**	**-98**	**208**
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	**306**	**13**	**-111**	**-**	**-98**	**208**
Net financial items	-171	-	146	-	146	-25
Profit before tax (EBT)	**135**	**13**	**35**	**-**	**48**	**183**
Income tax	-40	-3	-6	-	-9	-49
Profit for the period	**95**	**10**	**29**	**-**	**39**	**134**
Profit for the period attributable to:						
The parent company shareholders	94	10	29	-	39	133
Non-controlling interests	1				-	1
Average number of shares outstanding, diluted, thousands	160,928	160,928	160,928	160,928	160,928	160,928
Earnings per share diluted, SEK	**0.58**	**0.06**	**0.18**	**-**	**0.24**	**0.83**

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

Adjusted Earnings and Adjusted Earnings per Share Q3 2020

SEKm	Reported	Acq.[1]	IFRS 16[2]	Items affecting comparability[3]	Total adj.	Adjusted earnings
Net sales	2,983	-	-	-	-	2,983
Other operating income	6	-	-1	-	-1	5
Operating profit before amortization and depreciation (EBITDA)	**581**	**-**	**-363**	**-**	**-363**	**218**
Amortization and depreciation of tangible and intangible assets	-312	-	256	-	256	-56
Operating profit (EBITA)	**269**	**-**	**-107**	**-**	**-107**	**162**
Amortization of acquisition related intangible assets	-30	31	-	-	31	1
Operating profit excluding items affecting comparability (EBIT)	**239**	**31**	**-107**	**-**	**-76**	**163**
Items affecting comparability	10	-	-1	-8	-9	1
Operating profit (EBIT)	**249**	**31**	**-108**	**-8**	**-85**	**164**
Net financial items	-166	-	138	-	138	-29
Profit before tax (EBT)	**83**	**31**	**30**	**-8**	**53**	**135**
Income tax	-19	-6	-7	-	-14	-33
Profit for the period	**64**	**25**	**23**	**-8**	**39**	**102**
Profit for the period attributable to:						
The parent company shareholders	64	25	23	-8	40	104
Non-controlling interests	-	-	-	-	-	-
Average number of shares outstanding, diluted, thousands	160,923	160,923	160,923	160,923	160,923	160,923
Earnings per share diluted, SEK	**0.40**	**0.16**	**0.14**	**-0.05**	**0.25**	**0.64**

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

Adjusted Earnings and Adjusted Earnings per Share Jan-Sep 2021

SEKm	Reported	Acq.[1]	IFRS 16[2]	Items affecting comparability[3]	Total adj.	Adjusted earnings
Net sales	9,529	-	-	-	-	9,529
Other operating income	19	-	-1	-	-1	18
Operating profit before amortization and depreciation (EBITDA)	**1,655**	**-**	**-1,165**	**-**	**-1,165**	**490**
Amortization and depreciation of tangible and intangible assets	-991	-	836	-	836	-155
Operating profit (EBITA)	**664**	**-**	**-329**	**-**	**-329**	**335**
Amortization of acquisition related intangible assets	-68	68	-	-	68	-
Operating profit excluding items affecting comparability (EBIT)	**596**	**68**	**-329**	**-**	**-261**	**335**
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	**596**	**68**	**-329**	**-**	**-261**	**335**
Net financial items	-493	-	435	-	435	-58
Profit before tax (EBT)	**103**	**68**	**106**	**-**	**174**	**277**
Income tax	-36	-14	-20	-	-34	-70
Profit for the period	**67**	**54**	**86**	**-**	**140**	**207**
Profit for the period attributable to:						
The parent company shareholders	65	54	86	-	140	205
Non-controlling interests	2				-	2
Average number of shares outstanding, diluted, thousands	160,928	160,928	160,928	160,928	160,928	160,928
Earnings per share diluted, SEK	**0.41**	**0.34**	**0.53**	**-**	**0.87**	**1.27**

