

Q2



INTERIM REPORT JANUARY-JUNI 2022

Summary of the second quarter

- Net sales amounted to SEK 3,546m (3,207). Organic growth was 6.7 percent.
- Lease adjusted EBITA (EBITA according to the previous accounting standard) was SEK -11m (53), corresponding to a lease adjusted operating margin of -0.3 percent (1.7).
- Operating profit (EBITA) amounted to SEK 106m (162), corresponding to an operating margin of 3.0 percent (5.1).
- The loss for the period amounted to SEK -63m (-19). Diluted earnings per share were SEK -0.39 (-0.12). Adjusted earnings per share after dilution were SEK -0.14 (0.19).
- Free cash flow amounted to SEK 134m (72).
- There were 21,062 (20,858) beds in Attendo's nursing homes at the end of the period. Occupancy in the homes was 84 percent (83).

Summary of the period January - June

- Net sales amounted to SEK 7,028m (6,269). Organic growth was 7.4 percent.
- Lease adjusted EBITA (EBITA according to the previous accounting standard) was SEK 20m (128), corresponding to a lease adjusted operating margin of 0.3 percent (2.0).
- Operating profit (EBITA) amounted to SEK 248m (345), corresponding to an operating margin of 3.5 percent (5.5).
- The loss for the period amounted to SEK -95m (-28). Diluted earnings per share were SEK -0.59 (-0.18). Adjusted earnings per share after dilution were SEK -0.06 (0.45).
- Free cash flow amounted to SEK 191m (210).

Group key figures

SEKm	Q2			Jan-Jun			Jan-Dec
	2022	2021	Δ%	2022	2021	Δ%	2021
Net sales	3,546	3,207	11%	7,028	6,269	12%	12,867
Lease adjusted operating profit (EBITA) ¹	-11	53	-	20	128	-84%	400
Lease adjusted operating margin (EBITA) ¹ , %	-0.3	1.7	-	0.3	2.0	-	3.1
Operating profit (EBITA) ¹	106	162	-35%	248	345	-28%	836
Operating margin (EBITA) ¹ , %	3.0	5.1	-	3.5	5.5	-	6.5
Profit for the period	-63	-19	-	-95	-28	-	59
Earning per share diluted, SEK	-0.39	-0.12	-	-0.59	-0.18	-	0.35
Adjusted earnings per share diluted ^{1, 2} , SEK	-0.14	0.19	-	-0.06	0.45	-	1.48
Free cash flow	134	72	86%	191	210	-9%	249

1) See also definitions of key data and alternative performance measures on pages 30-31.

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

Strong organic growth and improved market conditions in Finland, but weak result

We saw strong sales in care for older people in Scandinavia during the quarter. Occupancy in Scandinavia is continuing to rise and combined with higher prices in Finland, we are reporting continued solid organic growth. Profit was nevertheless weak, mainly due to developments in Finland. Greater difficulty finding qualified staff combined with a higher employee turnover rate in the market is further increasing personnel costs. Combined with high inflation, this is having significant impact on performance in Finland and for Attendo as a whole.

Long-term, considerably higher prices within Finnish care for older people will be required to compensate for costs linked to the new law on care and services for older people and the steep rise in labour costs in recent years. We will be renegotiating all agreements on care for older people in Finland in 2022 ahead of April 2023, when the final phase of the Finnish staffing reform will be implemented. We finalised negotiations during the quarter corresponding to about 20 percent of the contractual volume in care for older people in Finland ahead of 2023. We have obtained an average price adjustment on these contracts of about 30 percent, a level we assess is sufficient to achieve sustainable terms in Finland from 2023.

Group: High organic growth

We are reporting organic growth of 7 percent in the second quarter, driven mainly by higher customer inflow in Scandinavia and price adjustments in Finland for the current year. We have, however, had unusually high personnel costs and higher general costs driven by inflation, which has had significant adverse impact on profit. Lease adjusted EBITA for the second quarter of 2022 fell by SEK 64 million compared to 2021.

Scandinavia: Continued strong customer inflow, underlying profit in line with last year

We have opened numerous new and modern nursing homes in Sweden in the past 18 months. It is satisfying to see a higher customer inflow as people increasingly choose Attendo's nursing homes. Occupancy increased by 1 percentage point to 82 percent and we expect the positive occupancy trend to continue in future quarters, as we are seeing good demand while opening fewer new



Martin Tivéus, CEO

"We received positive long-term indications during the quarter. Our key focus areas in Finland in 2022 involve renegotiating all contracts ahead of 2023 and setting sustainable terms and addressing staff provision in pace with rising staffing requirements."

homes. We still have some way to go before we are back at the target level of 90 percent we had before the pandemic.

Sales in Attendo Scandinavia increased by about 10 percent compared to the same quarter in 2021. Underlying EBITA was in line with the previous year, while reported lease adjusted EBITA increased by SEK 10 million to SEK 84 million. EBITA includes positive non-recurring items of about SEK 30 million (18). Personnel costs during the quarter were somewhat higher than expected, as a result of e.g. costs related to sick leave and increased costs for temporary staffing ahead of the summer holiday period.

Finland: Challenges in the Finnish labour market are impacting the occupancy trend and profit

We achieved growth of 8 percent in local currency during the quarter, but financial performance was clearly disappointing. Continued high personnel costs due to imbalances in the labour market and rigid regulatory requirements, high sick leave during the quarter and large increases in the costs for consumables have clearly

pressured operating profit, which decreased by SEK 75 million compared to 2021. Corona effects have had a negative effect on earnings of approximately SEK 15 million, compared with the previous year. Although we are working intensively to improve the trend in the second half of 2022, we believe the underlying challenges will persist in the short term.

We have, however, received positive long-term indications during the quarter. Our key focus areas in Finland in 2022 involve renegotiating all contracts ahead of 2023 and setting sustainable terms and addressing staff provision to meet rising staffing requirements.

We finalised negotiations during the quarter of about 20 percent of all contracts ahead of 2023 when the final phase of the nursing home staffing law will be implemented and the staff requirement will increase from the current 0.6 care workers per resident to 0.7. On average, the renegotiated contracts entail price increases of about 30 percent, a level we assess is sufficient to achieve sustainable terms in Finland, although the staffing situation remains strained. As these continued negotiations are of great importance for long-term profitability in Finland, we intend to report the results of completed negotiations in upcoming quarterly reports.

The care industry has worked intensively to get politicians and the public to understand the consequences of the new staffing law and the strained situation in the Finnish labour market for care workers. We are now seeing rising awareness, and government agencies and politicians at the national level are working to find solutions to ensure better conditions for care providers to perform their services. The supervisory authorities (AVI/Valvira) have updated their guidelines regarding the share of care staff in nursing homes permitted to be care assistants. This gives us greater flexibility when recruiting staff and it will make it easier to meet the staffing requirements. It also means that the step up to 0.7 in April 2023 will be less dramatic in an already strained labour market.

