Q4

# YEAR-END REPORT
## JANUARY-DECEMBER 2022

**Summary of the fourth quarter**

- Net sales amounted to SEK 3,789m (3,338). Organic growth was 5.7 percent.
- Lease adjusted EBITA (EBITA according to the previous accounting standard) was SEK 8m (65), corresponding to a lease adjusted operating margin of 0.2 percent (2.0).
- Operating profit (EBITA) amounted to SEK 131m (172), corresponding to an operating margin of 3.5 percent (5.2).
- The loss for the period amounted to SEK -44m (-8). Diluted earnings per share were SEK -0.27 (-0.06). Adjusted earnings per share after dilution were SEK -0.07 (0.21).
- Free cash flow amounted to SEK 106m (153).
- There were 20,932 (21,093) beds in Attendo's homes at the end of the period. Occupancy in the homes was 85 percent (84).

**Summary of the period January - December**

- Net sales amounted to SEK 14,496m (12,867). Organic growth was 6.8 percent.
- Lease adjusted EBITA (EBITA according to the previous accounting standard) was SEK 199m (400), corresponding to a lease adjusted operating margin of 1.4 percent (3.1).
- Operating profit (EBITA) amounted to SEK 674m (836), corresponding to an operating margin of 4.6 percent (6.5).
- The loss for the period amounted to SEK -44m (59). Diluted earnings per share were SEK -0.28 (0.35).
- Adjusted earnings per share after dilution were SEK 0.68 (1.48).
- Free cash flow amounted to SEK 24m (249).
- The Board of Directors is proposing no dividend for the 2022 financial year.

## Group key figures

| | Q4 | | | Jan-Dec | | |
|---|---|---|---|---|---|---|
| **SEKm** | **2022** | **2021** | **Δ%** | **2022** | **2021** | **Δ%** |
| Net sales | 3,789 | 3,338 | 14% | 14,496 | 12,867 | 13% |
| Lease adjusted operating profit (EBITA) [1] | 8 | 65 | -88% | 199 | 400 | -50% |
| Lease adjusted operating margin (EBITA)[1], % | 0.2 | 2.0 | - | 1.4 | 3.1 | - |
| Operating profit (EBITA)[1] | 131 | 172 | -24% | 674 | 836 | -19% |
| Operating margin (EBITA)[1], % | 3.5 | 5.2 | - | 4.6 | 6.5 | - |
| Profit for the period | -44 | -8 | - | -44 | 59 | - |
| Earning per share diluted, SEK | -0.27 | -0.06 | - | -0.28 | 0.35 | - |
| Adjusted earnings per share diluted[1, 2], SEK | -0.07 | 0.21 | - | 0.68 | 1.48 | -54% |
| Free cash flow | 106 | 153 | -31% | 24 | 249 | -90% |

1) See also definitions of key data and alternative performance measures on pages 28-29.
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.

# Favourable conditions for turnaround 2023

**We have been through a weak quarter where the result was pressured by high costs for sick leave and increasing costs related to inflation and also the challenging staffing situation in Finland. These factors have also characterized a large part of 2022. During both the fourth quarter and the full year, we have had good organic growth, mainly as a result of increasingly higher occupancy in Scandinavia and previous price adjustments in Finland. Despite the previous year's weak results, the conditions are good for a turnaround in 2023. We expect higher average occupancy in Scandinavia combined with significant price adjustments in Finland as compensation for increased staffing requirements. These positive effects are offset in part by higher inflation-related costs in both business areas, some under-compensation in Sweden from payors and increased personnel costs in Finland. Overall, we see good opportunities to reach our financial goal of a profit of SEK 4 per share with some delay from the original goal for the full year 2023.**

Martin Tivéus, CEO

*– Attendo's long-term goal is to have the most satisfied customers in every location where we operate. This ambition is meant to motivate every local unit to do their utmost to deliver good care.*

## Group: Sustained good growth

We are reporting good growth of 9 percent in the fourth quarter, driven mainly by higher customer inflow in Scandinavia, price adjustments in Finland and acquisitions. This was accompanied however by high employee-related costs including those related to temporary staffing, overtime and sick leave. Inflation has also had adverse impact on the costs of food and other consumables. Lease adjusted EBITA for the fourth quarter of 2022 decreased by SEK 57 million compared to the preceding year to SEK 8 million.

## Finland: Weak results during the quarter, but turnaround expected in 2023

Sales in Attendo Finland increased by about 11 percent in local currency during the quarter, owing to higher prices and acquisitions. However, the strained staffing situation due to higher staff density requirements and high sick leave prevented us from welcoming new customers and increasing occupancy at the rate we would have liked. High personnel costs related primarily to preparing for higher staffing requirements, overtime costs, high sick leave and the generally strained staffing situation are still impacting profits. Higher costs for consumables have also had negative effect on profit. This is clearly apparent in profits; lease adjusted EBITA fell by SEK 31m compared to the fourth quarter of 2021 to SEK -55m.

Staffing requirements in the Finnish care system have been increasing in stages since 2019, which has dramatically increased costs. Private care providers have not been compensated in accordance with the sharper requirements. This has led to a situation in which compensation to private providers is significantly lower than compensation to local authorities. External studies show that local authorities were already around 30 percent more expensive back in 2021. The difference is even greater today.

Renegotiation of contracts for our nursing homes in Finland is ongoing, aimed at securing compensation for previous and future cost increases, mainly related to staffing requirements, as well as wage increases, high inflation and costs related to the strained staffing situation. The staffing requirement will increase from 0.60 to 0.65 care workers per resident. This increase was

determined in late January and Attendo is now negotiating based on these conditions.
At this point, about a third of contracts have been finalised ahead of the change, which will take effect 1 April 2023. The contracts negotiated thus far based on the new staffing law entail an average price adjustment of close to 30 percent. The negotiations relate to 24-hour care in nursing homes in care for older people, which constitutes approximately 50 percent of the total turnover

Already from the first quarter, we have secured certain inflation-related price adjustments of close to 10 percent for all of Attendo Finland. Overall, the price increases are expected to provide a solid basis for a recovery after several years of unsustainable conditions in the Finnish care for older people operations.

### Scandinavia: High intake rate continues, profits lower than in 2021

Sales in Attendo Scandinavia increased by about 7 percent compared to the same quarter in 2021, although lease adjusted EBITA fell by SEK 25m to SEK 80m. Profit in nursing homes in own operations increased as a result of higher occupancy, but other segments are showing lower profits. Home care has had the greatest negative impact. The main reason for reduced earnings is higher personnel costs, mainly related to sick leave. In addition, we have significant effects from increased inflation.

There has been persistent strong demand for nursing home beds. We are continuing to fill an increasing number of beds in own operations in existing and recently opened homes. With few new openings in upcoming quarters and persistent good demand, we expect the positive occupancy trend in nursing homes to continue in 2023. That notwithstanding, we are going into 2023 with a higher cost base because rents and costs for consumables have increased significantly due to inflation. Likewise, wages are expected to rise more than the historical trend when current wage agreements expire later this spring. Although we are working actively with advocacy aimed at creating understanding of the importance of sustainable terms and conditions, our local authorities have not indexed contracts for 2023 upwards in pace with increased costs.

