

Remuneration report 2020

Introduction

This report describes how the guidelines for executive remuneration of Attendo AB (publ), adopted by the annual general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note C5 (Information on Board members, senior executives and employees) on pages 69-71 in the English language version of the annual report 2020. Information on the work of the compensation committee in 2020 is set out in the corporate governance report available on page 37 in the English language version of the annual report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note C5 on page 69 in the English language version of the annual report 2020.

Key developments 2020

Overall company performance in 2020

The CEO summarizes the company's overall performance in his statement on pages 4-5 in the English language version of the annual report 2020.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on pages 53-55 in the English language version of the annual report 2020. The remuneration guidelines, adopted unanimously by the annual general meeting 2020, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.attendo.com/corporategovernance. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Table A – Total remuneration of the CEO in 2020 (kSEK)

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary*	Other benefits**	One-year variable	Multi-year variable***	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration****
Martin Tivéus (CEO)	7,723	128	1,914	831	-	2,295	12,891	80/20

* Including holiday pay.

** Other benefits mainly include company car.

*** Includes vested subsidies for call options and warrants (see further below), as well as forecasted outcome of long-term incentive programmes, calculated in accordance with IFRS 2 and expensed during 2020.

**** Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share based remuneration

Outstanding share and share-price related incentive programs

Attendo+ share savings program

Attendo has one outstanding share savings program, Attendo+ 2019 (qualification period 2019-2021). The program is directed to members of Attendo's Executive Management. The program entitles the participants, subject to investment in savings shares and continued employment, to receive 0.5 matching shares and up to 5 performance shares, per each savings share, following the end of the qualification period. Allotment of performance shares is subject to Attendo achieving a certain predetermined target, adopted by the board, related to the Attendo group's accumulated EBITA (according to the previous IAS 17 accounting standard, i.e. excluding effects from IFRS 16, referred to as "Old GAAP" below) during the time period 2019–2021.

The CEO holds 100,549 savings shares under Attendo+ 2019.

Warrant program 2020

The annual general meeting 2020 resolved to adopt a new long-term incentive program to executives in the Attendo group, including to issue not more than 500,000 warrants to the subsidiary Attendo Intressenter AB, for transfer to participants in the program. The warrant program is directed to seven senior executives in Attendo, and entails that these individuals have been offered to acquire warrants at market value, calculated in accordance with the Black & Scholes valuation formulae. The warrants have a vesting period of five years. Each warrant entitles to subscription of one new share in Attendo, during the two week period from the day of publication of the interim report for the period 1 January – 31 March (Q1) 2023, 2024 or 2025 and during the two week period from the day of publication of the interim report for the period 1 January – 30 September (Q3) 2023, 2024 or 2025. In total, 327,059 warrants have been issued under the program.

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

The CEO holds 158,730 warrants under warrant program 2020. The warrants were acquired at an established market value of SEK 6.30 per warrant.

Share performance program 2020

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

The CEO is not a participant in share performance program 2020.

Call options issued by Nordstjernan

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

The CEO holds in aggregate 1,083,892 call options.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table B - Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3	
			a) Measured performance and	b) actual award/ remuneration outcome
Martin Tivéus (CEO)	Shareholder value; EBITA (old GAAP)	60%	a) 0%	b) KSEK 0
	Customer satisfaction	20%	a) 67%	b) KSEK 765
	Employee satisfaction	20%	a) 100%	b) KSEK 1,148

Table C - Performance of the CEO in the reported financial year: share-based incentives

Name of director (position)	Name of plan	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3	
				a) Measured performance and	b) actual award/ remuneration outcome
Martin Tivéus (CEO)	Attendo+ 2019	Accumulated EBITA (old GAAP) 2019-2021	N/A	N/A*	

* Performance period still running.

Comparative information on the change of remuneration and company performance

Table D – Remuneration and company performance (absolute numbers in kSEK) and change (%)

	2019***	2020***
CEO remuneration	11,067	12,891 (+16%)
Group operating profit (EBITA)*	812,000	797,000 (-2%)
Average remuneration on a full time equivalent basis of employees of the parent company	3,250	3,273 (+1%)
Average remuneration on a full time equivalent basis of employees** of the group	427	396 (-7%)

* Operating profit (EBITA) is used as a performance measure because it shows the development of operating activities without the effect of amortisation and impairments of intangible assets from acquired companies and independently of financing. Operating profit (EBITA) refers to profit before amortisation of acquisition-related intangible assets, financial items and tax. Operating profit (EBITA) is excluding items affecting comparability.

** Excluding members of the group executive management.

*** Reported figures, i.e. including effects from IFRS16.