Timing for meeting the profit target of SEK 4 per share

In the beginning of 2021, Attendo set a goal to reach an adjusted earnings per share of 4 SEK for the full year 2023. As previously mentioned, the challenging situation in Finland affects the timing for meeting this target. Given the good progress regarding price negotiations in Finland, regulatory relief and a positive occupancy trend in Scandinavia, we still expect to reach a profit level of 4 SEK per share, while the timing is likely to be delayed somewhat.

Focus on well-being and quality of life

Our ambition within Attendo is to expand the perspective on quality to include well-being and quality of life, alongside the more traditional approach to quality of care. Accordingly, we are now designing models and systems in Finland and Sweden to improve quality of life for our customers. We are seeing positive outcomes in our pilot studies where sharper focus on follow-up and personal action plans in this area are leading to improvements in customers' self-assessments of their life situations. I consider this a high priority for the next few years as we take the next steps in fulfilling our mission to "empower the individual". Every human being, regardless of age or life situation, wants to be seen, heard and understood. If we at Attendo can help make the lives of people who need care a little better, we will also contribute to a better society in which more people feel they can live life on their own terms.

Martin Tivéus, CEO

Group

April – June 2022

Net sales and operating profit

Net sales increased by 10.6 percent to SEK 3,546m (3,207) during the quarter. Adjusted for currency effects, net sales increased by 8.6 percent. Organic growth accounted for 6.7 percent and the net change due to acquisitions and divestments was 1.9 percent. Organic growth is attributable mainly to higher net sales in care for older people.

Lease adjusted operating profit (EBITA) amounted to SEK -11m (53). The lease adjusted operating margin (EBITA) was -0.3 percent (1.7). Profit increased in Attendo Scandinavia and decreased in Attendo Finland.

Underlying profit in Attendo Scandinavia was in line with profit in the comparison quarter. Profit in Attendo Finland decreased due to high personnel costs and cost inflation. Inflation has a clear impact in 2022 on all markets, but we expect that these cost increases will largely be compensated in 2023 through index clauses or renegotiated agreements.

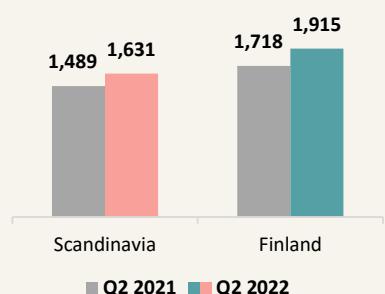
Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 117m (109).

Operating profit (EBITA) amounted to SEK 106m (162) and the operating margin was 3.0 percent (5.1). Currency effects had no material impact on profits.

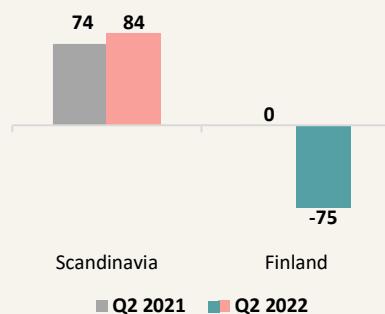
The total number of beds in operation in all homes was 21,062 (20,858) at the end of the quarter, an increase by 1 percent. Occupancy in all homes was 84 percent (83) at the end of the quarter. The number of beds under construction in own operations was 354 across 8 homes.

Operating profit (EBIT) amounted to SEK 91m (136), corresponding to an operating margin (EBIT) of 2.6 percent (4.2). The change is attributable to the same factors as described above, as well as lower amortisation of acquisition related intangible assets.

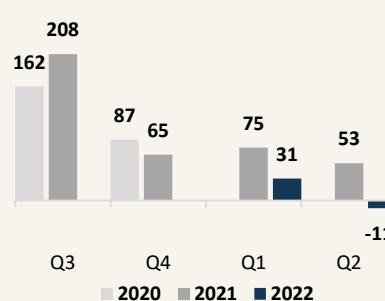
Net sales per business area,
Q2 2022 (SEKm)



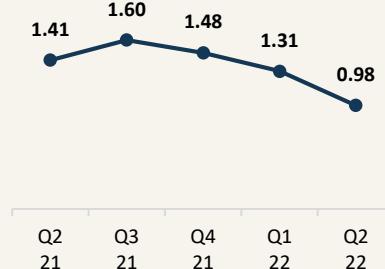
Lease adjusted operating profit (EBITA)
per business area, Q2 2022 (SEKm)



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



Adjusted earnings per share, r12 (SEK)



¹⁾ Excluding items affecting comparability.

Net financial items

Net financial items amounted to SEK -159m (-158) for the quarter, including net interest expense of SEK -9m (-9). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -152m (-146).

Income tax

Income tax for the period amounted to SEK 5m (3), corresponding to a tax rate of 8.0 percent (14.3). Tax for the period was affected by the low profit and temporary differences in profit.

Profit and earnings per share for the period

The loss for the period was SEK -63m (-19), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -0.39 (-0.12). Adjusted earnings per share after dilution were SEK -0.14 (0.19).

January – June 2022

Net sales and operating profit

Net sales for the period increased by 12.1 percent to SEK 7,028m (6,269). Adjusted for currency effects, net sales increased by 10.0 percent. Organic growth accounted for 7.4 percent and the net change due to acquisitions and divestments was 2.6 percent. Organic growth is attributable mainly to higher net sales in care for older people. Sick leave due to Omicron had some negative impact on net sales in both business areas.

Lease adjusted operating profit (EBITA) amounted to SEK 20m (128). The lease adjusted operating margin (EBITA) was 0.3 percent (2.0). Profit decreased in both business areas. Underlying profit in Attendo Scandinavia was, however, in line with profit in the comparison quarter. Profit in Attendo Finland decreased due to high personnel costs and cost inflation.

Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 228m (217).

Operating profit (EBITA) amounted to SEK 248m (345) and the operating margin was 3.5 percent (5.5).

Operating profit (EBIT) amounted to SEK 218m (290), corresponding to an operating margin (EBIT) of 3.1 percent (4.6). The change is attributable to the same

factors as described above, as well as lower amortisation of acquisition related intangible assets.

Net financial items

Net financial items amounted to SEK -328m (-322) for the period, including net interest expense of SEK -18m (-20). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -305m (-289).

Income tax

Income tax for the period amounted to SEK 15m (4), corresponding to a tax rate of 13.8 percent (13.3). Tax for the period was affected by the low profit and temporary differences.

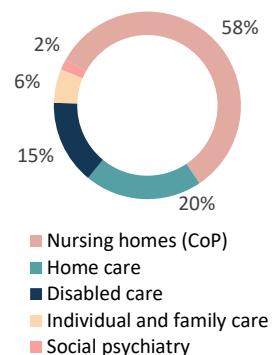
Profit and earnings per share

The loss for the period was SEK -95m (-28), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -0.59 (-0.18). Adjusted earnings per share after dilution were SEK -0.06 (0.45).