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

Adjusted Earnings and Adjusted Earnings per Share Jan-Sep 2020

SEKm	Reported	Acq.[1]	IFRS 16[2]	Items affecting comparability[3]	Total adj.	Adjusted earnings
Net sales	9,223	-	-	-	-	9,223
Other operating income	65	-	-1	-	-1	64
Operating profit before amortization and depreciation (EBITDA)	**1,544**	**-**	**-1,087**	**-**	**-1,087**	**457**
Amortization and depreciation of tangible and intangible assets	-940	-	771	-	771	-169
Operating profit (EBITA)	**604**	**-**	**-316**	**-**	**-316**	**288**
Amortization of acquisition related intangible assets	-93	93	-	-	93	-
Operating profit excluding items affecting comparability (EBIT)	**511**	**93**	**-316**	**-**	**-223**	**288**
Items affecting comparability	-961	-	135	826	961	-
Operating profit (EBIT)	**-450**	**93**	**-181**	**826**	**738**	**288**
Net financial items	-480	-	418	-	418	-62
Profit before tax (EBT)	**-930**	**93**	**237**	**826**	**1,156**	**226**
Income tax	22	-19	-48	-	-67	-45
Profit for the period	**-908**	**74**	**189**	**826**	**1,089**	**181**
Profit for the period attributable to:						
The parent company shareholders	-909	74	189	826	1,089	180
Non-controlling interests	1	-	-	-	-	1
Average number of shares outstanding, diluted, thousands	160,910	160,910	160,910	160,910	160,910	160,910
Earnings per share diluted, SEK	**-5.65**	**0.46**	**1.17**	**5.13**	**6.77**	**1.12**

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

Adjusted Earnings and Adjusted Earnings per Share 2020

SEKm	Reported	Acq.[1]	IFRS 16[2]	Items affecting comparability[3]	Total adj.	Adjusted earnings
Net sales	12,288	-	-	-	-	12,288
Other operating income	73	-	-	-	-	73
Operating profit before amortization and depreciation (EBITDA)	**2,053**	**-**	**-1,454**	**-**	**-1,454**	**599**
Amortization and depreciation of tangible and intangible assets	-1,256	-	1,032	-	1,032	-224
Operating profit (EBITA)	**797**	**-**	**-422**	**-**	**-422**	**375**
Amortization of acquisition related intangible assets	-124	124	-	-	124	-
Operating profit excluding items affecting comparability (EBIT)	**673**	**124**	**-422**	**-**	**-298**	**375**
Items affecting comparability	-955	-	134	821	955	-
Operating profit (EBIT)	**-282**	**124**	**-288**	**821**	**657**	**375**
Net financial items	-644	-	559	-	559	-85
Profit before tax (EBT)	**-926**	**124**	**271**	**821**	**1,216**	**290**
Income tax	22	-25	-54	-	-79	-57
Profit for the period	**-904**	**99**	**217**	**821**	**1,137**	**233**
Profit for the period attributable to:						
The parent company shareholders	-906	99	217	821	1,137	231
Non-controlling interests	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**

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

Key Data

		Q3		Jan-Sep		Jan-Dec
		2021	2020	2021	2020	2020
Organic growth	%	5.6	3.0	4.1	4.3	4.4
Acquired growth	%	4.6	-2.4	1.5	-0.2	-0.7
Change in currencies	%	-1.0	-1.6	-2.2	-0.2	-0.7
Operating margin (EBITA margin) r12¹	%	-	-	6.8	6.1	6.5
Lease adjusted operating margin (lease adjusted EBITA margin) r12¹	%	-	-	3.4	2.6	3.1
Working capital	SEKm	-	-	-282	-558	-508
Return on capital employed	%	-	-	4.1	3.4	3.7
Net debt to equity ratio	times	-	-	2.7	2.6	2.5
Equity to asset ratio	%	-	-	24	24	24
Net debt/EBITDA r12¹	times	-	-	6.2	6.5	6.0
Lease adjusted net debt / Lease adjusted EBITDA r12¹	times	-	-	2.8	3.8	2.6
Free cash flow	SEKm	-114	-128	96	296	428
Net investments	SEKm	-41	-47	-103	-279	-319
Average number of employees		20,104	18,514	18,878	18,374	18,178
Key data per share						
Earnings per share, basic	SEK	0.58	0.40	0.41	-5.65	-5.63
Earnigns per share, diluted	SEK	0.58	0.40	0.41	-5.65	-5.63
Adjusted earnings per share, diluted	SEK	0.83	0.64	1.27	1.12	1.43
Equity per share, basic	SEK	-	-	30.65	30.54	30.14
Equity per share, diluted	SEK	-	-	30.65	30.54	30.13
Average number of shares outstanding, basic	thousands	160,913	160,908	160,913	160,875	160,904
Average number of shares outstanding, diluted	thousands	160,928	160,923	160,928	160,910	160,920
Number of shares, end of period	thousands	161,387	161,387	161,387	161,387	161,387
Number of treasury shares, end of period	thousands	474	474	474	474	474
Number of shares outstanding, end of period	thousands	160,913	160,913	160,913	160,913	160,913

1) Excluding items affecting comparability.