### Timing of meeting the profit target of SEK 4 per share

Ahead of 2021, Attendo set a target to achieve Adjusted EPS of at least SEK 4 kronor for the full year. As previously mentioned, the challenging staffing situation in Finland affects our estimated timing for when the profit target will be met. We are also moving into 2023 with high inflation-related costs and dealing with a situation in Scandinavia in which local authorities are not fully compensating private providers for the cost increases. We are, however, seeing good progress in price negotiations and some regulatory relief in Finland and a persistently favourable occupancy trend in Scandinavia.

All in all, we expect to be able to reach SEK 4 per share with a delay of a few quarters from our original plan, i.e. in 2024. A clear year-on-year improvement is expected to be seen in the result as early as the second quarter of 2023.

### Positive outcomes of customer and relative satisfaction surveys

Attendo's long-term goal is to have the most satisfied customers in every location where we operate. This ambition is meant to motivate every local unit to do their utmost to deliver good care that does not only maintain high quality of care in terms of procedures and processes, but also maintains keen focus on happiness and quality of life for our customers, day in and day out. Towards that end, we carry out regular measurements in which we ask residents and their relatives to tell us what they think about their care. These measurements augment the industry-wide surveys conducted by public authorities.

Surveys carried out in Finland during the quarter show that the recommendation ratio (Net Promoter Score) among customers and relatives is rising, which is consistent with the overall trend in recent years. We are seeing the same trend in the Swedish operations and are happy to see higher scores for local operations that have put particular focus on communication between residents and their relatives.

When we sum up customer and relative satisfaction in 2022 for all countries in which we operate, our satisfaction scores are on par with or slightly better than the industry as a whole. We are continuing to work systematically with local units that are not attaining our targets and transferring methods and lessons learnt from highly successful local units. Through our breadth and size, we have amassed a unique bank of knowledge based on experience for providing highly rated care and we intend to become even better at improving satisfaction with our services among residents and relatives, regardless of where they live in the Nordic region.

Martin Tivéus, CEO

# Group

## October - December 2022

### Net sales and operating profit

Net sales increased by 13.5 percent to SEK 3,789m (3,338) during the quarter. Adjusted for currency effects, net sales increased by 8.8 percent. Organic growth accounted for 5.7 percent and the net change due to acquisitions and divestments was 3.1 percent. High organic growth continued in both business areas, attributable mainly to higher net sales in nursing homes.

Lease adjusted operating profit (EBITA) amounted to SEK 8m (65). The lease adjusted operating margin (EBITA) was 0.2 percent (2.0). Operating profit decreased in both business areas. The decrease in Attendo Scandinavia is due primarily to lower profit in home care. Higher personnel costs due to staffing requirements had negative financial impact in Attendo Finland. High sick leave and high inflation reduced profit in both business areas. Inflation had significant impact in all markets in 2022.

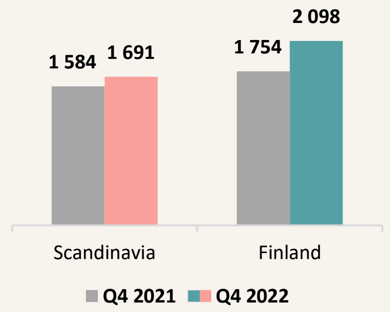
Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 123m (107).

Operating profit (EBITA) amounted to SEK 131m (172) and the operating margin was 3.5 percent (5.2). Currency effects had no material impact on profits.

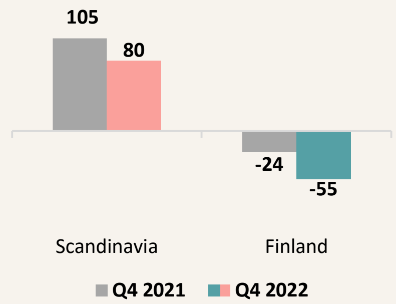
The total number of beds in operation in all homes was 20,932 (21,093) at the end of the quarter. Occupancy in all homes was 85 percent (84) at the end of the quarter. The number of beds under construction in own operations was 325 across 6 homes.

Operating profit (EBIT) amounted to SEK 117m (159), corresponding to an operating margin (EBIT) of 3.1 percent (4.8). The change is attributable to the same factors described above, as well as somewhat higher amortisation of acquisition-related intangible assets.

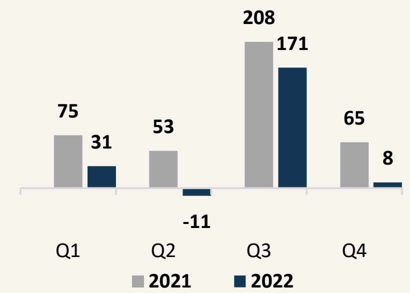
**Net sales per business area, Q4 2022 (SEKm)**



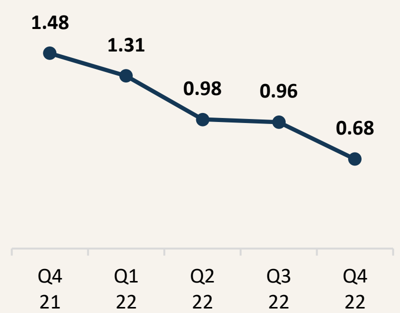

**Lease adjusted operating profit (EBITA) per business area, Q4 2022 (SEKm)**




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




**Adjusted earnings per share, r12 (SEK)**



### Net financial items

Net financial items amounted to SEK -170m (-159) for the quarter, including net interest expense of SEK -20m (-7). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -150m (-146).

### Tax

Income tax for the period amounted to SEK 9m (-8), corresponding to a tax rate of -16.7 percent (-). The tax rate for the period was affected by the loss in Finland and profit in Sweden, combined with the different tax rates in the two countries.

### Profit and earnings per share for the period

The loss for the period was SEK -44m (-8), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -0.27 (-0.06). Adjusted earnings per share after dilution were SEK -0.07 (0.21).

## January–December 2022

### Net sales and operating profit

Net sales for the period increased by 12.7 percent to SEK 14,496m (12,867). Adjusted for currency effects, net sales increased by 9.8 percent. Organic growth accounted for 6.8 percent and the net change due to acquisitions and divestments was 3.0 percent. Organic growth was high in both business areas, attributable mainly to higher net sales in nursing homes.

Lease adjusted operating profit (EBITA) amounted to SEK 199m (400). The lease adjusted operating margin (EBITA) was 1.4 percent (3.1). Operating profit decreased in both business areas. The decrease in profit in Attendo Scandinavia is attributable mainly to a negative trend in home care and generally high cost inflation. Profit in Attendo Finland decreased due to high personnel costs resulting from increased staffing requirements and sick leave, as well as general cost inflation.

Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 475m (436).

Operating profit (EBITA) amounted to SEK 674m (836) and the operating margin was 4.6 percent (6.5).

Operating profit (EBIT) amounted to SEK 616m (755), corresponding to an operating margin (EBIT) of 4.2 percent (5.9). The change is attributable to the same factors described above, as well as lower amortisation of acquisition-related intangible assets.

### Net financial items

Net financial items amounted to SEK -658m (-652) for the period, including net interest expense of SEK -49m (-36). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -605m (-581).

### Tax

Income tax for the period amounted to SEK -2m (-44), corresponding to a tax rate of 4.2 percent (42.7). The tax rate for the period was affected by the loss in Finland and profit in Sweden, combined with the different tax rates in the two countries.

### Profit and earnings per share for the period

The loss for the period was SEK -44m (59), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -0.28 (0.35). Adjusted earnings per share after dilution were SEK 0.68 (1.48).