Continued strong customer inflow

SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	1,631	1,489	3,238	2,937	6,037
Lease adjusted EBITA	84	74	150	165	428
<i>Lease adjusted EBITA margin, %</i>	5.2	5.0	4.6	5.6	7.1
Operating profit (EBITA)	131	120	244	256	611
Operating margin (EBITA), %	8.0	8.0	7.5	8.7	10.1

Net sales by service offering,
Q2 2022



April – June 2022

Net sales in Attendo Scandinavia amounted to SEK 1,631m (1,489), corresponding to growth of 9.5 percent including currency effects and 9.4 percent excluding currency effects. The increase is attributable mainly to higher net sales in nursing homes, as well as acquisitions.

The number of sold beds and occupancy in nursing homes increased substantially in relation to the comparison quarter and occupancy increased by 1 percentage point in relation to the first quarter even though we opened 84 beds in the second quarter. Occupancy remains lower than it was before the pandemic, both overall and in units that opened before 2020.

Lease adjusted EBITA amounted to SEK 84m (74), corresponding to a lease adjusted operating margin of 5.2 percent (5.0). Non-recurring items of SEK 30m, primarily related to pensions, had positive effect on profit in the second quarter of 2022. During the comparison quarter in 2021, Attendo Scandinavia received SEK 18m in compensation for certain pandemic-related costs attributable to 2020. Adjusted for the items above, operating profit was in line with the comparison quarter. Overall, profit in care for older people increased due to higher occupancy, while profit in home care services decreased. Profit was negatively affected by somewhat higher personnel costs due to factors such as sick leave and higher costs for external staffing. High cost inflation also had negative impact on profit.

Effects on operating profit related to IFRS 16 amounted to SEK 47m (46).

Operating profit (EBITA) amounted to SEK 131m (120), corresponding to an operating margin (EBITA) of 8.0 percent (8.0).

One nursing home with a total of 84 beds was opened during the quarter. The total number of beds opened in own operations in the last twelve months is 328, which is lower than in 2021. Attendo acquired a company in the second quarter with three units in the people with disabilities segment and ended one outsourcing contract. Attendo Scandinavia has been entrusted to continue operating a number of existing operations, including home care services in Linköping, with estimated annual sales of about SEK 140m in total.

Construction of one care home with five beds began during the quarter, bringing the total number of beds in own operations under construction at the end of the quarter to 141. Estimated annual sales for outsourcing contracts won but not yet started and outsourcing contracts lost but not yet ended are SEK -59m net. As previously communicated, the home care operation in Uppsala was discontinued on April 1, 2022, which reduces sales by approximately 90 million on an annual basis.

ATTENDO SCANDINAVIA

Key data per quarter

Attendo Scandinavia	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Number of beds in homes in operation ¹	6,772	6,779	7,051	7,078	7,129
Occupancy in homes ¹ , %	77	78	80	81	82
Number of opened beds in own homes (r12) ²	518	603	594	450	328
Number of beds in own homes under construction ²	386	319	220	220	141
Number of home care customers	10,391	10,585	10,528	10,576	10,030

1) All homes.

2) Own homes.

January – June 2022

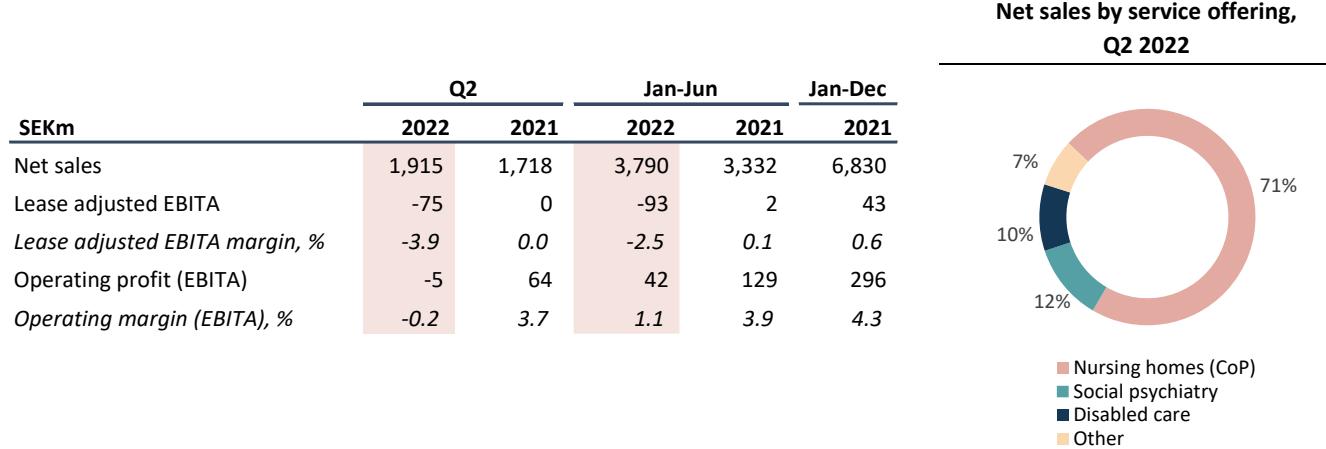
Net sales in Attendo Scandinavia amounted to SEK 3,238m (2,937), corresponding to growth of 10.3 percent including currency effects and 10.2 percent excluding currency effects. There was a strong increase in occupancy in homes in relation to the comparison period, but occupancy is still lower than pre-pandemic levels. High sick leave had some negative impact on net sales.

Lease adjusted EBITA amounted to SEK 150m (165), corresponding to a lease adjusted operating margin of 4.6 percent (5.6). Like the quarter, the period was affected by a number of non-recurring factors. Underlying profit, however, is roughly in line with last year. Increased occupancy and thus higher profit in care for older people had positive impact on profit, but this was offset by negative development and lower profit in home care. High cost inflation had negative impact on profit.

Effects on operating profit related to IFRS 16 amounted to SEK 94m (91).

Operating profit (EBITA) amounted to SEK 244m (256), corresponding to an operating margin (EBITA) of 7.5 percent (8.7). The decrease is attributable to the same factors described above for lease adjusted EBITA.

The staffing situation remains challenging



April – June 2022

Net sales in Attendo Finland amounted to SEK 1,915m (1,718) corresponding to growth of 11.5 percent. Adjusted for currency effects, net sales increased by 7.9 percent. The growth is attributable to higher net sales, driven by price increases primarily in care for older people, and acquisitions. The total price increases amount to about 5 percent. The number of nursing home beds sold decreased slightly during the quarter in relation to both the comparison quarter and the first quarter. Attendo has closed a number of nursing homes due to staff shortages or problems related to occupancy. The occupancy rate was in line with the comparison quarter.

Lease adjusted EBITA amounted to SEK -75 (0) and the lease adjusted EBITA margin was -3.9 percent (0.0). The decrease in profit is explained mainly by high personnel costs due to increased staffing requirements, inefficiency arising from very strict regulations, higher labour costs caused by staff shortages and high sick leave. The high sick leave decreased at the end of the quarter to more normal levels. Fewer sold beds than in the comparison quarter due to discontinued nursing homes and low sales

during the quarter had negative impact on profit. Rising cost inflation also had negative impact on profits. Corona effects have had a negative effect on earnings development of approximately SEK 15m, compared with the previous year. The cost increase is mainly explained by higher direct costs for sick leave and consumables related to increased transmission of Omicron.

Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 70m (64).

The operating loss (EBITA) amounted to SEK -5m (64) and the operating margin (EBITA) was -0.2 percent (3.7). Currency effects had no material impact on profits.

In total, 158 beds were opened in the past twelve months. At the end of the quarter, there were 213 beds under construction in own operations. Attendo Finland discontinued a number of units with about 150 beds during the quarter.

ATTENDO FINLAND

Key data per quarter

Attendo Finland	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Number of beds in homes in operation ¹	14,086	14,156	14,042	14,077	13,933
Occupancy in homes ¹ , %	85	85	86	85	85
Number of opened beds in own homes (r12) ²	192	328	238	188	158
Number of beds in own homes under construction ²	222	130	213	213	213
Number of home care customers	655	581	595	550	607

1) All homes.

2) Own homes.

January – June 2022

Net sales in Attendo Finland amounted to SEK 3,790m (3,332) corresponding to growth of 13.7 percent. Adjusted for currency effects, net sales increased by 9.9 percent. The growth is attributable mainly to higher net sales, primarily in care for older people, as a result of price increases, and acquisitions. The total price increases amount to about 5 percent. Average occupancy in Attendo homes was higher than in the comparison period. Attendo Finland has closed several homes since the comparison quarter and transferred customers to other nursing homes, in order to increase occupancy and to phase out nursing homes that do not have long-term sustainable conditions. High sick leave had some negative impact on net sales.

Lease adjusted EBITA amounted to SEK -93m (2) and the lease adjusted EBITA margin was -2.5 percent (0.1). The decrease in profit is explained primarily by higher personnel costs in local units due to the staffing law, as well as high cost inflation. As a result of high transmission of Omicron, particularly in the first quarter, the period was negatively affected by high costs related to sick leave and consumables.

Effects on operating profit related to IFRS 16 amounted to SEK 134m (127).

Operating profit (EBITA) amounted to SEK 42m (129) and the operating margin (EBITA) was 1.1 percent (3.9). The increase is attributable to the same factors described above for lease adjusted EBITA and effects related to IFRS 16. Currency effects had no material impact on profits.

Cash flow

April – June 2022

Free cash flow was SEK 134m (72) during the quarter, whereof changes in working capital amounted to SEK 199m (43).

Cash flow from operating activities was SEK 471m (347). Cash used for net investments in non-current assets was SEK -53m (-29). Business acquisitions reduced cash flow by SEK -198m (-56). Cash flow from investing activities thus amounted to SEK -251m (-83).

Cash flow from financing activities was SEK -332m (-246). Bank loans of SEK 50m (-) were repaid during the quarter. Total cash flow amounted to SEK -112m (18).

January – June 2022

Free cash flow was SEK 191m (210) for the period, whereof changes in working capital amounted to SEK 266m (117).

Cash flow from operating activities was SEK 855m (751). Cash used for net investments in non-current assets was SEK -112m (-62). Business acquisitions reduced cash flow by SEK -204m (-246). Cash flow from investing activities thus amounted to SEK -316m (-306).

Cash flow from financing activities was SEK -650m (-479). Bank loans of SEK 100m (-) were repaid during the quarter. Total cash flow amounted to SEK -111m (-34).

Financial position

Equity attributable to shareholders in the parent amounted to SEK 4,911m (4,838) as of 30 June 2022, representing diluted equity per share attributable to shareholders in the parent of SEK 30.52 (30.06). Net debt amounted to SEK 14,116m (13,180). Lease adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,642m (1,612).

Interest-bearing liabilities amounted to SEK 14,528m (13,862) on 30 June 2022. Cash and cash equivalents as of 30 June 2022 amounted to SEK 412m (686) and Attendo had SEK 1,800m (1,800) in unutilised committed credit facilities.

Net debt/EBITDA was 6.5 (6.3). Lease adjusted net debt/lease adjusted EBITDA was 3.2 (2.7).

SEKm	30 Jun		31 Dec
	2022	2021	2021
Interest-bearing liabilities	14,528	13,862	13,877
Provision for post-employment benefits	0	4	2
Cash and cash equivalents	-412	-686	-513
Net debt	14,116	13,180	13,366
Lease liability real estate	-12,474	-11,568	-11,776
Lease adjusted net debt	1,642	1,612	1,590

SEKm	30 Jun		31 Dec
	2022	2021	2021
Net debt / EBITDA	6.5	6.3	6.2
Lease adjusted net debt / Lease adjusted EBITDA	3.2	2.7	2.6

Quality and employees

Internal audit

The central quality department carried out an internal audit of most of Attendo's 300 local units in Scandinavia during the quarter. As part of the internal audit, inspectors visited local units and held in-depth interviews with employees. The aim of internal audits include assessing regulatory and contractual compliance, determining whether quality work is embedded throughout operations and assessing whether routines have been properly implemented. The focus for 2022 thus far has been to ensure that procedures and guidelines have been effectively implemented, that employees are aware of them and that they are followed in the day-to-day work. The analysis of audit results is ongoing, but a number of improvement areas have been identified, including handling of medicines, work with relevant quality registers, clarification of targets in implementation plans and more frequent updating of the plans. Digital signature of health services provided (under HSL, the Swedish Health and Medical Services Act), which simplifies work processes surrounding the handling of medicines, is an example of projects that will be rolled out in the second half of 2022.

National Board of Health and Welfare survey

The Swedish National Board of Health and Welfare's open comparisons were published in late June: *What do older people think about care for older people?* People who are receiving home care services or who live in a nursing home answered questions about care for older people. Attendo's overall score was nearly unchanged from 2020 and in line with the industry as a whole. Attendo had the most popular local units in care for older people in eight municipalities and in home care services in four. Attendo had the highest score, i.e., 100 percent satisfaction at six local units and a total of 15 local units achieved more than 90 percent satisfaction in the survey. Attendo works continuously with the results from external and internal customer surveys in order to spread knowledge from units that have high scores and implement measures in operations where satisfaction is low.

Slightly higher score in the employee survey

Attendo measures employee satisfaction several times a year in a digital survey. The questions include how satisfied employees are with Attendo as an employer, how satisfied they are with their line managers and whether they feel comfortable sharing opinions about their local unit with their line managers. The survey in Q2 for Attendo Scandinavia showed figures that are stable and moving upwards – the score for job satisfaction was 4.0 and satisfaction with line managers was 3.9, both on a scale of 1-5. The corresponding figures for Q1 2022 were

3.9 in each category. The share of employees who do not feel comfortable sharing their opinions with their line managers is approximately 7%. The target is for all employees to feel they can share their opinions about their local units.

New Swedish law on care for older people

The Swedish government's special investigator presented a proposal for a new law on care for older people at the end of June. She has proposed that the new law should be a complement to the Social Services Act, with provisions specific to care for older people in relation to areas including competence, management and empowerment. In addition, there are requirements for increased cooperation between local authorities and regions in providing health care for older people. According to the investigator, the law will lead to improved quality and equality in the care system. The proposal will now be circulated for comments before the new government following the general election can present it to the Riksdag for a decision. If enacted, the law would take effect in January 2024 at the earliest. Attendo welcomes the ambitions and will now analyse the implications for private providers.

