



Annual report with sustainability report 2022

Smart digital technologies
for a richer and safer life

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All our service users should be able to live a richer life and feel safe and cared for.

Our vision and drive are characterised by genuine care for our service users – their needs always come first. With this as a starting point, we strive for new and better ways to develop welfare technology.



Safer living with smart digital healthcare solutions

We believe wholeheartedly in making smart digital healthcare solutions available to more people. In this way, we are improving the quality of life for the patient while, at the same time, supplying the healthcare provider with a better working environment; a solution that benefits both society and the individual.

From security alarms and fall sensors to smoke detectors and secure communication with the alarm centre – we are one of the few players offering a complete digital alarm chain. Careium is today the market leader in welfare technology in Northern Europe and approximately 400,000 people use our services. The vast majority of these are connected to one of our four alarm centres in Sweden, Norway and the UK. Our alarm centres receive more than 25,000 alarms daily.

We promise our service users a safer life through smart solutions and genuine concern for their needs. At Careium, we keep our promises.



Market leader

in technology-enabled care in Northern Europe



400,000

seniors use our services



725 million

in annual turnover (SEK)



75 %

recurring revenue



23 %

7-year average annualized growth

2022: Continued growth despite challenges in the UK

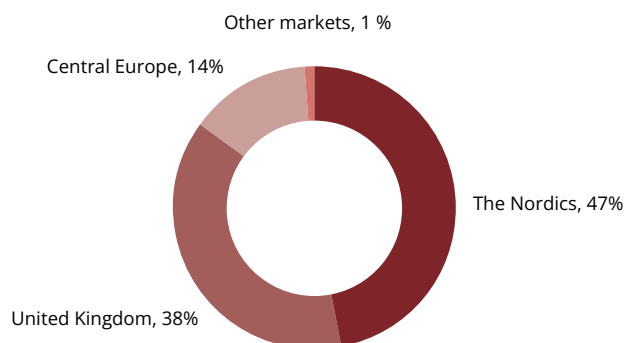
Despite challenges, Careium managed to increase its sales significantly during the year with growth in both service and product sales. Net sales increased by 23 per cent compared to the previous year.

The year also saw the successful implementation of an action programme to transform the business. The actions taken during the year, principally a new, streamlined organisational structure and significant adjustments to the UK business, were reflected in significantly strengthened profitability. The final quarter of the year was Careium's strongest to date. Given the measures taken during the year, the aim is to continue this positive trajectory with continued profitable growth.

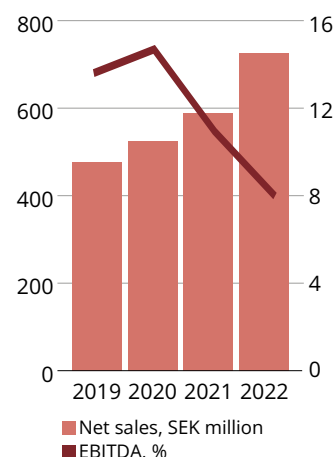
Annual comparison key figures

| | 2022 | 2021 | 2020 |
|------------------------------|---------|---------|---------|
| Net sales (SEK million) | 725.1 | 587.5 | 524.1 |
| Sales growth % | 23.4 | 12.1 | 9.9 |
| Gross margin % | 37.8 | 40.9 | 41.5 |
| EBITDA (SEK million) | 58.8 | 65.2 | 77.9 |
| EBITDA margin % | 8.1 | 11.1 | 14.9 |
| EBIT (SEK million) | -15.8 | 8.6 | 28.4 |
| EBIT margin % | -2.2 | 1.5 | 5.4 |
| Equity/assets ratio % | 57.2 | 52.6 | 53.9 |
| Number of employees | 844 | 1,013 | 973 |
| Connections | 380,000 | 390,000 | 372,000 |
| Free cash flow (SEK million) | -87.1 | -70.9 | 2.7 |

Net sales per region % for 2022



Net sales and EBITDA



Significant events in 2022

Successfully implemented action programme

An action programme to transform Careium's operations and create the conditions for both continued growth and long-term sustainable profitability was successfully implemented during the year.

The measures resulted in significantly strengthened profitability in the last quarter of the year, with Careium's strongest quarterly operating profit to date.

The measures mainly included a new and more efficient organisational structure and a number of adjustments to the operations in the UK:

- Following a thorough analysis of the business, a new organisational structure was implemented at the end of the year. A merger of product and technology development and the organisation of the Other Markets region under the Nordic region has created a smaller and more unified Group Management Team and strengthened the conditions for rapid movement from decision to action. Efficiency gains from the organisational changes contributed to the earnings improvement in the fourth quarter.
- In the UK, the size of the organisation has been adjusted and efficiencies have been achieved through the merger of three alarm centres into one and the appointment of a new management team. Results from the UK services business improved towards the end of the fourth quarter the key metrics for Careium's UK alarm centre continued to strengthen in the beginning of 2023.

Eliza S – new welfare hub in slim format



Heat alarm i10 – connected alarm for extra security



Key product and service launches during the year

During the year, we launched a number of new products:

- At the beginning of the year, we introduced the Eliza S welfare hub, a slimmed-down version of Careium's flagship digital welfare hub – the Eliza. Designed and built based on the same powerful platform, it is compatible with sensors both for today's and tomorrow's welfare technologies.
- The year also saw the successful launch of the i-care® plus app (available on the App Store and Google Play), which connects service users, carers and relatives. The app provides peace of mind with improved communication within the care chain, new functionality and important time and cost savings.
- During the fourth quarter, the roll-out in Norway of digital keys for home care, a system that simplifies for both caregivers and service users, began. The offering, which is accompanied by proprietary software from Careium, has attracted considerable interest in Norway and the rest of the Nordic region.
- Another new launch was the new Ellis alarm button, designed like a piece of jewellery with the aim of minimising stigma, increasing usage and therefore safety.

