

Attendo

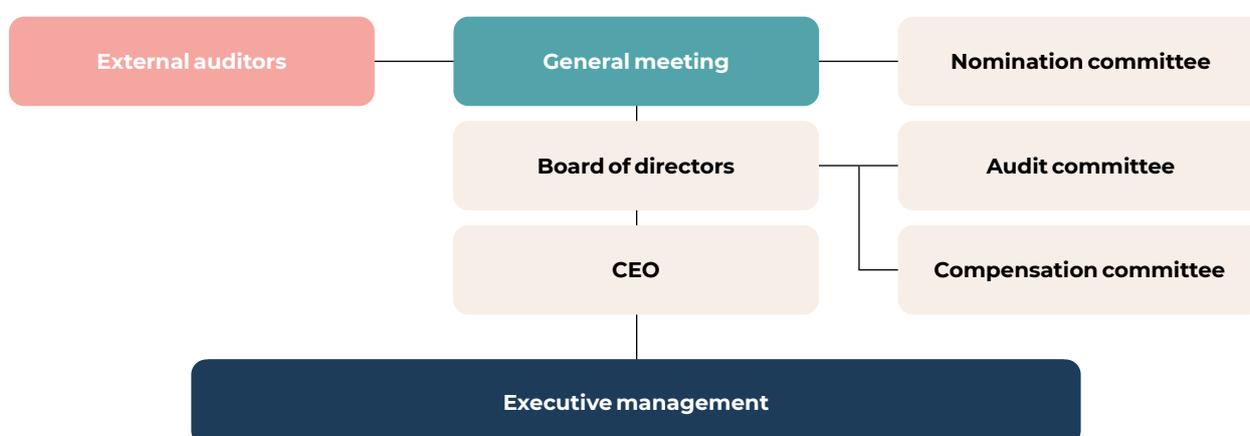


CORPORATE GOVERNANCE REPORT

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CORPORATE GOVERNANCE REPORT

Attendo AB (publ) is a Swedish public limited company (corporate identity number 559026-7885). The company's shares are traded on Nasdaq Stockholm. Attendo's registered office is in Danderyd. The address of the head office is Vendevägen 85, 182 91, Danderyd.



Good corporate governance is important for supporting Attendo's vision, to reach the strategic goals and to strengthen the corporate culture.

Corporate governance at Attendo is based on external regulations such as the Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rulebook for Issuers, and the Swedish Code of Corporate Governance (the Code), as well as other applicable Swedish and foreign laws and regulations. As a complement to the external regulations, the Board of Directors of Attendo has adopted rules of procedures that govern the work of the Board and its committees, as well as instructions for the CEO and the operations. This Corporate Governance report has been prepared in accordance with the Annual Accounts Act and the Code and aims to describe the corporate governance in Attendo during the year 2021. Attendo has not deviated from the Code, Nasdaq Stockholm's Rule Book for Issuers or from good stock market practice during 2021.

Shares and shareholders

Attendo had 161,386,592 registered shares as of 31 December, 2021 and the shareholders include both institutional shareholders, Attendo's management and a large number of private investors. Each share represents one vote at the Annual General Meeting (AGM) and an equal right to a share in the company's assets and profits.

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

The 2021 AGM authorised the Board to issue new shares in Attendo corresponding to a maximum of 10 percent of the total number of shares and to resolve on the repurchase of shares, either to assign to the participants in the company's incentive programs or to adapt the company's capital structure, or to finance company acquisitions. As of 31 December, 2021, this mandate has not been utilised. The 2022 AGM is proposed to authorize the Board with corresponding mandates

Nomination committee

Instructions for Attendo's Nomination Committee were adopted by the 2020 AGM and describe the composition of the Nomination Committee and how its work must proceed. According to these instructions, the Nomination Committee must consist of at least three and no more than four members who are elected directly by the AGM. At the 2021 AGM the following members were elected (nominating shareholders within brackets): Peter Hofvenstam (Nordstjernan AB), Anssi Soila (Pertti Karjalainen), Niklas Antman (Incentive) and Marianne Nilsson (Swedbank Robur Fonder). The chair of the

Board, Ulf Lundahl, shall be a co-opted member of the Nomination Committee. The Nomination Committee has judged that there are no conflicts of interest that affect the members' involvement in Attendo's nomination committee and that the composition of the committee is consistent with the rules set out in the Code. The duties of the Nomination Committee are to fulfil the tasks set out in the instructions for the Nomination Committee and the Code. The Nomination Committee applies Rule 4.1 of the Code regarding the Diversity Policy of the Company's Board of Directors. The Nomination Committee also takes into account the need to ensure that the independence requirements are met.