New collective agreement in Finland

Contract negotiations took place in the spring between the employers' organisation Hali and the largest trade unions that organise workers in the private care sector. The agreement was finalised in June and applies from 1 May 2022 until 30 April 2024, but pay increases will be negotiated one year at a time. The general pay increase is 2 percent effective 1 September 2022, with additional pay increases for specific groups. An additional pay increase of about 2 percent will apply to individuals who have worked in the sector for less than five years.

Advocacy efforts in Finnish care

Attendo and the entire care industry have been working intensively and for a long time to help politicians, government agencies and the public understand the consequences of the new staffing law that has been introduced in stages since 2020. The problem is that the higher staffing requirements are creating a staffing shortage, which has been exacerbated by the strict interpretation of the law by the supervisory authorities. The consequences are that access to care is shrinking and queues to nursing homes are getting longer. During the second quarter, the supervisory authorities in health and social care (AVI/Valvira) adjusted their guidelines for interpreting the law, which now permit the use of nursing assistants to a greater extent than before. This improves capacity to manage the final phase of the staffing reform that will be implemented in April 2023.

Significant events in the second quarter

Acquisitions and divestments

During the quarter, Attendo acquired Silkkite Oy (Silk Road Workforce Management), which recruits and provides language instruction to nurses from The Philippines who intends to work in Finland and Sweden.

Attendo also acquired Kaunialan Sairaala Oy, a rehabilitation hospital outside Helsinki, during the quarter. In connection with the acquisition, real estate worth SEK 76 million was acquired in addition to the intangible assets shown on the investment table on page 20.

Grevegruppen AB, which provides care to people with disabilities in Sweden, was acquired during the quarter.

Attendo also acquired three small home care services businesses in Sweden during the quarter.

Other information

Number of shares

The total number of shares is 161,386,592. Attendo holds 453,697 treasury shares and the total number of shares outstanding as of 30 June 2022 was thus 160,932,895.

Number of employees

The average number of employees was 20,780 (18,518) in the second quarter and 20,264 (18,265) in the first half.

Related party transactions

Transactions with related parties are described in the annual report. Related-party transactions take place on market terms. There were no significant transactions with related parties during the period.

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 8m (8), and were entirely related to services provided to subsidiaries. Profit for the period after net financial items was SEK 78m (-21). At the end of the quarter, cash and cash equivalents amounted to SEK 0 (0), shares in subsidiaries to SEK 6,494m (6,494), and non-restricted equity to SEK 6,615m (5,989).

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.

Roundings

Note that roundings occur in text, charts and tables.

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 a key component 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. The 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 2021 annual report, pages 52-55).

Current risks and risk management

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 staff requirements have been increased in several steps and are planned to increase further in 2023. Higher staff 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 (staff requirements) comes into force and there is consequently a lag before compensation is received.

Staff provision in Finnish care for older people is generally strained and the shortage of care workers has been exacerbated by the reform and the effects of the pandemic.

Currently we see no direct effects of Russia's invasion of Ukraine, as Attendo has no operations in any of the countries. On the other hand, we see indirect effects in the form of increased purchase prices for fuel, energy, food and consumables. There is a high risk that increased purchasing costs will not be covered by higher prices during the current year. This is because the company's contract with local authorities normally regulates inflation during the year in next year's prices.

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 68-72 of the annual report for 2021, which were applied to the preparation of this interim report.

The interim information on pages 1-13 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.

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

Danderyd, on July 21, 2022

Ulf Mattsson

Chairman of the Board

Margareta Danelius

Board member

Catarina Fagerholm

Board member

Alf Göransson

Board member

Tobias Lönnevall

Board member

Suvi-Anne Siimes

Board member

Anssi Soila

Board member

Katarina Nirhammar

Board member

Union representative

Martin Tivéus

President and CEO

Financial reports

Consolidated Income Statement

SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	3,546	3,207	7,028	6,269	12,867
Other operating income	8	9	12	15	24
Total revenue	3,554	3,216	7,040	6,284	12,891
Personnel costs	-2,490	-2,233	-4,871	-4,319	-8,709
Other external costs	-583	-487	-1,181	-967	-2,016
Operating profit before amortization and depreciations (EBITDA)	481	496	988	998	2,166
Amortization and depreciation of tangible and intangible assets	-375	-334	-740	-653	-1,330
Operating profit after depreciation (EBITA)	106	162	248	345	836
<i>Operating margin (EBITA), %</i>	3.0	5.1	3.5	5.5	6.5
Amortization and write-down of acquisition related intangible assets	-15	-26	-30	-55	-81
Operating profit (EBIT)	91	136	218	290	755
<i>Operating margin (EBIT), %</i>	2.6	4.2	3.1	4.6	5.9
Net financial items	-159	-158	-328	-322	-652
Profit before tax	-68	-22	-110	-32	103
Income tax	5	3	15	4	-44
Profit for the period	-63	-19	-95	-28	59
<i>Profit margin, %</i>	-1.8	-0.6	-1.4	-0.4	0.5
Profit for the period attributable to:					
Parent company shareholders	-63	-19	-96	-29	56
Non-controlling interest	-	-	1	1	3
Basic earnings per share, SEK	-0.39	-0.12	-0.59	-0.18	0.35
Diluted earnings per share, SEK	-0.39	-0.12	-0.59	-0.18	0.35
Average number of shares outstanding, basic, thousands	160,923	160,913	160,918	160,913	160,913
Average number of shares outstanding, diluted, thousands	160,933	160,926	160,933	160,926	160,930

Consolidated Statement of Comprehensive Income

SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Profit for the period	-63	-19	-95	-28	59
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans, net of tax	-9	-	1	5	5
Items that may be reclassified to profit or loss					
Exchange rate differences on translating foreign operations attributable to the parent company shareholders	29	-15	45	14	26
Other comprehensive income for the period	20	-15	46	19	31
Total comprehensive income for the period	-43	-34	-49	-9	90
Total comprehensive income attributable to:					
Parent company shareholders	-43	-33	-50	-10	87
Non-controlling interest	-	-1	1	1	3

Consolidated Balance Sheet

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	7,101	6,874	6,878
Other intangible assets	518	488	478
Equipment	646	544	538
Right-of-use assets	11,216	10,484	10,535
Financial assets	456	432	434
Total non-current assets	19,937	18,822	18,863
Current assets			
Trade receivables	1,270	1,103	1,312
Other current assets	473	400	370
Cash and cash equivalents	412	686	513
	2,155	2,189	2,195
Assets held for sale	6	18	18
Total current assets	2,161	2,207	2,213
Total assets	22,098	21,029	21,076
EQUITY and LIABILITIES			
Equity			
Equity attributable to the parent company shareholders	4,911	4,838	4,932
Non-controlling interest	0	24	25
Total equity	4,911	4,862	4,957
Non-current liabilities			
Liabilities to credit institutions	2,026	2,259	2,069
Long-term lease liabilities ¹	11,318	10,586	10,739
Provisions for post-employment benefits	0	4	2
Long term provisions	97	77	70
Other non-current liabilities	162	115	106
Total non-current liabilities	13,603	13,041	12,986
Current liabilities			
Liabilities to credit institutions	0	0	1
Short-term lease liabilities ²	1,184	1,017	1,068
Trade payables	443	336	425
Short-term provisions	95	94	53
Other current liabilities	1,858	1,675	1,582
	3,580	3,122	3,129
Liabilities held for sale	4	4	4
Total current liabilities	3,584	3,126	3,133
Total equity and liabilities	22,098	21,029	21,076

1) Long-term lease liabilities include car leases amounting to SEK 5m (9m) and full year SEK 11m.