Quarterly Data

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Total net sales	3,054	3,128	3,112	2,983	3,065	3,062	3,207	3,260
- Net sales, own operations	2,555	2,628	2,627	2,604	2,668	2,700	2,849	2,897
- Net sales, outsourcing	499	500	485	379	397	362	358	362
Total net sales	3,054	3,128	3,112	2,983	3,065	3,062	3,207	3,260
- Net sales, Scandinavia	1,596	1,594	1,548	1,410	1,475	1,447	1,489	1,516
- Net sales, Finland	1,458	1,534	1,564	1,573	1,590	1,615	1,718	1,744
Lease adjusted operating profit (EBITDA)	90	141	98	218	142	125	104	261
Lease adjusted operating margin (EBITDA margin), %	*2.9*	*4.5*	*3.2*	*7.3*	*4.6*	*4.1*	*3.2*	*8.0*
Lease adjusted operating profit (EBITA)	35	84	42	162	87	75	53	208
Lease adjusted operating margin (EBITA margin), %	*1.1*	*2.7*	*1.4*	*5.4*	*2.8*	*2.4*	*1.7*	*6.4*
Operating profit (EBITDA)	435	492	471	581	509	502	496	657
Operating margin (EBITDA margin), %	*14.2*	*15.7*	*15.1*	*19.5*	*16.6*	*16.4*	*15.5*	*20.2*
Operating profit (EBITA)	139	182	153	269	193	183	162	319
Operating margin (EBITA margin), %	*4.5*	*5.8*	*4.9*	*9.0*	*6.3*	*6.0*	*5.1*	*9.8*
Profit for the period	-40	3	-975	64	4	-9	-19	95
Profit margin, %	*-1.3*	*0.1*	*-31.3*	*2.1*	*0.1*	*-0.3*	*-0.6*	*2.9*
Earnings per share basic, SEK	-0.25	0.02	-6.06	0.40	0.02	-0.06	-0.12	0.58
Earnings per share diluted, SEK	-0.25	0.02	-6.06	0.40	0.02	-0.06	-0.12	0.58
Adjusted earnings per share diluted, SEK	0.04	0.37	0.11	0.65	0.32	0.26	0.19	0.83
Average number of employees	16,163	17,950	18,659	18,514	17,523	18,012	18,518	20,104
Operational data								
Number of units in operation[1]	698	706	709	700	707	716	716	716
Number of beds in homes[2]	19,720	20,391	20,708	20,107	20,349	20,852	20,858	20,935
Occupancy in homes, %[2]	82	82	80	81	81	81	83	83
Number of beds under construction[3]	1,980	1,423	1,110	1,228	1,036	782	608	449
Number of opened beds (r12)[3]	1,950	2,186	2,042	1,630	1,349	955	710	931

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

Parent Company Income Statement

	Q3		Jan-Sep		Jan-Dec
SEKm	**2021**	**2020**	**2021**	**2020**	**2020**
Net sales	3	4	11	10	13
Personnel costs	-2	-8	-21	-22	-28
Other external costs	-3	-2	-8	-7	-10
Operating profit	**-2**	**-6**	**-18**	**-19**	**-25**
Net financial items	-1	-2	-6	-7	-9
Profit after financial items	**-3**	**-8**	**-24**	**-26**	**-34**
Group contributions	-	-	-	-	54
Profit before tax	**-3**	**-8**	**-24**	**-26**	**20**
Income tax	-	-	-	-	-5
Profit for the period	**-3**	**-8**	**-24**	**-26**	**15**

Profit for the period corresponds to total comprehensive income.