The Nomination Committee's complete proposal to the 2022 AGM are included in the notice of the meeting and available on Attendo's website.

General meeting

The general meeting, which is the group's highest decision-making body, is the forum in which shareholders exercise their influence.

All shareholders that are recorded in the share register and that have notified the company, prior to the deadline, of their intention to attend are entitled to participate at the general meeting and vote for their total holdings of shares. Shareholders unable to personally attend are entitled to appoint proxies if they notify the company in time prior to the general meeting. Individual shareholders who wish to have a matter considered at a general meeting must, well in advance of the meeting, notify the Board of Directors of Attendo through the address stated on Attendo's website.

Documentation from general meetings including minutes from the meetings are available on Attendo's website, www.attendo.com.

AGM 2021

The AGM 2021 was held on 14 April, 2021.

AGM 2022

The AGM 2022 will be held on 26 April, 2022. Please refer to page 111 for further information.

Board of directors

The Board of Directors, which is the highest governing body after the general meeting, bears ultimate responsibility for Attendo's organisation and management as well as control of the company's financial conditions. The duties of the Board include appointing, evaluating and, if necessary, dismissing the CEO and ensuring that systems exist for monitoring and controlling operations, taking into consideration the risks to which Attendo is exposed. The work of the Board is governed by the Companies Act, the Articles of Association, the Code and the rules of procedures for the Board, among else. According to Attendo's Articles of Association, the Board must have a minimum of three and a maximum of ten Board members. In addition to Board members elected by general meetings, trade unions may appoint employee representatives to the Board.

Since the AGM 2021, the Board has consisted of seven Board members elected by the general meeting. The trade union Kommunal has elected one employee representative and two alternate members. At Attendo's Board meetings the CEO and CFO participate, as well as the general counsel who is Board secretary. Other member of group management and other employees are participating if necessary. For a presentation of the Board please refer to pages 46–47.

Board charter

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

Board composition and meeting attendance in 2021

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

¹⁾ Elected by the AGM in April 2021.

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

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

The work of the Board of directors in 2021

The Board held 11 meetings during 2020, including the constituent meeting. The attendance among Board members is presented in the table. Attendo's General Counsel is Board secretary. Board members obtain the agenda and documentation related to each item on the agenda in advance of the meeting. The agenda includes a recurring item for Board own time without management present.

The Board deals with matters related to the company's progress in the areas of quality and business development, finance and budget, risk management, compliance, internal control, payors, strategy and sustainability, and managers and employees.

The Board of Directors considers and decides on financial reports, and follows the financial development and value creation and action plans. During 2021, the Board of Directors maintained strong focus on developments and measures related to Covid-19 and the financial and operational impacts of the pandemic on Attendo. The long-term work to restore profitability and further develop the strategy for Attendo also continued, with intensified focus on quality and employee satisfaction among the Board as well. The Board of Directors has monitored and particularly addressed the depiction of Attendo in the Swedish media during the year and focused especially on staff provision in Finland.

The Board met with the company's auditors without the presence of management (in addition to the auditor regularly attending the audit committee meetings).

Chair of the Board

The Chair of the Board is responsible for presiding over Board meetings, allocating duties, organising the work of the Board and ensuring that decisions are executed. The Chair continuously monitors operations through regular contact with the CEO and is responsible for ensuring that all Board members receive the information and documentation they require.

Board committees

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

Audit committee

The Audit Committee consists of three members who are independent of the company and its management: Catarina Fagerholm (Chair), Tobias Lönnevall and Alf Göransson. The CEO, CFO, General Counsel, and the Communications and IR Director attend meetings of the Audit Committee. The company's auditors regularly attend. The Audit Committee prepares matters related to Attendo's risk management and internal

control, as well as accounting, financial reporting and auditing. The Audit Committee held 5 meetings during 2021.

Compensation committee

The Compensation Committee consists of three members who are independent of the company and its management: Tobias Lönnevall (Chair), Ulf Lundahl and Alf Göransson. The CEO, CFO and General Counsel also attends meetings of the Compensation Committee, apart from when decisions are taken that directly affect own remuneration. The Compensation Committee prepares matters relating to terms of employment and remuneration to Attendo's Executive Management. The Compensation Committee held 4 meetings during 2021.