2) Short-term lease liabilities include car leases amounting to SEK 24m (27m) and full year SEK 20m.

Consolidated Cash Flow Statement

	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Operational cash flow (alternative performance measure), SEKm					
Operating profit (EBITA) ¹	106	162	248	345	836
Depreciation and amortization of tangible and intangible assets	375	334	740	653	1,330
Changes in working capital	199	43	266	117	-72
Paid income tax	-17	-23	-44	-32	-58
Other non-cash items	-29	-9	-29	-15	-26
Cash flow after changes in working capital	634	507	1,181	1,068	2,010
Investments on tangible and intangible assets	-56	-43	-117	-84	-170
Divestments of tangible and intangible assets	3	14	5	22	19
Operating cash flow	581	478	1,069	1,006	1,859
Interest received/paid	-11	-14	-21	-28	-51
Interest expense for lease liabilities of real estate	-152	-146	-305	-289	-581
Repayment of lease liabilities	-284	-246	-552	-479	-978
Free cash flow	134	72	191	210	249
Net change in assets and liabilities held for sale	0	2	0	2	2
Acquisition of operations	-198	-56	-204	-246	-263
Divestment of subsidiaries	-	-	-	-	-1
Warrants	2	-	2	-	2
Repayment of loans	-50	-	-100	-	-300
New borrowings	-	-	-	-	100
Total cash flow	-112	18	-111	-34	-211
Cash and cash equivalents at the beginning of the period	517	670	513	716	716
Effect of exchange rate changes on cash	7	-2	10	4	8
Cash and cash equivalents at the end of the period	412	686	412	686	513
Cash flow according to IFRS, SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Cash flow from operations	471	347	855	751	1,378
Cash flow from investing activities	-251	-83	-316	-306	-413
Cash flow from financing activities	-332	-246	-650	-479	-1,176
Total cash flow	-112	18	-111	-34	-211

Consolidated Statement of Changes in Equity

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
Opening balance	4,957	4,871	4,871
Total comprehensive income attributable to:			
The parent company shareholders	-50	-10	87
Non-controlling interest	1	1	3
Transactions with owners			
Warrants	2	-	2
Share-savings plan	1	-	1
Total transactions with owners	3	-	3
Transactions with non-controlling interest	-	-	-7
Closing balance	4,911	4,862	4,957
Equity attributable to:			
Parent company shareholders	4,911	4,838	4,932
Non-controlling interests	-	24	25

Segment in Summary

SEKm	Scandinavia		Finland		Other and eliminations		Group	
	Q2		Q2		Q2		Q2	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	1,631	1,489	1,915	1,718	-	-	3,546	3,207
- Net sales, own operations	1,259	1,146	1,904	1,703	-	-	3,163	2,849
- Net sales, outsourcing	372	344	11	14	-	-	383	358
Lease adjusted EBITA	84	74	-75	0	-20	-21	-11	53
<i>margin (EBITA), %</i>	5.2	5.0	-3.9	0.0	-	-	-0.3	1.7
Operating profit (EBITA)	131	120	-5	64	-20	-21	106	162
<i>Operating margin (EBITA), %</i>	8.0	8.0	-0.2	3.7	-	-	3.0	5.1

SEKm	Scandinavia			Finland			Other and eliminations			Group		
	Jan-Jun	Jan-Jun	year	Jan-Jun	Jan-Jun	year	Jan-Jun	Jan-Jun	year	Jan-Jun	Jan-Jun	year
	2022	2021	2021	2022	2021	2021	2022	2021	2021	2022	2021	2021
Net sales	3,238	2,937	6,037	3,790	3,332	6,830	-	-	-	7,028	6,269	12,867
- Net sales, own operations	2,490	2,246	4,632	3,766	3,303	6,772	-	-	-	6,256	5,549	11,404
- Net sales, outsourcing	748	691	1,405	24	29	58	-	-	-	772	720	1,463
Lease adjusted EBITA	150	165	428	-93	2	43	-37	-39	-70	20	128	400
<i>Lease adjusted operating</i>	4.6	5.6	7.1	-2.5	0.1	0.6	-	-	-	0.3	2.0	3.1
Operating profit (EBITA)	244	256	611	42	129	296	-37	-39	-70	248	345	836
<i>Operating margin (EBITA), %</i>	7.5	8.7	10.1	1.1	3.9	4.3	-	-	-	3.5	5.5	6.5

Net Financial Items

SEKm	Q2		Jan-Jun		Jan-Dec	
	2022	2021	2022	2021	2021	2021
Net interest expense (excluding lease liabilities for real estate)	-9	-9	-18	-20	-36	
Interest expense, lease liabilities for real estate	-152	-146	-305	-289	-581	
Other	2	-3	-5	-13	-35	
Net financial items	-159	-158	-328	-322	-652	

Investments

SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Investments					
Investments in intangible assets	4	14	26	18	28
Investments in tangible assets	52	29	91	66	142
Divestments of tangible and intangible assets	-3	-14	-5	-22	-19
Total net investments	53	29	112	62	151
Intangible assets acquired through business combination					
Goodwill	118	50	124	213	208
Customer relations	34	7	34	36	47
Other	-	0	-	0	-
Total intangible assets acquired through business combination	152	57	158	249	255

Financial Assets and Liabilities

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Financial assets measured at fair value			
Trade receivables	1,270	1,103	1,312
Cash and cash equivalents	412	686	513
Total financial assets	1,682	1,789	1,825
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	53	1	-
Purchase option from non-controlling interests	-	14	21
Financial liabilities measured at amortised cost			
Borrowings	2,026	2,259	2,070
Lease liabilities	12,502	11,603	11,807
Trade payables	443	336	425
Total financial liabilities	15,024	14,213	14,323

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 2021, 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 Jun 2022	30 Jun 2021	31 Dec 2021
Assets pledged as collateral	55	55	66
Contingent liabilities ¹	3,032	4,056	2,877