Parent Company Balance Sheet

SEKm	**30 Sep 2021**	**30 Sep 2020**	**31 Dec 2020**
ASSETS			
Non-current assets			
Shares in subsidiaries	6,494	6,494	6,494
Total non-current assets	**6,494**	**6,494**	**6,494**
Current assets			
Receivables to group companies	5	-	54
Other receivables	5	5	1
Cash and cash equivalents	0	-	0
Total current assets	**10**	**5**	**55**
Total assets	**6,504**	**6,499**	**6,549**
EQUITY AND LIABILITIES			
Equity	**5,989**	**5,970**	**6,011**
Current liabilities			
Liabilities to group companies	505	516	525
Other liabilities	10	13	13
Total current liabilities	**515**	**529**	**538**
Total equity and liabilities	**6,504**	**6,499**	**6,549**

Attendo's operations

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland and Denmark. Attendo is the largest private care provider in Sweden and Finland. Attendo is a locally based company and has more than 700 units in operation in about 300 municipalities. The company has about 25,000 employees. With the vision of empowering the individual, Attendo provides services within care for older people, care for people with disabilities, social psychiatry and care for individuals and relatives.

Attendo provides services through two business areas, Attendo Scandinavia and Attendo Finland.

Attendo provides care services under two contract models:

- Own operations, where Attendo provides services in own controlled units/premises 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 relatives.
- Outsourcing operations, where Attendo provides services in publicly controlled units/premises or provides home care services based on outsourcing contracts. Attendo has outsourced units for care for older people, care for people with disabilities and care for individuals and relatives.

Local authorities (mainly municipalities) are usually the contracting authorities for a large majority of Attendo's service offerings, 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 2-5 years.

Definitions of key data and alternative performance measures (APM)

Explanations of financial 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.
Adjusted earnings per share (APM)	Profit or loss for the period attributable to the parent company shareholders excluding effects from amortization of acquisition-related intangible assets as well effects from the implementation of IFRS 16 and items affecting comparability and related tax items divided by the number of outstanding shares after dilution.
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 the tables adjusted earnings and adjusted earnings per share 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 the tables adjusted earnings and adjusted earnings per share 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 the table showing net debt calculation for more information.
Lease adjusted net debt / lease adjusted EBITDA	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.
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 period attributable to the parent company shareholders divided by average shares outstanding.
Equity/assets ratio	Equity divided by total assets.
Equity per share	Equity 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 operational cash flow after changes in working capital, cash flow from investments in and divestments of tangible and intangible assets, as well as received/paid interest, interest expense for lease liabilities of real estate and repayment of lease liabilities according to IFRS 16. See the Consolidated cash flow table for reconciliation.
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.
Net debt (APM)	Net debt is a way of describing the group's indebtedness and its ability to repay its debt with cash and cash equivalents if all debts were to be due for payment today. Net debt is defined as interest-bearing liabilities plus provisions for post-employment benefits minus cash and cash equivalents. Net debt is presented both including and excluding lease liabilities attributable to right-of-use assets for real estate. See the section Financial position in this report for a reconciliation of net debt.
Net debt / EBITDA	Net debt divided by 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 sales development excluding acquisitions and currency effects. The performance measure is calculated as sales growth excluding acquisitions and changes in exchange rates. See Note C35 in the 2020 annual report for a reconciliation of the performance measure on a full year basis.
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 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.
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 margin	Profit or loss for the period 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.
Working capital (APM)	Working capital is a key performance measurement for optimising cash generation. The performance measure is defined as current assets excluding cash and cash equivalents and current interest-bearing assets minus current non-interest-bearing liabilities and provisions. Assets and liabilities held for sale are not included in working capital. See Note C35 in the 2020 annual report for a reconciliation of the performance measure on a full year basis.

Explanations of operating measures

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.

INFORMATION TO SHAREHOLDERS AND ANALYSTS

Financial Calendar

Year-end report January-December 2021	10 February 2022
Annual General Meeting	26 April 2022
Interim report January-March 2022	6 May 2022
Interim report January-June 2022	21 July 2022
Interim report January-September 2022	26 October 2022

Telephone conference

A telephone conference will be held on 26 October 2021 at 10.00 (CET) with Attendo's CEO Martin Tivéus and CFO Fredrik Lagercrantz. For participation please dial in on the following number:

SE:	+46 8 505 583 55
FI:	+358 9 231 944 78
UK:	+44 3 333 009 260

You can follow the presentation and the conference on the following page: https://tv.streamfabriken.com/attendo-q3-2021

For further information please contact:

Fredrik Lagercrantz	Andreas Koch
CFO	Communications and IR Director
Phone +46 8 586 252 00	Phone +46 70 509 77 61

This is information that Attendo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above at 08.00 CET on 26 October 2021.

Forward-looking information

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

Company number : 559026-7885

Attendo