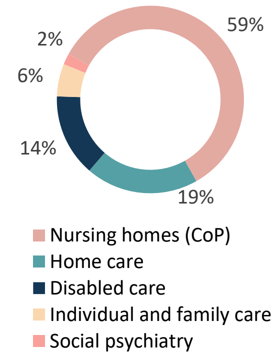
Business area:

# ATTENDO SCANDINAVIA

## Customer inflow remains strong

| | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| SEKm | 2022 | 2021 | 2022 | 2021 |
| Net sales | 1,691 | 1,584 | 6,599 | 6,037 |
| Lease adjusted EBITA | 80 | 105 | 380 | 428 |
| *Lease adjusted EBITA margin, %* | *4.7* | *6.7* | *5.8* | *7.1* |
| Operating profit (EBITA) | 129 | 151 | 577 | 611 |
| Operating margin (EBITA), % | *7.6* | *9.6* | *8.7* | *10.1* |

**Net sales by service offering, Q4 2022**




### October - December 2022

Net sales in Attendo Scandinavia amounted to SEK 1,691m (1,584), corresponding to growth of 6.7 percent including currency effects and 6.5 percent excluding currency effects. The increase is attributable mainly to higher net sales in nursing homes.

The number of sold beds and occupancy in homes increased sharply in relation to the comparison quarter and occupancy increased slightly compared to the third quarter of 2022.

Lease adjusted EBITA amounted to SEK 80m (105), corresponding to a lease adjusted operating margin of 4.7 percent (6.7). The decrease in profit is explained mainly by lower profit in home care services due to lower sales and efficiency. Operating profit was affected negatively overall by high cost inflation and higher personnel costs in the form of high sick leave, overtime and external staffing. Measures are ongoing within Attendo to reduce the increased personnel costs and reverse the trend in home care. Increased occupancy improved profit in nursing homes.

Effects on operating profit related to IFRS 16 amounted to SEK 49m (46).

Operating profit (EBITA) amounted to SEK 129m (151), corresponding to an operating margin (EBITA) of 7.6 percent (9.6).

The number of beds opened in own operations in the last twelve months was 144, which is lower than in 2021. At the end of the quarter, there were 141 beds under construction in own operations. Annual sales for outsourcing contracts won but not yet started and outsourcing contracts lost but not yet ended are estimated at SEK -59m net. Two outsourcing contracts and one temporary contract for a nursing home in own operations ended during the quarter.

Business area:

# ATTENDO SCANDINAVIA

### Key data per quarter

| Attendo Scandinavia | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|
| Number of beds in homes in operation[1] | 7,051 | 7,078 | 7,129 | 7,070 | 6,986 |
| Occupancy in homes[1], % | 80 | 81 | 82 | 85 | 85 |
| Number of opened beds in own homes (r12)[2] | 594 | 450 | 328 | 243 | 144 |
| Number of beds in own homes under construction[2] | 220 | 220 | 141 | 141 | 141 |
| Number of home care customers | 10,528 | 10,576 | 10,030 | 9,707 | 9,739 |

1) All homes.
2) Own homes.

## January - December 2022

Net sales in Attendo Scandinavia amounted to SEK 6,599m (6,037), corresponding to growth of 9.3 percent including currency effects and 9.2 percent excluding currency effects. The increase is attributable to higher net sales in nursing homes. High sick leave, especially early in the year, had some negative impact on net sales.

Lease adjusted EBITA amounted to SEK 380m (428), corresponding to a lease adjusted operating margin of 5.8 percent (7.1). Increased occupancy resulting in higher profit in nursing homes had positive effect on profit, but this was offset by a negative development and lower profit in home care. High cost inflation and high personnel costs had negative impact on operating profit. Continued high usage of personal protective equipment and higher costs for sick leave combined with significantly lower compensation for these additional costs than in 2021, had clearly negative impact on profits for the period.

Effects on operating profit related to IFRS 16 amounted to SEK 197m (183). Non-recurring items of about SEK 8m had positive effect on the period.

Operating profit (EBITA) amounted to SEK 577m (611), corresponding to an operating margin (EBITA) of 8.7 percent (10.1).

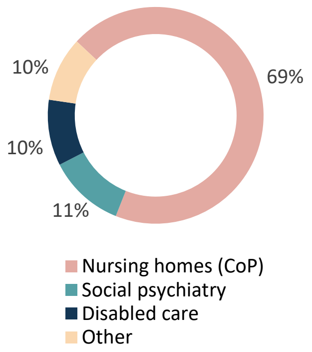
Business area:

# ATTENDO FINLAND

## Staffing situation remains challenging

| SEKm | Q4 2022 | Q4 2021 | Jan-Dec 2022 | Jan-Dec 2021 |
| --- | --- | --- | --- | --- |
| Net sales | 2,098 | 1,754 | 7,897 | 6,830 |
| Lease adjusted EBITA | -55 | -24 | -111 | 43 |
| *Lease adjusted EBITA margin, %* | *-2.6* | *-1.4* | *-1.4* | *0.6* |
| Operating profit (EBITA) | 20 | 37 | 167 | 296 |
| *Operating margin (EBITA), %* | *1.0* | *2.1* | *2.1* | *4.3* |

**Net sales by service offering, Q4 2022**




### October - December 2022

Net sales in Attendo Finland amounted to SEK 2,098m (1,754) corresponding to growth of 19.6 percent. Adjusted for currency effects, net sales increased by 10.9 percent. The growth is attributable mainly to higher net sales, primarily in nursing homes, resulting from price increases, and acquisitions. The total price increases amount to about 6 percent. The number of nursing home beds sold was lower than in the comparison quarter. Attendo has closed a number of homes due to staff shortages or problems related to occupancy.

Lease adjusted EBITA amounted to SEK -55m (-24) and the lease adjusted EBITA margin was -2.6 percent (-1.4). The decrease in EBITA is explained by high personnel costs due to increased staffing requirements, inefficiency arising from very strict regulations, higher labour costs caused by the staff shortage and high sick leave. Sick leave continued to increase during the quarter due to Covid and seasonal flu and was higher than in the comparison quarter. Profit was negatively affected by fewer sold beds than in the comparison quarter, but the number of beds sold during the fourth quarter was stable. High cost inflation had negative impact on profit.

Effects on operating profit (EBITA) related to IFRS 16 amounted to SEK 74m (61). About SEK 7m of the change was due to non-recurring effects.

Operating profit (EBITA) amounted to SEK 20m (37) and the operating margin (EBITA) was 1.0 percent (2.1). Currency effects had no material impact on profits.

Two homes were closed during the quarter. In total, 130 beds were opened in the past twelve months. Construction of one nursing home with a total of 101 beds began during the quarter and the total number of beds under construction at the end of the quarter amounted to 184.

Business area:

# ATTENDO FINLAND

### Key data per quarter

| Attendo Finland | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|
| Number of beds in homes in operation[1] | 14,042 | 14,077 | 13,933 | 14,012 | 13,946 |
| Occupancy in homes[1], % | 86 | 85 | 85 | 85 | 85 |
| Number of opened beds in own homes (r12)[2] | 238 | 188 | 158 | 130 | 130 |
| Number of beds in own homes under construction[2] | 213 | 213 | 213 | 83 | 184 |
| Number of home care customers | 595 | 550 | 607 | 590 | 586 |

1) All homes.
2) Own homes.