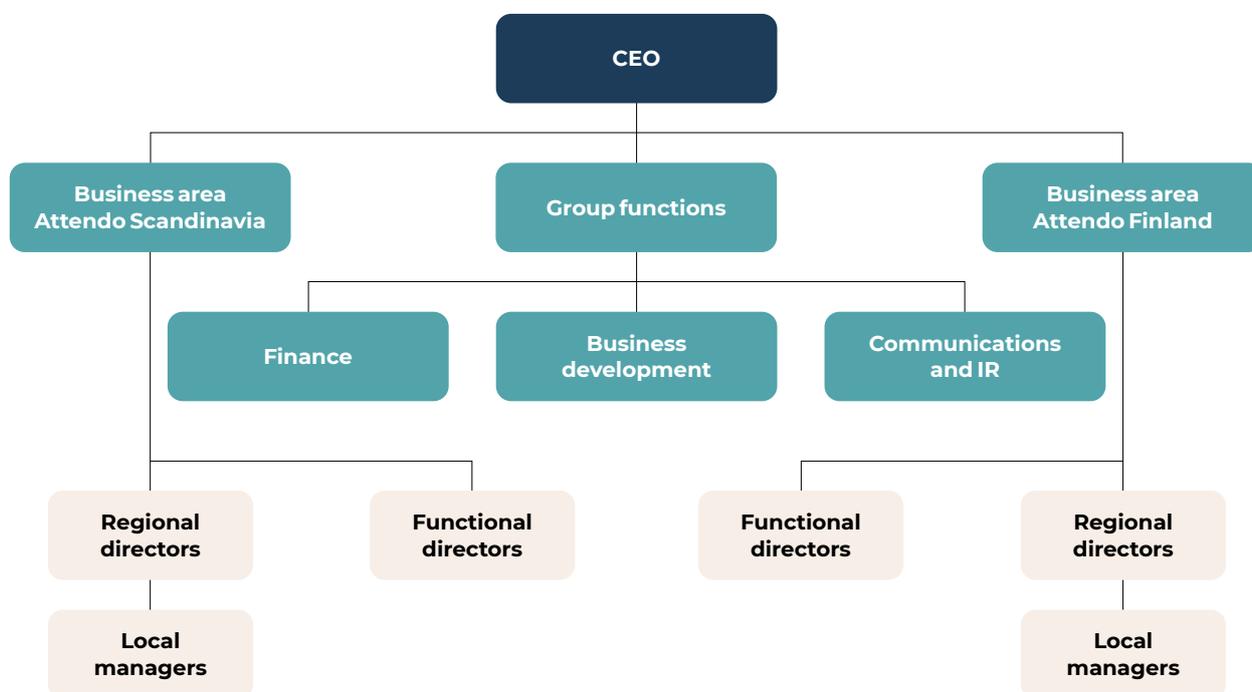
Evaluation of Board and CEO

The Board of Directors conducts an annual Board evaluation in which all Board members evaluate the work of the Board during the year. The Board evaluation includes areas such as Board composition, reporting, governance, and working methods as well as what items should be focused on. The Board evaluates the CEO's work continuously by following the businesses development. A formal evaluation is performed annually.

Auditor

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

CEO and Executive Management



Attendo's organisation is founded on a common vision and strong values, but with decentralised responsibility for retaining an entrepreneurial spirit and local anchoring. The CEO has general responsibility for day-to-day management of the company's affairs in accordance with Board directives. Operations are divided into two Business Areas, each of which is managed by a Business Area Director. The division of responsibility is based on geographical regions. Both Business Area Directors report to the CEO. In addition, there are three group functions: Finance, Business Development, and Communication and Investor Relations, which all report directly to the CEO. Executive Management meets regularly and deals with matters including the company's financial performance and position, strategy and business plans, group quality improvement work, human resources, and organisational matters.

Business areas

The Business Area Directors are responsible for monitoring operations and financial performance in their respective Business Areas. Reporting is made monthly to the CEO and the group functions (see also "Internal control over financial Reporting" on page 45. The nature of services, payors, processes, and procedures for delivering services is similar across the group. Operations are divided into Business area primarily to create local ownership of Attendo businesses.

Attendo's units are backed up by a number of support functions at Business Area level including Marketing, Real-Estate Development, Quality and HR.

Group functions

The group functions are responsible for all group-wide matters within Attendo, such as issuing policies, procedures, and processes. The group functions are also responsible for supporting the CEO and Executive Management with expertise in their respective fields. These include business development, accounting and reporting, legal matters and risk management, internal control, finance, insurance, external communications and investor relations.