Ellis – the jewel among alarm buttons



Christian Walén has been appointed new President and CEO

In early December, the Board of Careium appointed Christian Walén as President and CEO, effective March 2023. He thus replaces interim CEO Maria Khorsand.

"Christian has a unique combination of experience and leadership within innovative, digital, entrepreneurial healthcare, which is relevant to Careium's business. We also see that Christian's combined education in economics and psychology forms a strong foundation for guiding Careium's future journey," says Lennart Jacobsen, Chairman of the Board.

Christian Walén comes from a role as CEO of PBM Sweden AB and Global Business Manager for Mental Health and Nordic Head of B2B within Kry/Livi, following the acquisition of PBM by Kry AB in 2021. Christian has previously been CEO of Assessio and Senior Manager at Accenture. Christian has been a member of the Careium board since 2022.

"Careium represents the very cutting edge of how the potential of digital technology and services meet to enable safe, rich and fulfilling lives for millions of seniors. Through my work as a Board member of Careium, I have gotten to know the dedicated, competent and skilled teams working in our markets and I am very much looking forward to leading and supporting the business on its next step towards becoming a market leader in Europe", says Christian Walén.



Four reasons to invest in Careium

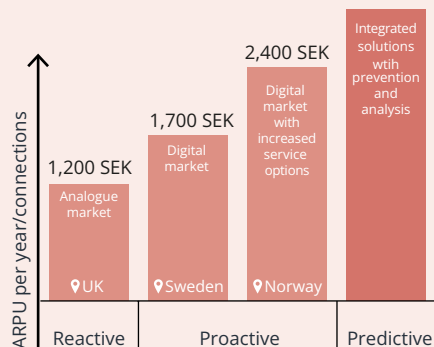
Careium has been listed on Nasdaq First North since 2021 (short name CARE). The Company is northern Europe's market leader in technology-enabled care and here are four good reasons to invest in Careium and the future of technology-enabled care.

1

Careium is transforming care of the elderly

Careium is transforming care of the elderly with the aid of digital technology-enabled care. Today's and next-generation welfare technologies are becoming increasingly proactive, preventive and predictive. An increasing number of new services is increasing the average revenue per service user through increased value for care providers and the elderly.

Transformation of care of the elderly

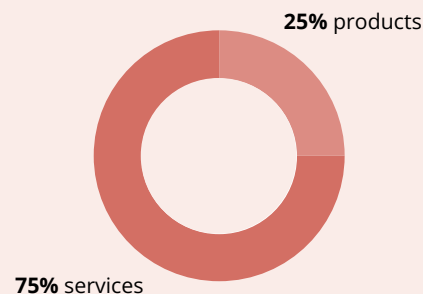


2

A business model based on recurring revenue

Careium's operations are largely driven by public procurement. The average contract duration is 4–5 years, resulting in long customer relationships and limited cyclical sensitivity. The business model is based on the fact that the service aspect of the offering (software, alarm centres and field staff), which accounts for approximately 75 per cent of the business, generates recurring revenue over a long period of time.

Percentage of recurring revenue, %

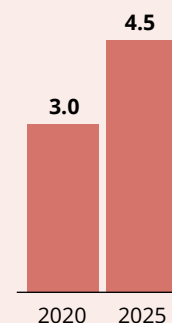


3

Careium is an active player in a rapidly expanding market

Careium is an active market player with a clear growth strategy. The business has grown by an average of 23 per cent per year over the past seven years through both organic growth and strategic acquisitions. The addressable European market for welfare technology is estimated to have an average annual growth rate of 11–13 per cent over the next few years, corresponding to a market of €4.5 billion by 2025.

The European market for technology-enabled care, billion Euro



4

Careium is contributing to sustainable social development.

One of the greatest challenges of our time is taking care of a growing elderly population. The elderly's need for a safe, active and meaningful everyday life needs to be combined with overcoming challenges such as increasing cost pressures, a shortage of healthcare professionals and safe monitoring of chronic medical conditions. Careium's digital solutions are an important piece of the puzzle in creating a more sustainable society with both inclusive safety and the appropriate resource utilisation.



The Careium share

The Careium share has been listed on Nasdaq First North Growth Market Stockholm since 10 December 2021 under the short name "CARE".

Share price development and market capitalisation

At the listing on 10 December 2021, the price of the share was SEK 32.10 and at the end of the financial year on 31 December 2022, the price was SEK 9.00, which corresponds to a decrease of 72.0 per cent. Careium's market value at the end of the financial year was SEK 218.9 million.

Number of shares and share capital

The number of shares in Careium AB (publ) on 31 December 2022 was 24,326,214, all shares have equal voting rights.

Investor relations

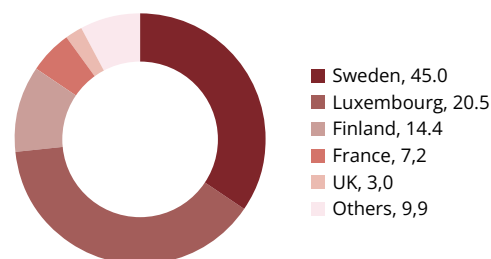
The Careium share is regularly followed by analysts at ABGSC. For the relevant analyses, see www.introduce.se/foretag/careium. When the Company publishes quarterly reports, the CEO give a webcast presentation of the report. The webcast, which normally is at 10:00 on the date of the report, can be reached via the Company's website www.careium.com/sv-se/invest-erare. For those who wish, these presentations are also an opportunity to ask the CEO questions. In addition to the quarterly report presentations, the CEO is available for meetings and teleconferences with investors, analysts and owners on an ongoing basis throughout the year.