## January - December 2022

Net sales in Attendo Finland amounted to SEK 7,897m (6,830) corresponding to growth of 15.6 percent. Adjusted for currency effects, net sales increased by 10.3 percent. The growth is attributable mainly to higher net sales, primarily in nursing homes, resulting from price increases, and acquisitions. Total price increases amount to about 5 percent. Since the comparison period, Attendo Finland has closed several homes and moved customers to other homes in order to increase occupancy and has discontinued homes that lack long-term prospects. High sick leave due to illness had some negative effect on net sales.

Lease adjusted EBITA amounted to SEK -111m (43) and the lease adjusted EBITA margin was -1.4 percent (0.6). The decrease in EBITA is explained mainly by higher personnel costs in nursing homes due to the staffing law, as well as high cost inflation. Profits for the period were also negatively affected by high costs for sick leave and increased usage of protective gear.

Effects on operating profit related to IFRS 16 amounted to SEK 278m (253). About SEK 7m of the change was due to non-recurring effects.

Operating profit (EBITA) amounted to SEK 167m (296) and the operating margin (EBITA) was 2.1 percent (4.3). Currency effects had no material impact on profits.

# Cash flow

## October - December 2022

Free cash flow was SEK 106m (153) during the quarter, whereof changes in working capital amounted to SEK 109m (98).

Cash flow from operating activities was SEK 447m (450). Cash used for net investments in non-current assets was SEK -45m (-48). Cash flow from investing activities thus amounted to SEK -44m (-48).

Cash flow from financing activities was SEK -196m (-149). Bank loans of SEK 100m (100) were raised during the quarter. Total cash flow amounted to SEK 207m (253).

## January - December 2022

Free cash flow was SEK 24m (249) for the period, whereof changes in working capital amounted to SEK -70m (-72).

Cash flow from operating activities was SEK 1,333m (1,378). Cash used for net investments in non-current assets was SEK -187m (-151). Business acquisitions reduced cash flow by SEK -204m (-263). Cash flow from investing activities thus amounted to SEK -390m (-413).

Cash flow from financing activities was SEK -970m (-1,176). Bank loans of SEK -100m (-300) were repaid during the quarter and new loans of SEK 250m (100) were raised. Total cash flow amounted to SEK -27m (-211).

# Financial position

Equity attributable to shareholders in the parent amounted to SEK 5,001m (4,932) as of 31 December 2022, representing diluted equity per share attributable to shareholders in the parent of SEK 31.07 (30.65). Net debt amounted to SEK 14,298m (13,366). Lease adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,858m (1,590).

Interest-bearing liabilities as of 31 December 2022 amounted to SEK 14,805m (13,877). Cash and cash equivalents as of 31 December 2022 amounted to SEK 507m (513) and Attendo had SEK 1,550m (1,665) in unutilised credit facilities.

Net debt/EBITDA was 6.6 (6.2). Lease adjusted net debt/lease adjusted EBITDA was 4.4 (2.6).
Net debt in relation to EBITDA at the end of the quarter was consequently higher than the long-term target of 3.75. The ratio is, however, within the framework of our financing agreements. The ratio will decrease in line with expected profit increases.

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

| | 31 Dec | |
|---|---|---|
| **SEKm** | **2022** | **2021** |
| Interest-bearing liabilities | 14,805 | 13,877 |
| Provision for post-employment benefits | 0 | 2 |
| Cash and cash equivalents | -507 | -513 |
| **Net debt** | **14,298** | **13,366** |
| Lease liability real estate | -12,440 | -11,776 |
| **Lease adjusted net debt** | **1,858** | **1,590** |

| | 31 Dec | |
|---|---|---|
| **SEKm** | **2022** | **2021** |
| Net debt / EBITDA | 6.6 | 6.2 |
| Lease adjusted net debt / Lease adjusted EBITDA | 4.4 | 2.6 |

# Quality and employees

### Good results from relative satisfaction surveys

Attendo conducts regular measurements in which residents and their relatives answer survey questions about how they perceive their care. These measurements augment the industry-wide surveys conducted by public authorities. Surveys during the quarter in the Finnish business show that the share of customers and relatives who would recommend Attendo is increasing, which is consistent with the overall trend in recent years. The surveys furthermore show high satisfaction among customers and their relatives. The Net Promoter Score (NPS) is in a range of 29-36 (on a scale of -100 to +100).

**Better tools for reporting and care planning**

In line with Attendo's ambition to increase focus on quality of life and preventative health, a new RAI (Resident Assessment Instrument) quality model has been implemented in Finland. This is also related to a forthcoming legal requirement that will make RAI the new standard of documentation in Finland as of 1 April 2023. RAI consists of a range of protocols for measuring and assessing care needs among nursing home residents. Nursing homes can use the assessment to prepare care, rehabilitation and service plans based on the individual's personal needs. Attendo tested RAI at several local units in 2022 with good results, which included assessments that care planning had been improved and that RAI results are significant to day-to-day care provision. In Sweden, Attendo has piloted the ASCOT model (Adult Social Care Outcomes Toolkit) to measure quality of life through interviews. The goal is for us to arrive at common methods and metrics applicable to all of Attendo, even though there are two different tools involved.

### Digital signature of medicines enhances safety

Documenting care instances is a key element of the health and social care mission and is particularly important when it comes to managing medications. Attendo has been working with digital tools for several years to plan and monitor care services, but medication documentation was based on printed lists. Attendo implemented digital medication signatures at all 350 local units in Sweden in 2022, meaning that information about customers' prescriptions and medication intake is stored digitally. For customers, the digital signature entails safer medication management and reduced risk of errors. For employees, the system simplifies administration and provides a better overview of customers' health care services.

### Attendo ranked highly by nurses

Engaged nurses are essential to providing safe, high-quality care. There is a structural shortage of nurses in all Attendo markets and we are active in several initiatives to create the best possible conditions for attracting and retaining additional skilled employees. In a recent survey conducted by employer branding specialist Universum nurses ranked Attendo highest among all care providers in Sweden – ahead of municipal providers and other private care providers. In this survey, 16,000 nurses ranked their employers on a range of metrics including pay, collegial respect, leadership and career opportunities. Attendo came in 18th place in the overall ranking of all healthcare providers in Sweden in all categories. Private health care company Capio was ranked first overall.

### The Finnish staffing reform

During the third quarter of 2022, the Finnish government announced changes to the reform that is currently being implemented and is aimed at increasing staffing in Finnish care for older people. The law requires the staff density ratio to increase in several stages from 0.5 care workers per resident to 0.7. The reform presents a significant problem because there is a structural shortage of care workers, which entails risk that many people will be denied access to care if the law is implemented as planned. In an attempt to improve conditions, the Finnish parliament decided in late January 2023 to postpone the final stage of the reform to 0.7 to 1 December 2023 and to increase the requirement to 0.65 as of 1 April 2023. Attendo welcomes the change, although the 0.65 requirement also entails significant challenges for the industry. Attendo has terminated most contracts with local authorities ahead of 1 April 2023 in order to compel negotiations on new contractual terms and conditions that reflect new costs levels and which take into account the under-compensation of the industry for the more sharper requirements during the period of 2019-2023. Attendo has maintained dialogue with contracting authorities, customers and relatives and communicated with the public to bring about greater understanding of conditions in the Finnish care system and the need to create conditions that are sustainable over the long term.