Internal control over financial reporting

Internal control over financial reporting is intended to provide reasonable assurance of the accuracy of financial reporting, and to ensure that external financial reporting complies with applicable laws and accounting standards. The Board of Directors is ultimately responsible for internal control and continuously evaluates risk management and internal control at Attendo via the Audit Committee. Please refer to pages 52–55 for further information about risks and risk management. Internal control at Attendo is based on principles drafted by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Areas of responsibility

Attendo has a function responsible for internal control, which supports the Business Areas in their internal control work. The function works continuously to develop and improve internal control over financial reporting by means of preventative measures and annual reviews, which are reported to the Audit Committee. The function works according to an annual plan approved by the Audit Committee. Based on the work of the legal and internal control function together with the external audit, Attendo assesses that its financial reporting has achieved sufficient accuracy without the need for an independent internal audit function. The Board of Directors regularly evaluates the need for an internal audit function.

Control environment

Attendo's vision and values are the foundation of the company culture and control environment. The Board of Directors has overall responsibility for group internal control. This is executed through written instructions and working plans, which define the Board's responsibilities and the allocation of duties among Board members, Board committees and the CEO. Internal control is based on group policies, procedures, and instructions, which are communicated within the group, along with the implemented structure of responsibility and authority. The Audit Committee has a particular duty to represent the Board of Directors in matters concerning the consolidated accounts, taxation, risk management, internal control, external reporting, and auditing. The Audit Committee is also to regularly review and monitor the independence and impartiality of the auditor and support the AGM in connection with appointment of auditors. Responsibility for maintaining good internal control has been delegated to the CEO.

Risk assessment

Attendo's risk management process is monitored by the Audit Committee and implemented by the legal function with support from the internal control function. Risk assessment regarding financial reporting proceeds from the degree of risk; that is, the impact on financial reporting and the likelihood that misstatements will occur. The control measures Attendo has implemented to manage the risk are also considered. The risk assessment is updated annually and the results are reported to the Board of Directors.

Control activities

The Business Area Directors and their organisations are responsible for internal control in their Business Areas. Attendo has based its control environment on the risks identified during the risk assessment process. The internal control function has devised a number of common controls for critical processes to ensure a consistent control environment. The Business Areas are responsible for ensuring that these controls are implemented. Attendo has several activities for following up the internal control and ensuring that any misstatements are corrected, as described below.

Information and communication

Attendo's framework and policies are made available to all employees via the intranet and other appropriate communication channels. Other information, such as guidelines and instructions concerning financial reporting, is contained in the Attendo Finance Manual and Accounting Manual, which are communicated to the employees concerned. Attendo's Group Accounting Department is responsible for legal accounting and for implementing and communicating group-wide accounting policies.

Monitoring

The group's internal control function reviews compliance with group control activities. Attendo works in several ways to ensure that internal control meets group standards, such as self-assessment, internal reviews, and with the assistance of the company's external auditors.

Internal control in 2021

During 2021, the work around risk assessment and monitoring, including internal control, has continued to be highly prioritized. The internal control work has particularly focused on the control environment and activities related to occupancy, information security and data protection.

Danderyd, 11 March 2022

Attendo AB (publ)

Board of Directors

Board of Directors and auditors



Ulf Lundahl

Chairman of the Board, Member of the Compensation Committee

Born 1952. B.L. and MSc in Business and Administration from Lund University

Voted to the Board: 2014

Position and Board Directorships: Chair of the Board of Fidelio Capital AB, Nordstjernan Kredit AB, Board Member of Holmen AB and Indutrade AB.

Previous positions: Vice President and Deputy CEO LE Lundbergföretagen AB, CEO Danske Securities, CEO Östgöta Enskilda Bank/Danske Bank Sweden.

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

Attendo holdings: 20,000 shares.



Margareta Danelius

Board Member

Born 1964. Master of Science, Medicine, Uppsala University

Voted to the Board: 2021

Position and Board Directorships: Chief Medical Officer, Capio Sweden

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

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

Attendo holdings: 0 shares



Catarina Fagerholm

Board Member, Chair of the Audit Committee

Born 1963. MSc from Hanken School of Economics Helsinki.

Voted to the Board: 2016

Positions and Board Directorships: Board Member of Restel Oy, CapMan Oyj, Byggmax Group AB and Lekolar AB.