Information about Nasdaq First North Growth Market

Nasdaq First North Growth Market ("First North") is an alternative marketplace operated by the various stock exchanges included in Nasdaq Stockholm. It does not have the same legal status as a regulated market. Companies listed on the First North Growth Market are governed by the rules of First North and not by the legal requirements for trading on a regulated market. An investment in a company traded on the First North Growth Market is more risky than an investment in a company traded on a regulated market. Companies must apply for listing

on the stock exchange and have their application approved before trading on First North can begin. A Certified Adviser advises the company through the listing process and ensures that the company continuously complies with First North's regulations. FNCA Sweden AB is Careium's Certified Adviser.

Investors by country, %

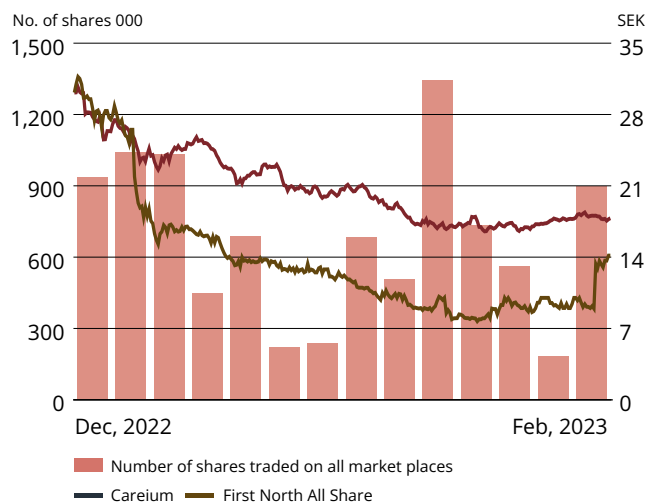


Share distribution in size classes

| Shareholding | Number of shareholders | % of all owners |
|---------------|------------------------|-----------------|
| 1-500 | 4,008 | 78 |
| 501-1,000 | 517 | 10 |
| 1,001-5,000 | 478 | 9 |
| 5,001-10,000 | 70 | 1 |
| 10,001-15,000 | 28 | 1 |
| 15,001-20,000 | 9 | 0 |
| Over 20,001 | 49 | 1 |
| Total | 5,159 | 100 |



Share price development and turnover



Data per share

| Transaction | 2022 |
|--|--------|
| Number of shares at year-end, thousand | 24,326 |
| Share price at year end, SEK | 9.00 |
| Highest paid | 31.34 |
| Lowest paid | 7.66 |
| Market value at year-end, SEK million | 218.9 |
| Quota value, SEK | 0.02 |
| Profit for the year, SEK | -0.47 |
| Cash flow per share ¹⁾ | -0.87 |
| Visible equity, SEK | 23.29 |
| Dividend, SEK | - |
| Dividend, share of net profit, % | - |
| P/E figure ²⁾ | -19.1 |
| Direct return, % ³⁾ | - |

1) Cash flow from operating activities divided by the number of shares before dilution at year-end

2) Share price at year-end divided by profit per share for the year

3) Dividend per share divided by share price at year-end

Share capital development

| Year | Transaction | Change in number of shares | Issue price, SEK | Increase in share capital, SEK million | Paid-in amount, SEK million | Total number of shares |
|------|-----------------|----------------------------|------------------|--|-----------------------------|------------------------|
| 2017 | New formation | 5,000 | 100 | 0.5 | 0.5 | 5,000 |
| 2021 | Consolidation | -4,999 | - | - | - | 1 |
| 2021 | Split | 23,998,281 | - | - | - | 23,998,282 |
| 2021 | New share issue | 327,932 | 0.0208 | 0.0 | 0.0 | 24,326,214 |

Ten largest shareholders

| 31 December 2022 | Number of shares | Share of capital and votes, % |
|-----------------------------------|-------------------|-------------------------------|
| Accendo Capital SICAV-RAIF | 4,163,410 | 17.11 |
| Nordea Nordic Small cap fund | 2,785,552 | 11.45 |
| Rite Internet Ventures Holding AB | 2,486,572 | 10.22 |
| Lazard Freres Banque, W8IMY | 1,694,000 | 6.96 |
| Nordea Livförsäkring Sverige AB | 1,352,928 | 5.56 |
| Försäkringsbolaget Avanza Pension | 942,856 | 3.88 |
| CBLDN-EQ Nordic Small Cap Fund | 671,526 | 2.76 |
| Swedbank Försäkring AB | 661,181 | 2.72 |
| Originat AB | 580,000 | 2.38 |
| Nordea Bank ABP | 578,339 | 2.38 |
| Total | 15,916,364 | 65.42 |
| Total number of shares | 24,326,214 | 100.00 |

Smart technology enabled care does not replace loving care. It makes it possible.

We are living longer than ever before and more seniors are able to enjoy life. However, a growing proportion of elderly people also entails challenges. A declining number of people of working age will have to care for more and more elderly people. This means that society needs to think about care in new ways. We at Careium are convinced that technology has a crucial role to play in meeting these societal challenges. Technology enabled care does not replace loving care. It makes it possible.