# Significant events in the fourth quarter

## Other information

### Acquisitions

There were no acquisitions during the quarter.

### 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 31 December 2022 was thus 160,932,895.

### Number of employees

The average number of annual employees (FTE) was 20,403 (19,303) in the fourth quarter and 20,821 (19,041) for the period of January–December.

### 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 of January–December amounted to SEK 17m (15), and were entirely related to services provided to subsidiaries. Profit for the period amounted to SEK 85m (523). 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 6,622m (6,534).

### 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.

### Rounding off

Note that figures have been rounded off in text, charts and tables

## Significant events after the reporting date

### Changes in executive management

After more than five years with the Group, Attendo's Chief Financial Officer Fredrik Lagercrantz has resigned to take a position outside the company.

Lagercrantz will leave Attendo at mid-year 2023. He will remain in his role as a member of executive management during a transition period.

### Annual General Meeting

The annual general meeting of shareholders in Attendo AB will be held 26 April 2023. Further information about the AGM will be published on Attendo's website. The annual report will be available at Attendo's head office and on the website by the week beginning 12 2023.

### Dividend 2022

Dividends shall be carefully considered with regard to the objectives, scope and risk of the business, including investment opportunities and the company's financial position.

2022 was a financially and operationally challenging year for Attendo, characterized by high inflation, continued imbalances in the Finnish labor market, high sickness absence during large parts of the year and a high net debt in relation to the result. Against this background, the board therefore proposes, ahead of the 2023 annual general meeting, that no dividend be paid for the financial year 2022.

# 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

Based on Attendo's strategic focus areas and financial targets, the reform of Finnish care for older people and its effects, availability of qualified staff and the historically high inflation rate are the most significant risks at present. These risks, however, also entail opportunities for Attendo in its capacity as a large and leading provider in Nordic care to have favourable impact on long-term conditions in the sector.

*The Finnish reform in care for older people*
A comprehensive care reform is ongoing in Finland. One of the aspects of the reform is that staffing requirements have been increased in several steps and are planned to increase further in 2023. Higher staffing requirements entail higher costs for all providers. Private providers must negotiate with each county on price compensation for staffing changes, which entails uncertainty. Costs also arise before each stage (staffing requirements) takes effect and compensation is consequently delayed. Staff provision in Finnish care for older people is generally strained and has been exacerbated by the reform.

*A challenging business environment*
The Russian invasion of Ukraine has no direct impact on Attendo, as Attendo does not operate in either country. The company is, however, suffering indirect impact in the form of higher prices for fuel, energy, food and consumables. There is high risk that it will not be possible to cover increased purchasing costs by raising prices during the year that the costs affect Attendo because compensation for inflation and comparable compensation is normally received after a delay according to contracts with Attendo's contracting authorities and is to a certain extent dependent upon political decisions.

*Continued impact of the Covid pandemic*
The Covid pandemic remains a risk for Attendo, with serious impact on Attendo's business and financial performance. At present, the primary effects of the pandemic are increased personnel costs due to high sick leave due to illness among employees and lower occupancy.

# 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.

# Outlook

Attendo does not publish forecasts.

Danderyd, February 10, 2023

Martin Tivéus

President and CEO

# Financial reports

## Consolidated Income Statement

| | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| **SEKm** | **2022** | **2021** | **2022** | **2021** |
| Net sales | 3,789 | 3,338 | 14,496 | 12,867 |
| Other operating income | 15 | 5 | 61 | 24 |
| **Total revenue** | **3,804** | **3,343** | **14,557** | **12,891** |
| Personnel costs | -2,631 | -2,294 | -9,929 | -8,709 |
| Other external costs | -660 | -538 | -2,454 | -2,016 |
| **Operating profit before amortization and depreciations (EBITDA)** | **513** | **511** | **2,174** | **2,166** |
| Amortization and depreciation of tangible and intangible assets | -382 | -339 | -1,500 | -1,330 |
| **Operating profit after depreciation (EBITA)** | **131** | **172** | **674** | **836** |
| *Operating margin (EBITA), %* | *3.5* | *5.2* | *4.6* | *6.5* |
| Amortization and write-down of acquisition related intangible assets | -14 | -13 | -58 | -81 |
| **Operating profit (EBIT)** | **117** | **159** | **616** | **755** |
| *Operating margin (EBIT), %* | *3.1* | *4.8* | *4.2* | *5.9* |
| Net financial items | -170 | -159 | -658 | -652 |
| **Profit before tax** | **-53** | **-** | **-42** | **103** |
| Income tax | 9 | -8 | -2 | -44 |
| **Profit for the period** | **-44** | **-8** | **-44** | **59** |
| *Profit margin, %* | *-1.2* | *-0.2* | *-0.3* | *0.5* |
| ***Profit for the period attributable to:*** | | | | |
| Parent company shareholders | -44 | -9 | -45 | 56 |
| Non-controlling interest | - | 1 | 1 | 3 |
| Basic earnings per share, SEK | -0.27 | -0.06 | -0.28 | 0.35 |
| Diluted earnings per share, SEK | -0.27 | -0.06 | -0.28 | 0.35 |
| Average number of shares outstanding, basic, thousands | 160,933 | 160,913 | 160,925 | 160,913 |
| Average number of shares outstanding, diluted, thousands | 160,938 | 160,929 | 160,938 | 160,930 |

## Consolidated Statement of Comprehensive Income

| | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| **SEKm** | **2022** | **2021** | **2022** | **2021** |
| **Profit for the period** | **-44** | **-8** | **-44** | **59** |
| **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 | 1 | 5 |
| **Items that may be reclassified to profit or loss** | | | | |
| Exchange rate differences on translating foreign operations attributable to the parent company shareholders | 18 | 4 | 85 | 26 |
| **Other comprehensive income for the period** | **18** | **15** | **86** | **31** |
| **Total comprehensive income for the period** | **-26** | **7** | **42** | **90** |
| ***Total comprehensive income attributable to:*** | | | | |
| Parent company shareholders | -26 | 6 | 41 | 87 |
| Non-controlling interest | - | 1 | 1 | 3 |

# Consolidated Balance Sheet

| SEKm | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| ASSETS | | |
| **Non-current assets** | | |
| Goodwill | 7,204 | 6,878 |
| Other intangible assets | 504 | 478 |
| Equipment | 642 | 538 |
| Right-of-use assets | 11,118 | 10,535 |
| Financial assets | 512 | 434 |
| **Total non-current assets** | **19,980** | **18,863** |
| | | |
| **Current assets** | | |
| Trade receivables | 1,400 | 1,312 |
| Other current assets | 437 | 370 |
| Cash and cash equivalents | 507 | 513 |
| | **2,344** | **2,195** |
| | | |
| Assets held for sale | 1 | 18 |
| **Total current assets** | **2,345** | **2,213** |
| | | |
| **Total assets** | **22,325** | **21,076** |
| | | |
| EQUITY and LIABILITIES | | |
| **Equity** | | |
| Equity attributable to the parent company shareholders | 5,001 | 4,932 |
| Non-controlling interest | - | 25 |
| **Total equity** | **5,001** | **4,957** |
| | | |
| **Non-current liabilities** | | |
| Liabilities to credit institutions | 2,330 | 2,069 |
| Long-term lease liabilities[1] | 11,246 | 10,739 |
| Provisions for post-employment benefits | 0 | 2 |
| Long term provisions | 88 | 70 |
| Other non-current liabilities | 165 | 106 |
| **Total non-current liabilities** | **13,829** | **12,986** |
| | | |
| **Current liabilities** | | |
| Liabilities to credit institutions | - | 1 |
| Short-term lease liabilities[2] | 1,229 | 1,068 |
| Trade payables | 462 | 425 |
| Short-term provisions | 49 | 53 |
| Other current liabilities | 1,755 | 1,582 |
| | **3,495** | **3,129** |
| | | |
| Liabilities held for sale | 0 | 4 |
| **Total current liabilities** | **3,495** | **3,133** |
| | | |
| **Total equity and liabilities** | **22,325** | **21,076** |

1) Long-term lease liabilities include car leases amounting to SEK 15m (11m).
2) Short-term lease liabilities include car leases amounting to SEK 20m (20m).