Previous positions: CEO of Instru Optiikka Oy, CEO of BSH Kodinkoneet Oy and Management Team Member of BSH Hausgeräte Northern Europe, managerial positions in Electrolux/AEG including Country Director AEG Household Appliances, Finland and Russia, and several positions within Amer Group Ltd.

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

Attendo holdings: 10,000 shares.



Alf Göransson

Board Member, Member of Audit Committee and Compensation Committee

Born 1957. International BSc in Economics and Business Administration from University of Gothenburg.

Voted to the board: 2018

Position and Board Directorships: Chair of the Board of Loomis AB, Hexpol AB, NCC AB and Axfast AB. Board Member of Anticimex AB, iSweco AB, Melker Schörling AB and Sandberg Development Group.

Previous positions: CEO and president of Securitas AB, CEO and president of NCC AB, CEO and president of Svedala Industri AB.

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

Attendo holdings: 0 shares.



Tobias Lönnevall

Board Member, Chair of the Compensation Committee and the Investment Committee

Born 1980. MSc from Stockholm School of Economics.

Voted to the board: 2016

Positions and Board Directorships: Investment Director at Nordstjernan. Board member at Diös AB.

Previous positions: Chair of the Board of Ramirent Group. Chair of the Board of KMT Precision Grinding. Acting CEO of NH Logistics 2010, Finance Manager at Landic Property and Management Consultant at Accenture.

Independence: Tobias is dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 6,000 shares.



Suvi-Anne Siimes

Board Member

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

Voted to the board: 2020

Position and Board Directorships: CEO Finnish Pension Alliance TELA. Board member in AEIP (European Association of Paritarian Institutions of Social Protection).

Previous positions: CEO Pharma Industry Finland, Chairman of the Board in Veikkaus Oy, Board member in Yrjö Jahnsson Foundation and Board member and vice chairman of the Board in Posti Group Oyj. Has held several ministerial posts in the Finnish government.

Independence: Suvi-Anne is independent in relation to major shareholders and the company.

Attendo holdings: 0 shares.



Anssi Soila

Board Member

Born 1949. MSc from Helsinki University of Technology and MSc from Hanken School of Economics Helsinki.

Voted to the Board: 2007

Position and Board Directorships: Advisor IK Investment Partners, Chair of the Board of Orox Oy and Sopix Oy and Board Member of Ankkalampi Oy, Finlands Trafikkmedicinska Förening and Stödstiftelsen för Finlands Flygförbund.

Previous positions: Chair of the Board of Kemira Abp and Sponda Abp. CEO Kone Corporation Oy, and other leading positions within Kone Corporation Oy.

Independence: Anssi is dependent in relation to major shareholders and independent in relation to the company.

Attendo holdings: 1,255,455 shares.

Faya Lahdou

Employee representative from Union Kommunal

Born: 1983

Elected to the board: 2019/2020

Attendo holdings: –

Amanda Hellström

Employee representative from Union Kommunal, deputy

Born: 1988

Elected to the board: 2020

Attendo holdings: –

Katarina Nirhammar

Employee representative from Union Kommunal, deputy

Born: 1963

Elected to the board: 2020

Attendo holdings: –

Auditors

PricewaterhouseCoopers AB

Patrik Adolfson

Principal auditor until the close of the 2022 AGM

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

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

Executive Management



Martin Tivéus

CEO and president

Born 1970. BSc, Stockholm University

Employed: 2018

Member of Executive Management: 2018

Positions and Board Directorships: Board Member of Telia Company.

Previous positions: CEO and president at Avanza, Chief Commercial Officer Nordics at Klarna and CEO at Evidensia and Glocalnet.

Attendo holdings: Shares 60,000, call options 1,083,892, warrants 298,730 .



Ulrika Eriksson

Business Area Director Attendo Scandinavia

Born 1969. MSc from Stockholm School of Economics

Employed: 2020

Member of Executive Management: 2021

Positions and Board Directorships: Board member, Systembolaget AB

Previous positions: CEO at KungSängen Sverige, leading positions, including deputy CEO, at Apoteket AB and deputy CEO at Reitangruppen (Pressbyrå/7-Eleven)

Attendo holdings: Shares 5,000., call options 101,942



Virpi Holmqvist

Business Area Director Attendo Finland

Born 1970. MSc in Economics and Business Administration, Hanken School of Economics

Employed: 2019

Member of Executive Management: 2019

Previous positions: CEO Touhola Group, SVP Primary and Social Care and CFO at Pihlajalinna. Virpi worked at Attendo between the years 2008-2015.