In our first year as an independent company, our organisation has tackled significant challenges wisely and decisively, we have continued to grow strongly in our markets and we are ready to continue our journey towards becoming the knowledge and market leader for well-being technology in Europe.

Continued strong growth in a challenging year

2022 was a year of challenges. Just as two tough pandemic years were coming to an end, Russia invaded Ukraine with severe consequences far beyond the conflict zone. In addition to a tragic humanitarian crisis with millions of people displaced, we have seen rapidly rising interest rates, soaring heating and fuel costs and higher inflation across a wide range of areas affecting all our key markets. Costs for components, freight and logistics continued to be challenging.

Despite these challenges, we have been able to grow strongly. Our sales during the year increased by 23 per cent with clear growth in both service and product sales. This sales growth is well aligned with our strategy to deliver innovative and effective technology-driven welfare solutions.

Implementation of the action programme made Careium stronger

During the year, in addition to addressing external challenges, we also successfully implemented an action programme to transform our operations.

The actions taken during the year were reflected in a significantly strengthened profitability in the last quarter of the year, with Careium's strongest quarterly operating result to date.

Following a thorough analysis of the business, a new organisational structure was implemented at the end of the year. A merger of product and technology development and the organisation of the Other Markets region under the Nordic region has created a smaller and more unified Group Management Team and strengthened the conditions for rapid movement



” Our sales during the year increased by 23 per cent with clear growth in both service and product sales. This sales growth is well aligned with our strategy to deliver innovative and effective technology-driven welfare solutions.

from decision to action. Efficiency gains from the organisational changes contributed to the earnings improvement in the fourth quarter.

We have adapted the size of the organisation in the UK and achieved efficiencies by leveraging the merger of three alarm receiving centres into one and appointing new management. Results from the UK services business improved towards the end of the fourth quarter and key metrics for our alarm centre continued to strengthen in the beginning of 2023.

Key product and service launches during the year

During the year, we launched a number of new products. At the beginning of the year, we released our Eliza S welfare hub, a slimmed-down version of Careium's flagship Eliza digital welfare hub. Designed and built based on the same powerful platform, it is compatible with sensors both for today's and tomorrow's welfare technologies. The year also saw the successful launch of the i-care® plus app (available on the App Store and Google Play), which connects service users, carers and relatives. The app provides peace of mind with improved communication within the care chain, new functionality and important time and cost savings. The fourth quarter saw the roll-out in Norway of digital keys for home care, a system that makes life easier for both caregivers and service users. The offering, which is accompanied by proprietary software from Careium, has attracted considerable interest in Norway and the rest of the Nordic region. Another new launch was the new Ellis alarm button, which is designed like a piece of jewellery with the aim of minimising stigma, increasing usage and therefore safety.

Clear priorities to achieve a market-leading position in Europe

We have a clear purpose. We are here to help our service users maintain a richer and more independent life when circumstances change.

Our overall objectives are equally clear. We aim to be the market-leading player in ordinary accommodation and an es-

tablished, expanding player in sheltered accommodation in all our home markets by 2025. We aim to be the preferred partner and knowledge leader in our markets and a driving player in changing the market for technology-enabled care.

A clear growth strategy. Careium has strong positions in the home markets and good knowledge of our export markets. We will continue to drive clear organic growth by taking a leading position in the digitalisation that is emerging in many markets. Careium has also successfully expanded its geographical presence through acquisitions in recent years. We continue to evaluate acquisition opportunities to increase our presence in new and existing countries as well as in new value-creating technologies.

A comprehensive service and product offering. Careium is one of the few players who can offer a complete alarm chain with hardware, a proprietary software platform and alarm centres. Our flexible and modular software and system platform brings together our service offerings and forms the hub and the common interface for customers and service users. We also intend to offer our software platform as an SaaS service (Software-as-a-Service) to other service providers outside of our core markets. By combining our own products with third-party products, we also want to become a total supplier with a complete portfolio of products.

Increased number of services, increasing recurring revenue. Careium's operations are largely driven by public procurement with long contract periods and limited cyclical sensitivity. Our business model is based on the fact that the service aspect of our offering (software, alarm centres and field staff), which accounts for approximately 75 per cent of the business, generates recurring revenue over a long period of time. With a broader service offering more focused on prevention and prediction, the opportunities for upselling and recurring service revenue are significant.

” Currently, there are significant growth opportunities in the digital shift, with the UK's decision to go fully digital by the end of 2024 as well as several countries' eventual phase-out of 2G networks.

New customer group, expanding market. Careium is already a well-established, strong player in ordinary accommodation (those of our service users who live in their own homes) in our home markets. We are also gradually developing offerings for what is known as sheltered accommodation, where municipal or private carers provide care for seniors who are in greater need of assistance. One success factor is that these carers already know us and our strong offering, via social alarm assignments and connected seniors.