# Consolidated Cash Flow Statement

| Operational cash flow (alternative performance measure), SEKm | Q4 2022 | Q4 2021 | Jan-Dec 2022 | Jan-Dec 2021 |
|---|---|---|---|---|
| Operating profit (EBITA)[1] | 131 | 172 | 674 | 836 |
| Depreciation and amortization of tangible and intangible assets | 382 | 339 | 1,500 | 1,330 |
| Changes in working capital | 109 | 98 | -70 | -72 |
| Paid income tax | 1 | -1 | -60 | -58 |
| Other non-cash items | - | - | -51 | -26 |
| **Cash flow after changes in working capital** | **623** | **608** | **1,993** | **2,010** |
| Investments on tangible and intangible assets | -50 | -42 | -204 | -170 |
| Divestments of tangible and intangible assets | 5 | -6 | 17 | 19 |
| **Operating cash flow** | **578** | **560** | **1,806** | **1,859** |
| Interest received/paid | -26 | -12 | -55 | -51 |
| Interest expense for lease liabilities of real estate | -150 | -146 | -605 | -581 |
| Repayment of lease liabilities | -296 | -249 | -1,122 | -978 |
| **Free cash flow** | **106** | **153** | **24** | **249** |
| Net change in assets and liabilities held for sale | 1 | - | 1 | 2 |
| Acquisition of operations | - | - | -204 | -263 |
| Divestment of subsidiaries | - | - | - | -1 |
| Warrants | - | - | 2 | 2 |
| Repayment of loans | - | - | -100 | -300 |
| New borrowings | 100 | 100 | 250 | 100 |
| **Total cash flow** | **207** | **253** | **-27** | **-211** |
| Cash and cash equivalents at the beginning of the period | 293 | 258 | 513 | 716 |
| Effect of exchange rate changes on cash | 7 | 2 | 21 | 8 |
| **Cash and cash equivalents at the end of the period** | **507** | **513** | **507** | **513** |

| Cash flow according to IFRS, SEKm | Q4 2022 | Q4 2021 | Jan-Dec 2022 | Jan-Dec 2021 |
|---|---|---|---|---|
| Cash flow from operations | 447 | 450 | 1,333 | 1,378 |
| Cash flow from investing activities | -44 | -48 | -390 | -413 |
| Cash flow from financing activities | -196 | -149 | -970 | -1,176 |
| **Total cash flow** | **207** | **253** | **-27** | **-211** |

# Consolidated Statement of Changes in Equity

| SEKm | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|
| **Opening balance** | **4,957** | **4,871** |
| **Total comprehensive income attributable to:** | | |
| The parent company shareholders | 41 | 87 |
| Non-controlling interest | 1 | 3 |
| **Transactions with owners** | | |
| Warrants | 2 | 2 |
| Share-savings plan | 0 | 1 |
| **Total transactions with owners** | **2** | **3** |
| Transactions with non-controlling interest | 0 | -7 |
| **Closing balance** | **5,001** | **4,957** |
| ***Equity attributable to:*** | | |
| Parent company shareholders | 5,001 | 4,932 |
| Non-controlling interests | - | 25 |

## Segment in Summary

| SEKm | Scandinavia | | Finland | | Other and eliminations | | Group | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 |
| **Net sales** | **1,691** | **1,584** | **2,098** | **1,754** | **-** | **-** | **3,789** | **3,338** |
| - Net sales, own operations | 1,325 | 1,218 | 2,087 | 1,739 | - | - | 3,412 | 2,957 |
| - Net sales, outsourcing | 366 | 366 | 11 | 15 | - | - | 377 | 381 |
| **Lease adjusted EBITA** | **80** | **105** | **-55** | **-24** | **-17** | **-16** | **8** | **65** |
| *Lease adjusted operating margin (EBITA), %* | *4.7* | *6.7* | *-2.6* | *-1.4* | *-* | *-* | *0.2* | *2.0* |
| **Operating profit (EBITA)** | **129** | **151** | **20** | **37** | **-17** | **-16** | **131** | **172** |
| *Operating margin (EBITA), %* | *7.6* | *9.6* | *1.0* | *2.1* | *-* | *-* | *3.5* | *5.2* |

| SEKm | Scandinavia | | Finland | | Other and eliminations | | Group | |
|---|---|---|---|---|---|---|---|---|
| | Jan-Dec 2022 | Jan-Dec 2021 | Jan-Dec 2022 | Jan-Dec 2021 | Jan-Dec 2022 | Jan-Dec 2021 | Jan-Dec 2022 | Jan-Dec 2021 |
| **Net sales** | **6,599** | **6,037** | **7,897** | **6,830** | **-** | **-** | **14,496** | **12,867** |
| - Net sales, own operations | 5,114 | 4,632 | 7,852 | 6,772 | - | - | 12,966 | 11,404 |
| - Net sales, outsourcing | 1,484 | 1,405 | 45 | 58 | - | - | 1,529 | 1,463 |
| **Lease adjusted EBITA** | **380** | **428** | **-111** | **43** | **-70** | **-70** | **199** | **400** |
| *Lease adjusted operating margin (EBITA), %* | *5.8* | *7.1* | *-1.4* | *0.6* | *-* | *-* | *1.4* | *3.1* |
| **Operating profit (EBITA)** | **577** | **611** | **167** | **296** | **-70** | **-70** | **674** | **836** |
| *Operating margin (EBITA), %* | *8.7* | *10.1* | *2.1* | *4.3* | *-* | *-* | *4.6* | *6.5* |

## Net Financial Items

| SEKm | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net interest expense (excluding lease liabilities for real estate) | -20 | -7 | -49 | -36 |
| Interest expense, lease liabilities for real estate | -150 | -146 | -605 | -581 |
| Other | 0 | -6 | -4 | -35 |
| **Net financial items** | **-170** | **-159** | **-658** | **-652** |

## Investments

| | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| **SEKm** | **2022** | **2021** | **2022** | **2021** |
| **Investments** | | | | |
| Investments in intangible assets | 10 | 4 | 36 | 28 |
| Investments in tangible assets | 40 | 38 | 168 | 142 |
| Divestments of tangible and intangible assets | -5 | 6 | -17 | -19 |
| **Total net investments** | **45** | **48** | **187** | **151** |
| | | | | |
| **Intangible assets acquired through business combination** | | | | |
| Goodwill | - | 4 | 124 | 208 |
| Customer relations | - | - | 34 | 47 |
| Other | - | - | - | - |
| **Total intangible assets acquired through business combination** | **-** | **4** | **158** | **255** |