Attendo holdings: Call option 123,287.



Andreas Koch

Communications and IR Director

Born 1977. MSc from Stockholm School of Economics.

Employed: 2016

Member of Executive Management: 2016

Previous positions: Head of Investor Relations at SSAB 2013–2016. Head of Communications at Carnegie 2007–2013. Head of Investor Relations at SCA 2005–2007, Business Analyst at SCA 2002–2005.

Attendo holdings: Shares 31,413, call options 68,493, warrants 104,732.

**Fredrik Lagercrantz***Chief Financial Officer*

Born 1977. MSc from Stockholm School of Economics.

Employed: Starting 2018

Member of Executive Management: Starting 2018

Previous positions: Senior Vice President Business Control Swedish Match 2013-2017, Vice President Group Business Control Swedish Match 2009-2013, Management consultant McKinsey & Co 2004-2009.

Attendo holdings: Shares 10,000, call options 240,934, warrants 167,339.

**Eric Wåhlgren***Business Development Director*

Born 1979. Civil Engineer from Linköping University

Employed: 2020 (March)

Positions and Board Directorships: Board member: BCB Medical Oy.

Member of Executive Management: 2020

Previous positions: Vice President & Head of Group Strategy at Elekta 2017-2020, Principal at The Boston Consulting Group 2005-2017.

Attendo holdings: Warrants, 58,630.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the AGM of Attendo AB (publ),
corporate identity number 559026-7885

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2021 on pages 40–49 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with international standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 14 March 2022
PricewaterhouseCoopers AB

Patrik Adolfson
Authorised Public Accountant
Principal Auditor



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

RISKS AND RISK MANAGEMENT

All business requires companies to take risks in various forms and to various extent. Risk management, defined as the work involved in identifying, managing, and monitoring risks, is an important part of Attendo's strategy and operations.

Attendo takes a structured approach to managing risks, based on a framework that covers external risks, operational risks, and financial risks. External risks relate to the conditions for private companies to operate care businesses, political risks, regulatory risks and reputational risks. Operational risks refer to risks linked directly to Attendo's operations, such as occupancy, pricing and access to skilled employees. Financial risks are related to factors including access to capital, exchange rates, interest rates and liquidity. A broad and structured approach to working with risks ensures that risk management is well-integrated in the board's and management's decisions about the company's strategy, as well as in management's work with execution of the strategy. Operational risks are monitored by the Business Area Directors, who are responsible for risk management within their areas of operation. Attendo's group functions focus on risk management, legal matters and compliance as well as internal control and support the board and management as well as Attendo's various specialist functions in their work with risk management.

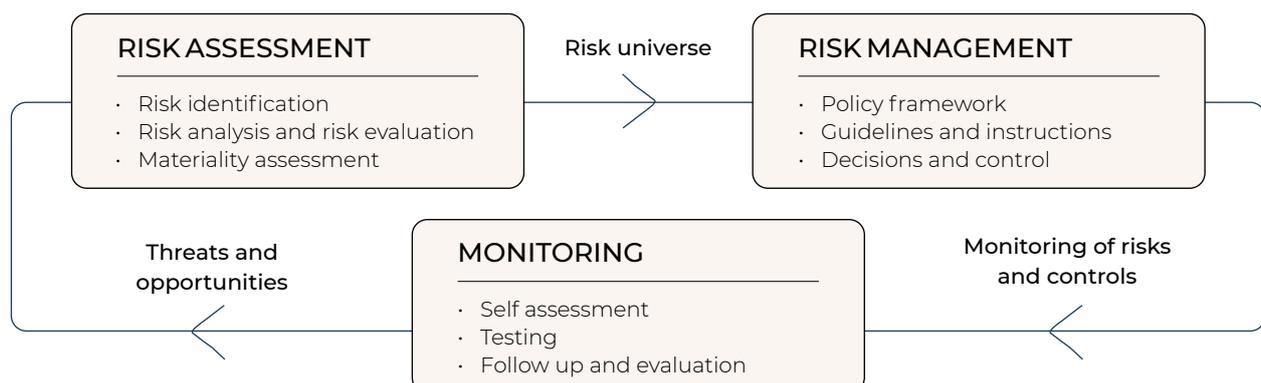
Identifying and managing risks is also a central part of Attendo's strategic process, where the risks that may prevent the company from reaching its strategic goals are evaluated on a continuous basis in a structured framework, taking into account the effect each risk would have if it occurred as well as the likelihood that it will occur. Based on this group wide risk assessment, different mitigating tools are implemented, such as common policies, guidelines, instructions and controls. The

risk assessment also has an impact on the company's business decisions and strategic plan. Specific projects and initiatives are also carried out to improve and strengthen the risk management and internal control, based on the most critical needs according to the latest risk assessment. The risk assessment is also taken into account in the company's day-to-day decisions and planning. Furthermore, the continuous risk management processes include an annually recurring self-assessment, which ensures that the business tests the implemented controls' effectiveness and assess whether they should be modified or improved. The self-assessment is supported by testing and ongoing follow-up by the internal control function.