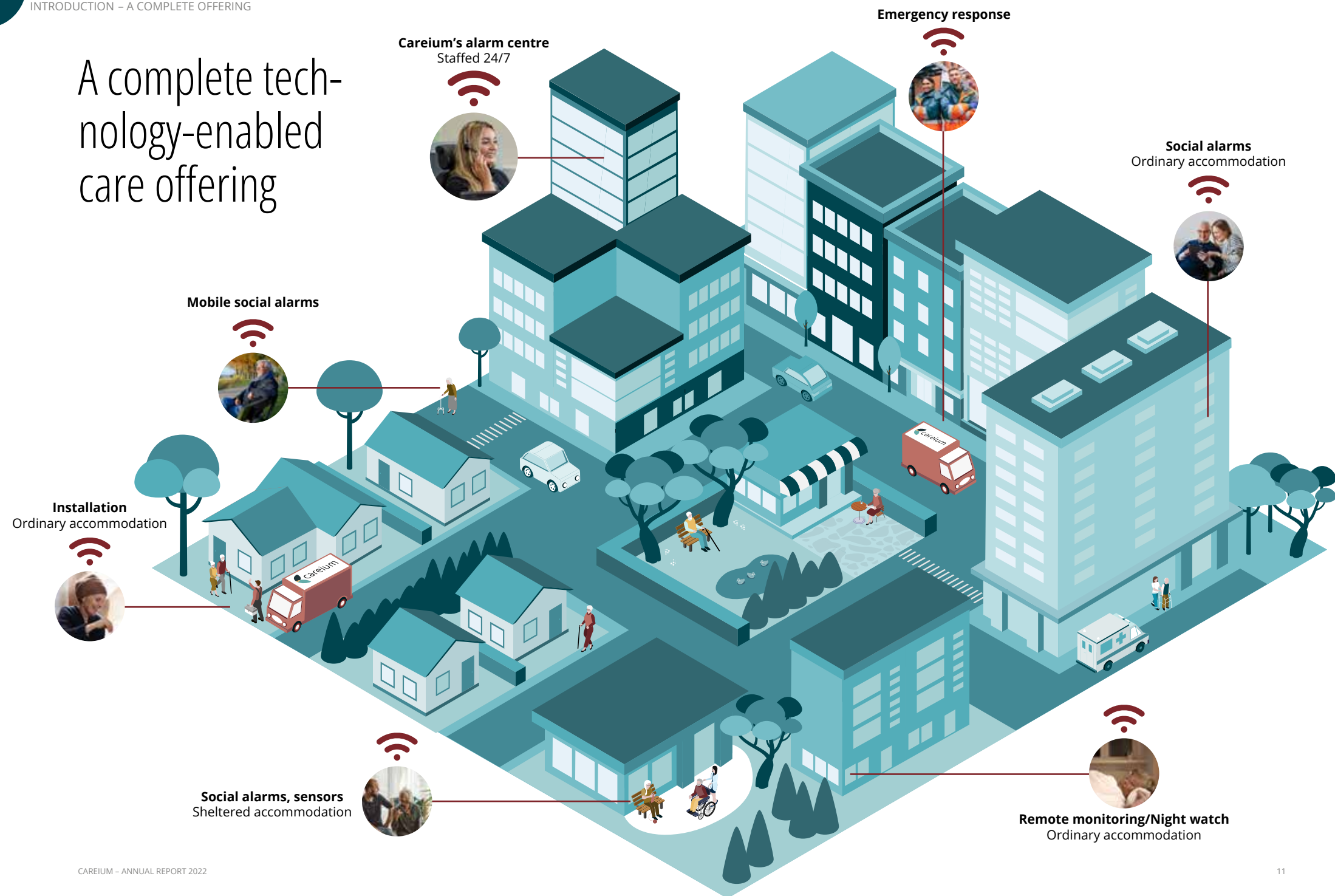
The sustainable society. Our job is to provide security, freedom and independence for people with physical and cognitive limitations. In this way we also create sustainable development for society. As a stakeholder in society, sustainability is an important argument and our products and services must be reliable. Our sustainability work is a strategic priority. We help society provide good care with an efficiency that reduces costs.

Given the actions that we have taken during the year, the aim is to continue this positive trajectory with continued profitable growth. An ageing population offers great opportunities for Careium to contribute to the transformation of elder care. Currently, there are significant growth opportunities in the digital shift, with the UK's decision to go fully digital by the end of 2024 as well as several countries' eventual phase-out of 2G networks.