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 Q2 2022

	Reported	Acq. ¹	IFRS 16 ²	Total adj.	Adjusted earnings
SEKm					
Net sales	3,546	-	-	-	3,546
Other operating income	8	-	-	-	8
Operating profit before amortization and depreciation (EBITDA)	481	-	-435	-435	46
Amortization and depreciation of tangible and intangible assets	-375	-	318	318	-57
Operating profit (EBITA)	106	-	-117	-117	-11
Amortization and write-down of acquisition related intangible assets	-15	15	-	15	-
Operating profit (EBIT)	91	15	-117	-102	-11
Net financial items	-159	-	152	152	-7
Profit before tax (EBT)	-68	15	35	50	-18
Income tax	5	-3	-7	-10	-5
Profit for the period	-63	12	28	40	-23
<i>Profit for the period attributable to:</i>					
The parent company shareholders	-63	12	28	40	-23
Non-controlling interests	-	-	-	-	-
Average number of shares outstanding, diluted, thousands	160,933	160,933	160,933	160,933	160,933
Earnings per share diluted, SEK	-0.39	0.08	0.18	0.25	-0.14

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

Adjusted Earnings and Adjusted Earnings per Share Q2 2021

	Reported	Acq. ¹	IFRS 16 ²	Total adj.	Adjusted earnings
SEKm					
Net sales	3,207	-	-	-	3,207
Other operating income	9	-	-	-	9
Operating profit before amortization and depreciation (EBITDA)	496	-	-392	-392	104
Amortization and depreciation of tangible and intangible assets	-334	-	283	283	-51
Operating profit (EBITA)	162	-	-109	-109	53
Amortization and write-down of acquisition related intangible assets	-26	26	-	26	-
Operating profit (EBIT)	136	26	-109	-83	53
Net financial items	-158	-	146	146	-12
Profit before tax (EBT)	-22	26	37	63	41
Income tax	3	-5	-7	-12	-9
Profit for the period	-19	21	30	51	32
<i>Profit for the period attributable to:</i>					
The parent company shareholders	-19	21	30	51	32
Non-controlling interests	-	-	-	-	-
Average number of shares outstanding, diluted, thousands	160,926	160,926	160,926	160,926	160,926
Earnings per share diluted, SEK	-0.12	0.13	0.19	0.32	0.19

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

Adjusted Earnings and Adjusted Earnings per Share Jan-June 2022

	Reported	Acq. ¹	IFRS 16 ²	Total adj.	Adjusted earnings
SEKm					
Net sales	7,028	-	-	-	7,028
Other operating income	12	-	-	-	12
Operating profit before amortization and depreciation (EBITDA)	988	-	-856	-856	132
Amortization and depreciation of tangible and intangible assets	-740	-	628	628	-112
Operating profit (EBITA)	248	-	-228	-228	20
Amortization and write-down of acquisition related intangible assets	-30	30	-	30	-
Operating profit (EBIT)	218	30	-228	-198	20
Net financial items	-328	-	305	305	-23
Profit before tax (EBT)	-110	30	77	107	-3
Income tax	15	-6	-15	-21	-6
Profit for the period	-95	24	62	86	-9
Profit for the period attributable to:					
The parent company shareholders	-96	24	62	86	-10
Non-controlling interests	1	-	-	-	1
Average number of shares outstanding, diluted, thousands	160,933	160,933	160,933	160,933	160,933
Earnings per share diluted, SEK	-0.59	0.15	0.39	0.54	-0.06

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

Adjusted Earnings and Adjusted Earnings per Share Jan-June 2021

	Reported	Acq. ¹	IFRS 16 ²	Total adj.	Adjusted earnings
SEKm					
Net sales	6,269	-	-	-	6,269
Other operating income	15	-	-1	-1	14
Operating profit before amortization and depreciation (EBITDA)	998	-	-769	-769	229
Amortization and depreciation of tangible and intangible assets	-653	-	552	552	-101
Operating profit (EBITA)	345	-	-217	-217	128
Amortization and write-down of acquisition related intangible assets	-55	55	-	55	-
Operating profit (EBIT)	290	55	-217	-162	128
Net financial items	-322	-	289	289	-33
Profit before tax (EBT)	-32	55	72	127	95
Income tax	4	-11	-14	-25	-21
Profit for the period	-28	44	58	102	74
Profit for the period attributable to:					
The parent company shareholders	-29	44	58	102	73
Non-controlling interests	1	-	-	-	1
Average number of shares outstanding, diluted, thousands	160,926	160,926	160,926	160,926	160,926
Earnings per share diluted, SEK	-0.18	0.27	0.36	0.63	0.45

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

Adjusted Earnings and Adjusted Earnings per Share 2021

	Reported	Acq. ¹	IFRS 16 ²	Total adj.	Adjusted earnings
SEKm					
Net sales	12,867	-	-	-	12,867
Other operating income	24	-	-	-	24
Operating profit before amortization and depreciation (EBITDA)	2,166	-	-1,558	-1,558	608
Amortization and depreciation of tangible and intangible assets	-1,330	-	1,124	1,124	-206
Operating profit (EBITA)	836	-	-436	-436	400
Amortization and write-down of acquisition related intangible assets	-81	81	-	81	-
Operating profit (EBIT)	755	81	-436	-355	400
Net financial items	-652		581	581	-71
Profit before tax (EBT)	103	81	145	226	329
Income tax	-44	-16	-28	-44	-88
Profit for the period	59	65	117	182	241
<i>Profit for the period attributable to:</i>					
The parent company shareholders	56	65	117	182	238
Non-controlling interests	3	-	-	-	3
Average number of shares outstanding, diluted, thousands	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

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

Key Data

		Q2		Jan-Jun		Jan-Dec	
		2022	2021	2022	2021	2021	2021
Organic growth	%	6.7	4.8	7.4	3.4	-	4.4
Acquired growth	%	1.9	1.2	2.6	-	-	2.2
Change in currencies	%	2.0	-2.9	2.1	-2.9	-	-1.9
Operating margin (EBITA margin) r12	%	-	-	5.4	6.6	-	6.5
Lease adjusted operating margin (lease adjusted EBITA margin) r12	%	-	-	2.2	3.1	-	3.1
Working capital	SEKm	-	-	-653	-602	-	-379
Return on capital employed	%	-	-	3.6	3.7	-	4.1
Net debt to equity ratio	times	-	-	2.9	2.7	-	2.7
Equity to asset ratio	%	-	-	22	23	-	24
Net debt/EBITDA r12	times	-	-	6.5	6.3	-	6.2
Lease adjusted net debt / Lease adjusted EBITDA r12	times	-	-	3.2	2.7	-	2.6
Free cash flow	SEKm	134	72	191	210	-	249
Net investments	SEKm	-53	-29	-112	-62	-	-151
Average number of employees		20,780	18,518	20,264	18,265	-	19,041
Key data per share							
Earnings per share, basic	SEK	-0.39	-0.12	-0.59	-0.18	-	0.35
Earnings per share, diluted	SEK	-0.39	-0.12	-0.59	-0.18	-	0.35
Adjusted earnings per share, diluted	SEK	-0.14	0.19	-0.06	0.45	-	1.48
Equity per share, basic	SEK	-	-	30.52	30.06	-	30.65
Equity per share, diluted	SEK	-	-	30.52	30.06	-	30.65
Average number of shares outstanding, basic	thousands	160,923	160,913	160,918	160,913	-	160,913
Average number of shares outstanding, diluted	thousands	160,933	160,926	160,933	160,926	-	160,930
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	454	474	454	474	-	474
Number of shares outstanding, end of period	thousands	160,933	160,913	160,933	160,913	-	160,913