Current risks and risk management

The Corona pandemic again had profound impact on Attendo's operations and financial performance in 2021. The impact in 2021 was evident mainly in a lower occupancy rate in Attendo Scandinavia than before the pandemic.

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



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

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

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

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

Risk	Description of risk	Risk management
EXTERNAL RISKS		
Market risks and political risk	The care and health care market is characterised by competition between public and private providers of varying size on a market affected by demographic development and access to public funds. The ability for private providers to conduct care business is dependent on political decisions on national and municipal level. In addition, political decisions that leads to regulatory changes or changes in political willingness to engage private providers may have a significant impact on Attendo's operations and financials. Furthermore, there is a risk for margin deterioration as a result of price pressure on Attendo's services, which may occur as a consequence of challenging financial conditions on municipal level or increased requirements in regulations or customer contracts.	Attendo has many years of experience of conducting care and health care services in the Nordic markets. For more than 35 years, Attendo has developed the business in a manner that has enhanced the company's competitive offering, which upholds high quality services for customers at a price that is attractive to the payor. Part of this work is Attendo's continuous efforts to create a service offering based on quality and innovative solutions improving customer experience and employee working conditions. Attendo carefully follows the political development in order to manage and prepare the operations for changed regulations or conditions. Attendo monitors research in the care sector and collaborates in different industry bodies, for example Vårdföretagarna in Sweden and Hali in Finland, to influence the conditions in the industry for the better.
Reputational risk	Reputational risk is the risk that Attendo's reputation among customers and their relatives or the general public is damaged due to negative media attention. Operations conducted by private care and health care providers are often heavily monitored by the media, whose coverage from time to time is extensive. Negative publicity concerning Attendo, one of our competitors, or the industry as a whole may have negative impact on Attendo's reputation and thus reduce the ability to receive or renew customer contracts, attract employees or lead to increased surveillance costs.	Attendo takes a structured approach to offer superior care with high quality and in a manner characterised by transparency, both internally and towards the media. We also strive to offer employees an attractive and stimulating workplace. Attendo's efforts to spread and anchor the vision and values throughout the organisation are important to create a positive culture and a good reputation.
Regulatory risk	The formal starting point for high quality and safety in Attendo's operations is based on applicable external and internal regulations and requirements in permits and customer agreements. If Attendo does not comply with requirements or if new rules or requirements are introduced or if the application/interpretation of these are changed, this could lead to changes in the conditions for the operations, e.g. in the form of increased costs. Furthermore, severe non-compliance can give payors the right to cancel contracts or demand that an operation is discontinued. The principles for quality control and regulatory enforcement from authorities and payors vary and the consequences for Attendo may therefore be hard to project in individual cases.	The legislative process in the countries where Attendo operates is transparent, meaning that regulatory changes are normally announced well in advance of implementation and that Attendo can adapt its operations thereafter. In addition, Attendo carefully monitors changing requirements in terms of quality and safety. Ensuring regulatory compliance is an area of high importance in which Attendo spends substantial effort and resources. Attendo has a well-defined system of policies, procedures, guidelines, and documentation implemented in the day-to-day operations. On Group level, Attendo takes a structured approach to participation and collaboration in various discussion forums relevant for the regulations that apply to Attendo's business, including that Attendo participates as a consultation body or with its expertise to support the to regulatory development within the area.