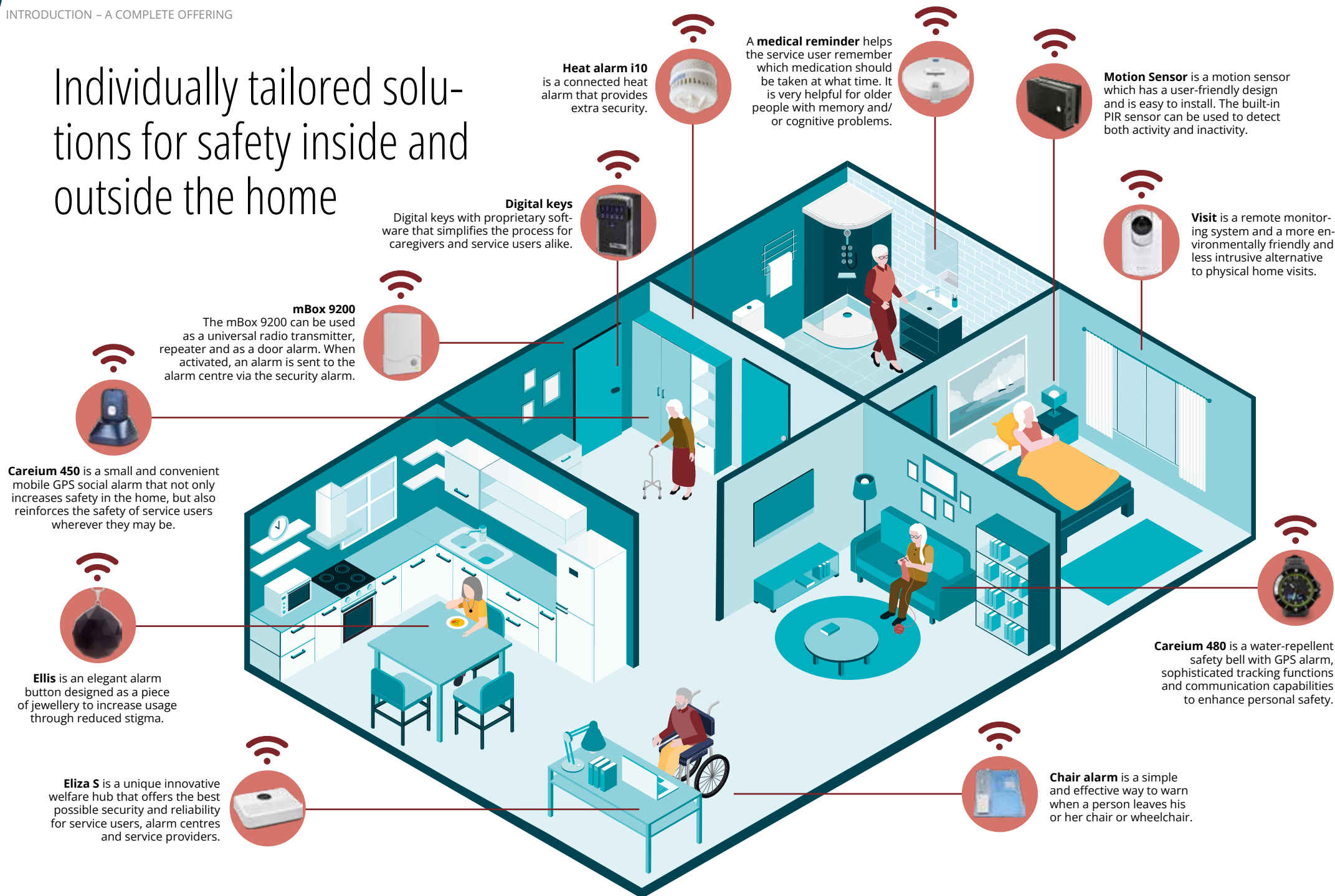
Finally, I would like to thank all the people in the Group who have worked so hard to fulfil our action programme and make us fit for the future.

Maria Khorsand,
CEO and President

A complete technology-enabled care offering



Individually tailored solutions for safety inside and outside the home



Eliza S – a unique new slimline welfare hub

As we grow in numbers and live longer, new demands are being placed on society and on health and social care.

The development and especially the implementation of well-functioning and reassuring welfare technology will be of utmost importance, to ensure the safety and care of our elderly.

Eliza S was introduced in February 2022 and is a slimmed-down version of Careium's flagship digital well-being hub Eliza. Designed and built on the same powerful platform, it is the perfect solution where there is no fixed Internet connection. It is easy to place and unobtrusive where a simple, hori-

zontal design and/or wall mounting is preferred. Eliza S is future-proofed and meets the high standards of welfare technology.

To meet tomorrow's security needs, today's solutions must be able to integrate and grow with new digital infrastructure. Eliza leverages the capacity of 4G and other digital IP networks, ensuring high reliability, security and flexibility.

Eliza S integrates seamlessly with new digital infrastructure and is compatible with sensors for today's and tomorrow's welfare technologies. The device is an essential part of tomorrow's offering of proactive, preventive and predictive solutions.



We see healthcare with new eyes

Over the past seven years, we have built up significant expertise, introduced a number of innovative digital solutions and grown our business to leading positions in our home markets. We are now ready to accelerate our strategy towards being the leading player in developing and providing technology-enabled care to create tomorrow's welfare for seniors.

Focus on the user

Helping older people by using technology is at the heart of our business. We are here to help our service users live a more active and independent life for longer.

Our mission is to be everyday heroes – with smart technology, we help individuals according to their needs and create the conditions for better care.

Our vision is equally clear: all our service users should live a richer life and feel safe and cared for.

We are dedicated to helping society deliver better and more effective care and are convinced that technology-enabled care is an important part of the solution. That is why we will use our integrated technology solution, our strong service delivery organisation and our experience to transform care of the elderly. We are also contributing to a more sustainable society for all who enable independence and resource efficiency.