## Financial Assets and Liabilities

| **SEKm** | **31 Dec 2022** | **31 Dec 2021** |
|---|---|---|
| ASSETS | | |
| **Financial assets measured at fair value** | | |
| Trade receivables | 1,400 | 1,312 |
| Cash and cash equivalents | 507 | 513 |
| **Total financial assets** | **1,907** | **1,825** |
| | | |
| LIABILITIES | | |
| | | |
| **Financial liabilities at fair value through profit or loss** | | |
| Contingent considerations | 56 | - |
| | | |
| Purchase option from non-controlling interests | - | 21 |
| | | |
| **Financial liabilities measured at amortised cost** | | |
| Borrowings | 2,330 | 2,070 |
| Lease liabilities | 12,475 | 11,807 |
| Trade payables | 462 | 425 |
| **Total financial liabilities** | **15,323** | **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** | **31 Dec 2022** | **31 Dec 2021** |
|---|---|---|
| Assets pledged as collateral | 64 | 54 |
| Contingent liabilities[1] | 2,510 | 2,943 |

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 Q4 2022

| SEKm | Reported | Acq.[1] | IFRS 16[2] | Total adj. | Adjusted earnings |
|---|---|---|---|---|---|
| Net sales | 3,789 | - | - | - | 3,789 |
| Other operating income | 15 | - | - | - | 15 |
| **Operating profit before amortization and** | **513** | **-** | **-447** | **-447** | **66** |
| Amortization and depreciation of tangible and intangible assets | -382 | - | 324 | 324 | -58 |
| **Operating profit (EBITA)** | **131** | **-** | **-123** | **-123** | **8** |
| Amortization and write-down of acquisition related intangible assets | -14 | 14 | - | 14 | - |
| **Operating profit (EBIT)** | **117** | **14** | **-123** | **-109** | **8** |
| Net financial items | -170 | - | 150 | 150 | -20 |
| **Profit before tax (EBT)** | **-53** | **14** | **27** | **41** | **-12** |
| Income tax | 9 | -3 | -5 | -8 | 1 |
| **Profit for the period** | **-44** | **11** | **22** | **33** | **-11** |
| ***Profit for the period attributable to:*** | | | | | |
| The parent company shareholders | -44 | 11 | 22 | 33 | -11 |
| Non-controlling interests | - | - | - | - | - |
| Average number of shares outstanding, diluted, thousands | 160,938 | 160,938 | 160,938 | 160,938 | 160,938 |
| **Earnings per share diluted, SEK** | **-0.27** | **0.07** | **0.14** | **0.21** | **-0.07** |

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 Q4 2021

| SEKm | Reported | Acq.[1] | IFRS 16[2] | Total adj. | Adjusted earnings |
|---|---|---|---|---|---|
| Net sales | 3,338 | - | - | - | 3,338 |
| Other operating income | 5 | - | 1 | 1 | 7 |
| **Operating profit before amortization and** | **511** | | **-394** | **-394** | **118** |
| Amortization and depreciation of tangible and intangible assets | -339 | - | 287 | 287 | -52 |
| **Operating profit (EBITA)** | **172** | **-** | **-107** | **-107** | **65** |
| Amortization and write-down of acquisition related intangible assets | -13 | 13 | - | 13 | - |
| **Operating profit (EBIT)** | **159** | **13** | **-107** | **-94** | **65** |
| Net financial items | -159 | - | 146 | 146 | -13 |
| **Profit before tax (EBT)** | **-** | **13** | **38** | **52** | **52** |
| Income tax | -8 | -3 | -7 | -10 | -18 |
| **Profit for the period** | **-8** | **11** | **31** | **42** | **34** |
| ***Profit for the period attributable to:*** | | | | | |
| The parent company shareholders | -9 | 11 | 31 | 42 | 33 |
| Non-controlling interests | 1 | - | - | - | 1 |
| Average number of shares outstanding, diluted, thousands | 160,929 | 160,929 | 160,929 | 160,929 | 160,929 |
| **Earnings per share diluted, SEK** | **-0.06** | **0.07** | **0.19** | **0.26** | **0.21** |

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-Dec 2022

| SEKm | Reported | Acq.[1] | IFRS 16[2] | Total adj. | Adjusted earnings |
|---|---|---|---|---|---|
| Net sales | 14,496 | - | - | - | 14,496 |
| Other operating income | 61 | - | -19 | -19 | 42 |
| **Operating profit before amortization and** | **2,174** | **-** | **-1,748** | **-1,748** | **426** |
| Amortization and depreciation of tangible and intangible assets | -1,500 | - | 1,273 | 1,273 | -227 |
| **Operating profit (EBITA)** | **674** | **-** | **-475** | **-475** | **199** |
| Amortization and write-down of acquisition related intangible assets | -58 | 58 | - | 58 | - |
| **Operating profit (EBIT)** | **616** | **58** | **-475** | **-417** | **199** |
| Net financial items | -658 | - | 605 | 605 | -53 |
| **Profit before tax (EBT)** | **-42** | **58** | **130** | **188** | **146** |
| Income tax | -2 | -12 | -23 | -35 | -37 |
| **Profit for the period** | **-44** | **46** | **108** | **154** | **110** |
| ***Profit for the period attributable to:*** | | | | | |
| The parent company shareholders | -45 | 46 | 108 | 154 | 109 |
| Non-controlling interests | 1 | - | - | - | 1 |
| Average number of shares outstanding, diluted, thousands | 160,938 | 160,938 | 160,938 | 160,938 | 160,938 |
| **Earnings per share diluted, SEK** | **-0.28** | **0.29** | **0.67** | **0.95** | **0.68** |

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-Dec 2021

| SEKm | Reported | Acq.[1] | IFRS 16[2] | Total adj. | Adjusted earnings |
|---|---|---|---|---|---|
| Net sales | 12,867 | - | - | - | 12,867 |
| Other operating income | 24 | - | - | - | 24 |
| **Operating profit before amortization and** | **2,166** | **-** | **-1,558** | **-1,558** | **608** |
| Amortization and depreciation of tangible and intangible assets | -1,330 | - | 1,124 | 1,124 | -207 |
| **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** |
| ***Profit for the period attributable to:*** | | | | | |
| 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