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Occupancy and lease agreement risk	Attendo is exposed to financial risks associated with the occupancy levels in the units. This is primarily a result of Attendo's operations under own management being conducted in facilities owned by external facility owners, which Attendo enters into lease agreements with. If Attendo does not obtain a customer contract for a planned unit, but has a signed lease agreement for the facility, significant costs arise which are not matched against any revenues. Since the lease agreements normally have longer maturities than the customer contracts, the company has to estimate future supply and demand already when lease agreements are entered into without having binding customer contracts for the entire lease period. If Attendo operates more units than needed with respect to demand, and cannot modify the operations to other use in non-occupied units, this may have a significant negative impact on Attendo's business, financial result or financial position.	Conducting care in own care units is part of Attendo's core business. Managing these risks is hence a highly prioritized area, and managed throughout the process for new units – from project phase to construction and completion. A thorough analysis of the supply and demand on the applicable market is done during the initial project phase. Throughout the years, Attendo has developed models and processes to minimize the risk that long-term lease agreements are entered into in areas where the demand for Attendo's services is to be considered unfavourable.
Staffing and human capital risk	Access to competent employees is critical to the company's business. Attendo's operations are highly labour intensive and the company has around 25,000 employees in several occupational categories, including nurses, assistant nurses, and social workers. The decentralized organization within the company also means that local and regional managers have extensive responsibilities and mandates and are central in carrying out Attendo's strategy and goals. It is thus very important that Attendo can employ and retain qualified executives, managers, nurses, and other care and health care personnel.	Attendo continually develops and strengthens its models for attracting, developing, and retaining skilled and dedicated employees. This includes for instance to have well balanced HR functions to support the operations, to continuously evaluate the regional and local organization and to work actively with Attendo's vision and values. Recruitment of key employees is critical for Attendo and the company is highly experienced in recruiting employees in areas where there currently is a shortage. Examples of this are projects aimed at recruiting nurses in both Finland and Sweden. Attendo is taking various actions to retain key employees through incentive programmes as well as opportunities for competence development and job rotation.
Pricing risk	Attendo's pricing is based on a number of assumptions regarding future conditions. In addition, Attendo's contracts with payors span over several years and Attendo receives payment based on occupancy. Since the payor contracts usually do not include guaranteed service volumes it means that Attendo is dependent on making accurate forecasts of future supply and demand in its pricing models. As wages are Attendo's largest cost, significant wage increases or changed staffing requirement imply a financial risk for the company.	Attendo's pricing is based on careful models and processes developed throughout the years. The risk of loss in profitability due to increased wages is minimized for most payor contracts by connecting prices to a labour market index. Attendo strive to proactively follow and renegotiate prices, e.g. as a result of increased staffing requirements.
Permit risk	A significant proportion of Attendo's operations require permits and many of its operations require dedicated permits. Permits can only be obtained when operations satisfy stipulated quality and safety requirements and other demands. These requirements, as well as conditions and processes relating to obtaining permits may change, which may have an effect on Attendo's operations. By example, long permit processing times may lead to delayed start of new operations, changes in the direction of operations or change of local manager. Since operations cannot be conducted or changed without permit, such lead times may result in occupancy challenges and loss in revenues.	Attendo has long experience running care and health care operations and is well-equipped to meet regulatory requirements. When a new unit is planned, the risk that a permit cannot be obtained within a reasonable time frame is always taken into account and is thus included in the estimated start-up costs.

Risk	Description of risk	Risk management
OPERATIONAL RISKS		
Acquisition risk	Acquisition risk entails that Attendo may not identify suitable acquisition targets, that the company will not successfully negotiate acceptable terms, or be able to finance the acquisitions, or that overly optimistic assumptions support acquisitions that otherwise would not have been made. Acquisitions also entails the risk that Attendo will be exposed to unknown obligations in the acquired company or that the costs of acquisition and/or integration will be higher than expected. In addition, acquisitions of less profitable businesses may have negative impact on Attendo's margins. If acquisitions are not developing according to plan, write-downs may be necessary.	Over the years, Attendo has established and implemented a structured and systematic acquisition process that requires analysis, documentation and sufficient approval prior to each specific acquisition. In addition, Attendo establishes a detailed integration plan in connection with the acquisition decision.
Quality and customer satisfaction risk	Attendo's work with quality, related risks and how Attendo is working to continuously increase both technical and experienced quality and manage quality related risks as set out in detail in the sustainability report, see page 31.	
FINANCIAL RISKS		
Liquidity and financing risk and risks related to interest, currency, etc.	Through its business, Attendo is exposed to several financial risks, such as currency risk, interest rate risk, liquidity and financing risk and credit/counterparty risk. These risks and how Attendo mitigates each of them is described in detail in note C26.	As of year-end 2021, Attendo has two financial covenants (net debt/EBITDA and interest coverage ratio) linked to the group's loan facilities. The central treasury department analyses compliance with the financial covenants on an ongoing basis and ensures that Attendo has adequate liquidity for its operations.