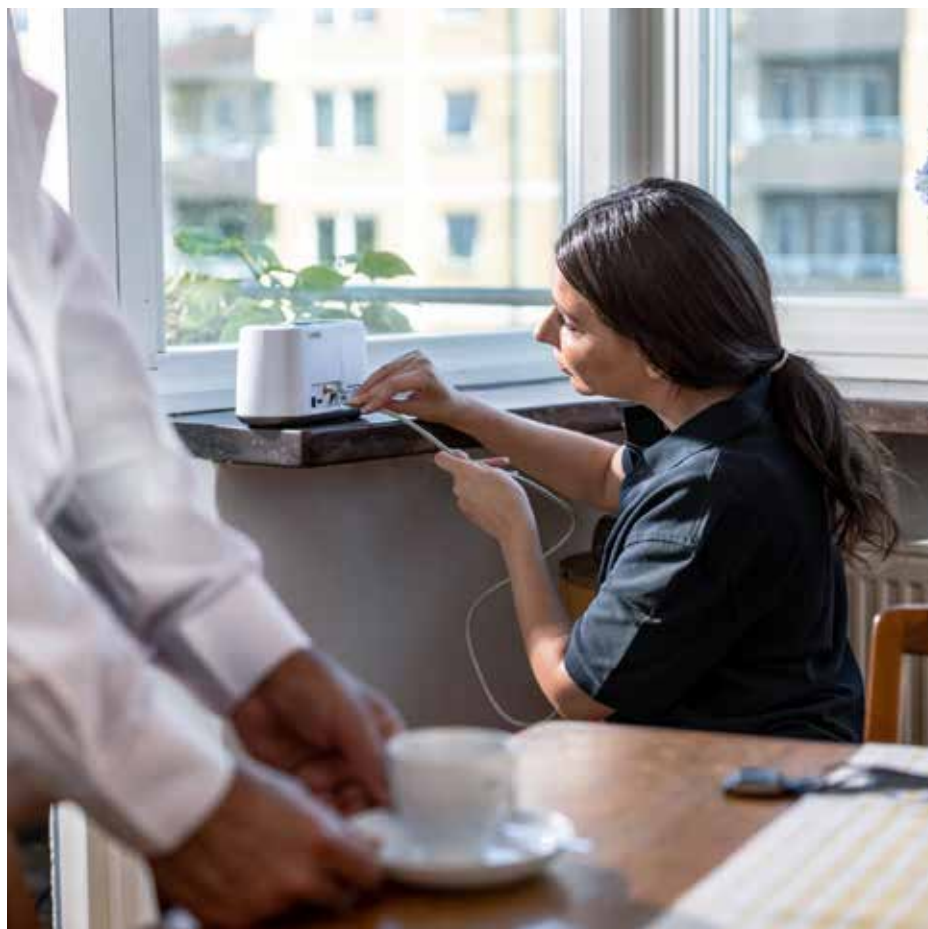
Part of sustainable development

At Careium, we want to be a positive force in society, contributing to sustainability and reducing inequality.

Technology-enabled care is not a matter of replacing human welfare resources with technology and automation. Technology-enabled care is first and foremost about creating security, freedom and independence for people with physical and cognitive limitations.

Secondly, technology-enabled means more effective care, where providers are better able to exploit limited tax revenues and care staff are given greater opportunities to devote their time to valuable interaction with elderly people.

We are also accepting our responsibility by following up and constantly improving resource utilisation as regards our products and services.



WHAT IS TECHNOLOGY-ENABLED CARE?

Technology-enabled care is digital technology that enables a person who has or is at risk of having a disability to maintain or increase their security, activity, participation and independence. Examples of technology-enabled care are digital social alarms, surveillance via cameras and sensors for reminders. Such technology can be used by the individuals themselves, by relatives or staff. It can be given as assistance, prescribed as an aid to daily life or purchased on the consumer market. Technology-enabled care can help in many ways. Research shows that, for example, people who have difficulty with room orientation feel safer and more secure when out on a walk if they have a GPS alarm with a tracking device. It enables relatives or staff to see where the person is geographically. Another argument for the development of technology-enabled care is that it can streamline care operations to resolve the problems of increasing numbers of elderly people and too few employees.

Source: [Kunskapsguiden.se](https://kunskapsguiden.se) (Socialstyrelsen, Läkemedelsverket, Folkhälsomyndigheten etc).

Continued growth, technical leadership

Careium is an independent, listed company following a decision in 2021 to distribute the shares in Careium to Doro's shareholders. Doro acquired Caretech in 2014, which became the starting point for what is today Careium. Since then, the business has been further developed under Doro through organic growth and a number of strategic acquisitions.

With Careium as an independent company, we will take full advantage of the opportunities in front of us. We will be the best possible partner for our service users and customers. Careium's goal is to be an ambitious knowledge leader and developer of the technology-enabled care sector in Europe.