| | | Q4 | | Jan-Dec | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| Organic growth | % | 5.7 | 5.4 | 6.8 | 4.4 |
| Acquired growth | % | 3.1 | 4.5 | 3.0 | 2.2 |
| Change in currencies | % | 4.7 | -0.9 | 2.9 | -1.9 |
| | | | | | |
| Operating margin (EBITA margin) r12 | % | - | - | 4.7 | 6.5 |
| Lease adjusted operating margin (lease adjusted EBITA margin) r12 | % | - | - | 1.4 | 3.1 |
| Working capital | SEKm | - | - | -429 | -379 |
| Return on capital employed | % | - | - | 3.2 | 4.1 |
| | | | | | |
| Net debt to equity ratio | times | - | - | 2.9 | 2.7 |
| Equity to asset ratio | % | - | - | 22 | 24 |
| Net debt/EBITDA r12 | times | - | - | 6.6 | 6.2 |
| Lease adjusted net debt / Lease adjusted EBITDA | times | - | - | 4.4 | 2.6 |
| Free cash flow | SEKm | 106 | 153 | 24 | 249 |
| Net investments | SEKm | -45 | -48 | -187 | -151 |
| | | | | | |
| Average number of employees | | 20,403 | 19,303 | 20,821 | 19,041 |
| | | | | | |
| Key data per share | | | | | |
| Earnings per share, basic | SEK | -0.27 | -0.06 | -0.28 | 0.35 |
| Earnigns per share, diluted | SEK | -0.27 | -0.06 | -0.28 | 0.35 |
| Adjusted earnings per share, diluted | SEK | -0.07 | 0.21 | 0.68 | 1.48 |
| Equity per share, basic | SEK | - | - | 31.07 | 30.65 |
| Equity per share, diluted | SEK | - | - | 31.07 | 30.65 |
| | | | | | |
| Average number of shares outstanding, basic | thousands | 160,933 | 160,913 | 160,925 | 160,913 |
| | | | | | |
| Average number of shares outstanding, diluted | thousands | 160,938 | 160,929 | 160,938 | 160,930 |
| Number of shares, end of period | thousands | 161,387 | 161,387 | 161,387 | 161,387 |
| | | | | | |
| Number of treasury shares, end of period | thousands | 454 | 474 | 454 | 474 |
| Number of shares outstanding, end of period | thousands | 160,933 | 160,913 | 160,933 | 160,913 |

# Quarterly Data

| SEKm | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|---|---|---|
| Total net sales | 3,062 | 3,207 | 3,260 | 3,338 | 3,482 | 3,546 | 3,679 | 3,789 |
| - Net sales, own operations | 2,700 | 2,849 | 2,897 | 2,957 | 3,093 | 3,163 | 3,298 | 3,412 |
| - Net sales, outsourcing | 362 | 358 | 362 | 381 | 389 | 383 | 381 | 377 |
| Total net sales | 3,062 | 3,207 | 3,260 | 3,338 | 3,482 | 3,546 | 3,679 | 3,789 |
| - Net sales, Scandinavia | 1,447 | 1,489 | 1,516 | 1,584 | 1,607 | 1,631 | 1,670 | 1,691 |
| - Net sales, Finland | 1,615 | 1,718 | 1,744 | 1,754 | 1,875 | 1,915 | 2,009 | 2,098 |
| Lease adjusted operating profit (EBITDA) | 125 | 104 | 261 | 118 | 86 | 46 | 228 | 66 |
| *Lease adjusted operating margin (EBITDA margin), %* | *4.1* | *3.2* | *8.0* | *3.5* | *2.5* | *1.3* | *6.2* | *1.7* |
| Lease adjusted operating profit (EBITA) | 75 | 53 | 208 | 65 | 31 | -11 | 171 | 8 |
| *Lease adjusted operating margin (EBITA margin), %* | *2.4* | *1.7* | *6.4* | *2.0* | *0.9* | *-0.3* | *4.7* | *0.2* |
| Operating profit (EBITDA) | 502 | 496 | 657 | 511 | 507 | 481 | 673 | 513 |
| *Operating margin (EBITDA margin), %* | *16.4* | *15.5* | *20.2* | *15.3* | *14.6* | *13.6* | *18.3* | *13.5* |
| Operating profit (EBITA) | 183 | 162 | 319 | 172 | 142 | 106 | 295 | 131 |
| *Operating margin (EBITA margin), %* | *6.0* | *5.1* | *9.8* | *5.2* | *4.1* | *3.0* | *8.0* | *3.5* |
| Profit for the period | -9 | -19 | 95 | -8 | -32 | -63 | 95 | -44 |
| *Profit margin, %* | *-0.3* | *-0.6* | *2.9* | *-0.2* | *-0.9* | *-1.8* | *2.6* | *-1.2* |
| Earnings per share basic, SEK | -0.06 | -0.12 | 0.58 | -0.06 | -0.20 | -0.39 | 0.59 | -0.27 |
| Earnings per share diluted, SEK | -0.06 | -0.12 | 0.58 | -0.06 | -0.20 | -0.39 | 0.59 | -0.27 |
| Adjusted earnings per share diluted, SEK | 0.26 | 0.19 | 0.83 | 0.21 | 0.09 | -0.14 | 0.80 | -0.07 |
| Average number of employees | 18,012 | 18,518 | 20,104 | 19,303 | 19,749 | 20,780 | 21,640 | 20,403 |
| **Operational data** | | | | | | | | |
| Number of units in operation[1] | 716 | 716 | 716 | 710 | 711 | 705 | 707 | 705 |
| Number of beds in homes[2] | 20,852 | 20,858 | 20,935 | 21,093 | 21,155 | 21,062 | 21,082 | 20,932 |
| Occupancy in homes, %[2] | 81 | 83 | 83 | 84 | 84 | 84 | 85 | 85 |
| Number of beds under construction[3] | 782 | 608 | 449 | 433 | 433 | 354 | 224 | 325 |
| Number of opened beds (r12)[3] | 955 | 710 | 931 | 832 | 638 | 486 | 373 | 274 |

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

## Parent Company Income Statement

| | Q4 | | Jan-Dec | |
|---|---|---|---|---|
| **SEKm** | **2022** | **2021** | **2022** | **2021** |
| Net sales | 5 | 4 | 17 | 15 |
| Personnel costs | -10 | -8 | -35 | -29 |
| Other external costs | -3 | -3 | -13 | -11 |
| **Operating profit** | **-8** | **-7** | **-31** | **-25** |
| Net financial items | - | 508 | - | 502 |
| **Profit after financial items** | **-8** | **501** | **-31** | **477** |
| Group contributions | -98 | 50 | -98 | 50 |
| **Profit before tax** | **-106** | **551** | **-129** | **527** |
| Results of commission | 10 | | 243 | |
| Income tax | 8 | -4 | -29 | -4 |
| **Profit for the period** | **-88** | **547** | **85** | **523** |

Profit for the period corresponds to total comprehensive income.

## Parent Company Balance Sheet

| **SEKm** | **31 Dec 2022** | **31 Dec 2021** |
|---|---|---|
| ASSETS | | |
| **Non-current assets** | | |
| Shares in subsidiaries | 6,494 | 6,494 |
| **Total non-current assets** | **6,494** | **6,494** |
| **Current assets** | | |
| Receivables to group companies | 206 | 50 |
| Other receivables | 18 | 2 |
| Cash and cash equivalents | 0 | 0 |
| **Total current assets** | **224** | **52** |
| **Total assets** | **6,718** | **6,546** |
| EQUITY AND LIABILITIES | | |
| **Equity** | **6,623** | **6,535** |
| **Current liabilities** | | |
| Liabilities to group companies | 82 | - |
| Other liabilities | 13 | 11 |
| **Total current liabilities** | **95** | **11** |
| **Total equity and liabilities** | **6,718** | **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 purpose 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.

**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.

**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.

**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.

**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. 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.

**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.

# 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**

| | |
|---|---|
| Year-end report January-December 2022 | 10 February 2023 |
| Annual General Meeting | 26 April 2023 |
| Interim report January-March 2023 | 4 May 2023 |
| Interim report January-June 2023 | 20 July 2023 |
| Interim report January-December 2023 | 24 October 2023 |

**Presentation**

A webcasted presentation will be held on October 26 at 10:00 (CET). You can follow the presentation at the following web link: https://ir.financialhearings.com/attendo-Q4-2022/register

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. The information was submitted for publication, through the agency of the contact persons set out above on 26 October 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.

Company number : 559026-7885

Attendo