Quarterly Data

SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Total net sales	2,983	3,065	3,062	3,207	3,260	3,338	3,482	3,546
- Net sales, own operations	2,604	2,668	2,700	2,849	2,897	2,957	3,093	3,163
- Net sales, outsourcing	379	397	362	358	362	381	389	383
Total net sales	2,983	3,065	3,062	3,207	3,260	3,338	3,482	3,546
- Net sales, Scandinavia	1,410	1,475	1,447	1,489	1,516	1,584	1,607	1,631
- Net sales, Finland	1,573	1,590	1,615	1,718	1,744	1,754	1,875	1,915
Lease adjusted operating profit (EBITDA)	218	142	125	104	261	118	86	46
<i>Lease adjusted operating margin (EBITDA margin), %</i>	7.3	4.6	4.1	3.2	8.0	3.5	2.5	1.3
Lease adjusted operating profit (EBITA)	162	87	75	53	208	65	31	-11
<i>Lease adjusted operating margin (EBITA margin), %</i>	5.4	2.8	2.4	1.7	6.4	2.0	0.9	-0.3
Operating profit (EBITDA)	581	509	502	496	657	511	507	481
<i>Operating margin (EBITDA margin), %</i>	19.5	16.6	16.4	15.5	20.2	15.3	14.6	13.6
Operating profit (EBITA)	269	193	183	162	319	172	142	106
<i>Operating margin (EBITA margin), %</i>	9.0	6.3	6.0	5.1	9.8	5.2	4.1	3.0
Profit for the period	64	4	-9	-19	95	-8	-32	-63
<i>Profit margin, %</i>	2.1	0.1	-0.3	-0.6	2.9	-0.2	-0.9	-1.8
Earnings per share basic, SEK	0.40	0.02	-0.06	-0.12	0.58	-0.06	-0.20	-0.39
Earnings per share diluted, SEK	0.40	0.02	-0.06	-0.12	0.58	-0.06	-0.20	-0.39
Adjusted earnings per share diluted, SEK	0.65	0.32	0.26	0.19	0.83	0.21	0.09	-0.14
Average number of employees	18,514	17,523	18,012	18,518	20,104	19,303	19,749	20,780
Operational data								
Number of units in operation ¹	700	707	716	716	716	710	711	705
Number of beds in homes ²	20,107	20,349	20,852	20,858	20,935	21,093	21,155	21,062
Occupancy in homes, % ²	81	81	81	83	83	84	84	84
Number of beds under construction ³	1,228	1,036	782	608	449	433	433	354
Number of opened beds (r12) ³	1,630	1,349	955	710	931	832	638	486

1) All units in all contract models and segments.

2) All homes.

3) Own homes.

Parent Company Income Statement

SEKm	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales	4	4	8	8	15
Personnel costs	-10	-10	-18	-19	-29
Other external costs	-3	-3	-7	-5	-11
Operating profit	-9	-9	-17	-16	-25
Net financial items	0	-3	0	-5	502
Profit after financial items	-9	-12	-17	-21	477
Group contributions	-	-	-	-	50
Profit before tax	-9	-12	-17	-21	527
Results of commission	70	-	116	-	-
Income tax	-12	-	-21	-	-4
Profit for the period	49	-12	78	-21	523

Profit for the period corresponds to total comprehensive income.

Parent Company Balance Sheet

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
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	141	2	50
Other receivables	3	6	2
Cash and cash equivalents	0	0	0
Total current assets	144	8	52
Total assets	6,638	6,502	6,546
EQUITY AND LIABILITIES			
Equity	6,616	5,990	6,535
Current liabilities			
Liabilities to group companies	11	497	-
Other liabilities	11	15	11
Total current liabilities	22	512	11
Total equity and liabilities	6,638	6,502	6,546

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 27,000 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 through 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 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 in relation to the comparable period's net sales.

Adjusted earnings per share (APM)

Profit or loss for the period attributable to the parent company shareholders excluding effects from amortization and impairment 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. See the tables Adjusted earnings and adjusted earnings per share for more information.

Capital employed

Equity plus interest-bearing liabilities and provisions for post-employment benefits. See Note C35 Reconciliations of alternative performance measures in the 2021 annual report for a reconciliation of the performance measure on a full year basis.

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. Calculated both before (basic) and after dilution.

Equity/assets ratio

Equity divided by total assets.

Equity per share

Equity attributable to the parent company shareholders divided by average shares outstanding. Calculated both before (basic) and after dilution.

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 Consolidated cash flow statement for reconciliation and Note C35 Reconciliations of alternative performance measures in the 2021 annual report for a reconciliation of the performance measure on a full year basis.

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 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 (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 the section Financial position in this report for a reconciliation of net debt.

Net debt / EBITDA (APM)

Net debt divided by operating profit (EBITDA) r12.

Net debt to equity ratio (APM)

Net debt divided by equity.

Net investments (APM)

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.

Operating margin (EBIT margin)

Operating profit or loss (EBIT) divided by net sales.

Operating margin (EBITA margin)

Operating profit (EBITA) divided by net sales.

Operating margin (EBITDA margin)

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. See the Consolidated income statement for a reconciliation of EBIT.	Organic growth (APM) Attendo reports organic growth as a performance measure to show underlying net sales development excluding acquisitions/divestments and currency effects. The performance measure is calculated as net sales growth excluding acquisitions / divestments and changes in exchange rates.	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 in the 2021 annual report for a reconciliation of the performance measure on a full year basis.
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. See the Consolidated income statement for a reconciliation of EBITA.	Profit (Loss) for the period Profit or loss for the period attributable to parent company shareholders and non-controlling interest.	
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. See the Consolidated income statement for a reconciliation of EBITDA.	Profit margin Profit or loss for the period divided by net sales.	

Explanations of operational 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 2018 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

Interim report January-September 2022	26 October 2022
Year-end report 2022	10 February 2023

Presentation

A webcasted presentation will be held on July 21 at 10:00 (CET). You can follow the presentation at the following web link:
<https://tv.streamfabriken.com/attendo-q2-2022>

Analysts and investors have the opportunity to dial into the presentation to ask questions. Contact information is obtained by emailing to: kommunikation@attendo.se

The report and other information material will be made available at:
<https://www.attendo.com/>

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This is information that Attendo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above on 21 July 2022 at 08.00 CET.

Forward-looking information

This report contains forward-looking information that reflects Attendo management's current assessments and expectations on certain future circumstances and possible outcome. This type of forward-looking information involves risks and uncertainties that may significantly impact future outcome. The information is based on certain assumptions, including such attributable to general economic conditions in the company's markets and demand for the company's services.

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