**GROWTH AND TECHNICAL LEADERSHIP
THROUGH ACQUISITIONS****2014**

Technology & market expansion – Caretech in Sweden

2016

Market expansion – Trygghetssentralen in Norway

2018

Market expansion – Welbeing in the UK

2019

Market expansion – Invicta Telecare in the UK

2020

Market expansion – Eldercare in the UK

Market expansion – Connexus Careline in the UK

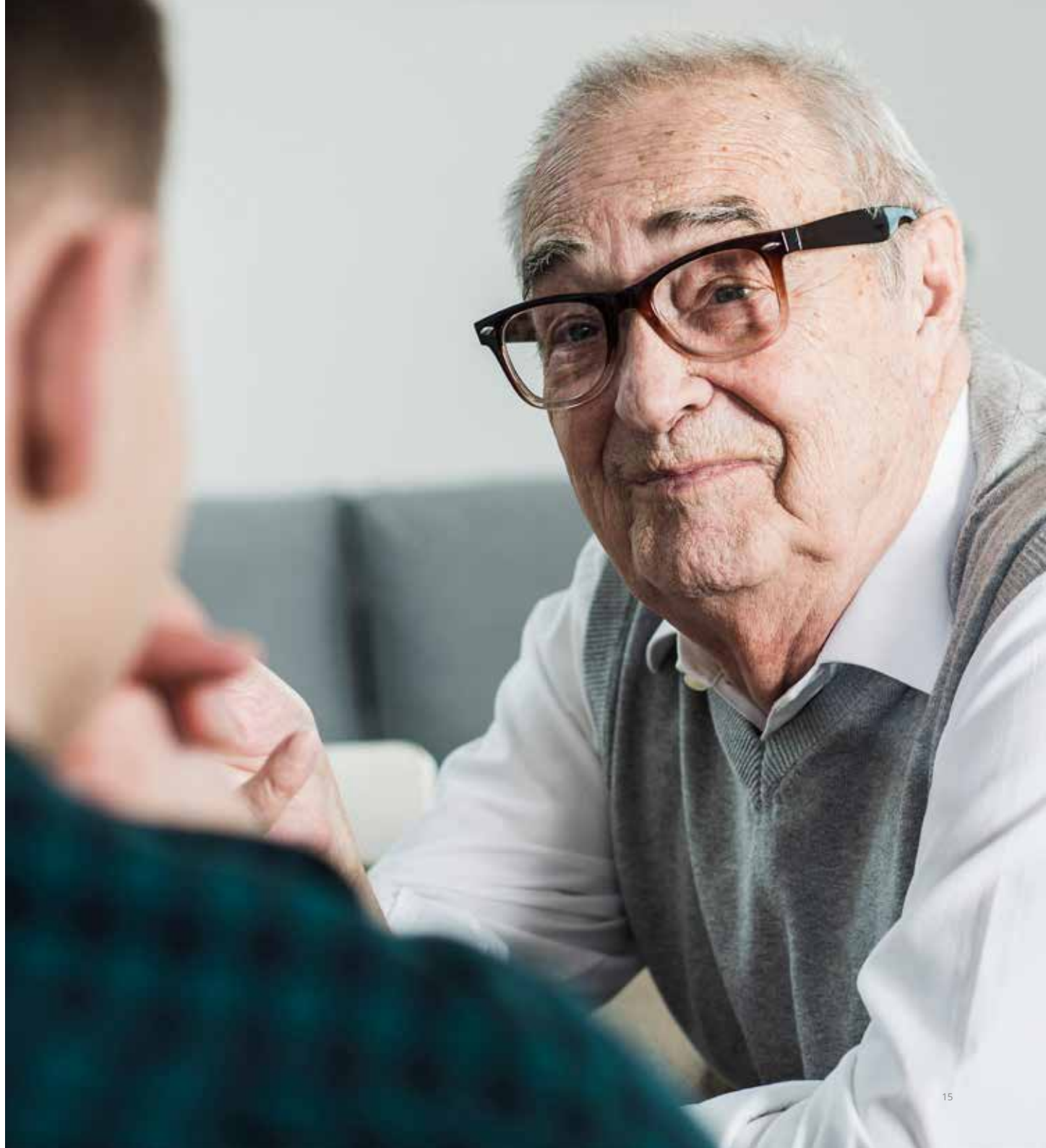
Technology – Victrix in Spain

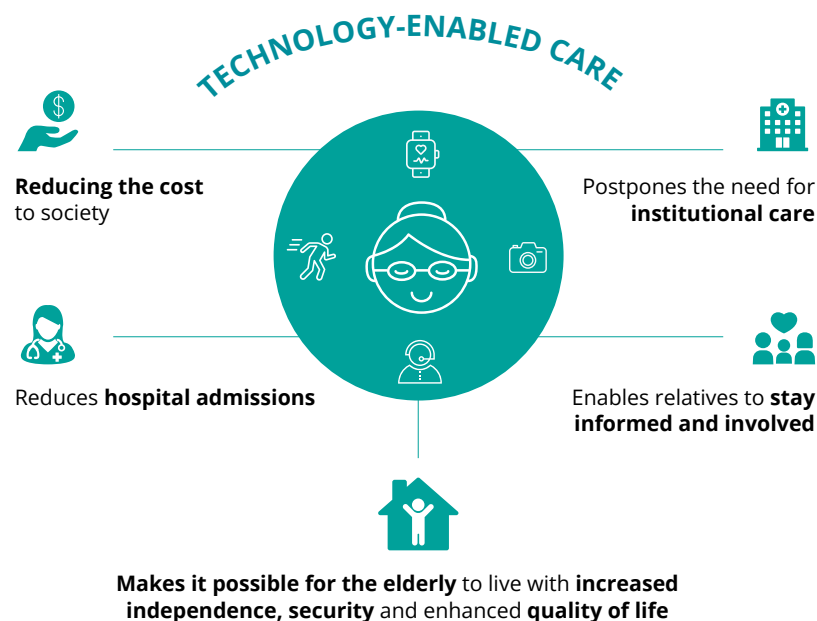
2021

Market expansion – FirstCall 24/7 in the UK

Market expansion – Innocom in the Netherlands

Market expansion – Helpline in the UK





Digitised welfare creates security and safety

Increased digitisation of technology-enabled care with new offerings enables new health and care models with more effective care and increased focus on prevention. At best, it can prevent injuries and diseases from occurring or worsening, while maintaining health, independence and mobility among our elderly people.

Careium's offering is based on making smart digital care solutions available to more people. In this way, the quality of life for the care recipient is increased at the same time as the care provider is offered a more efficient operation and a better and safer work environment – something that benefits both society and the individual.

The next generation of technology-enabled care is based on a digitised platform and, in addition to today's security services, includes new mobile solutions, monitoring of activities and monitoring of medicine. The European market for proactive, preventive and predictive solutions is still at an early stage but is growing rapidly with a host of new initiatives.

The knowledge leader in technology-enabled care

Careium's goal is to be an ambitious knowledge leader and developer of the technology-enabled care sector in Europe.

We will use our strong base in the United Kingdom, Sweden, Norway and the Netherlands to increase our market shares and have a clear strategy for growth in our core business as well as an acquisition strategy where new markets and new technology are continuously evaluated.

The primary goal is to be the market-leading player in ordinary accommodation and an established, expanding player in sheltered accommodation in all our home markets by 2025. We aim to be the preferred partner and knowledge leader in our markets and a driving player in changing the market for technology-enabled care.

We have defined a number of comprehensive strategies and measures for the planning period 2021–2025, which together will take us towards our goal – knowledge leader and developer of technology-enabled care in Europe.



A clear growth strategy

Careium has strong positions in its home markets and we understand our exports market well. With an experienced sales team, our aim is to drive clear organic growth by taking a leading position in the digitisation that is emerging in many markets.

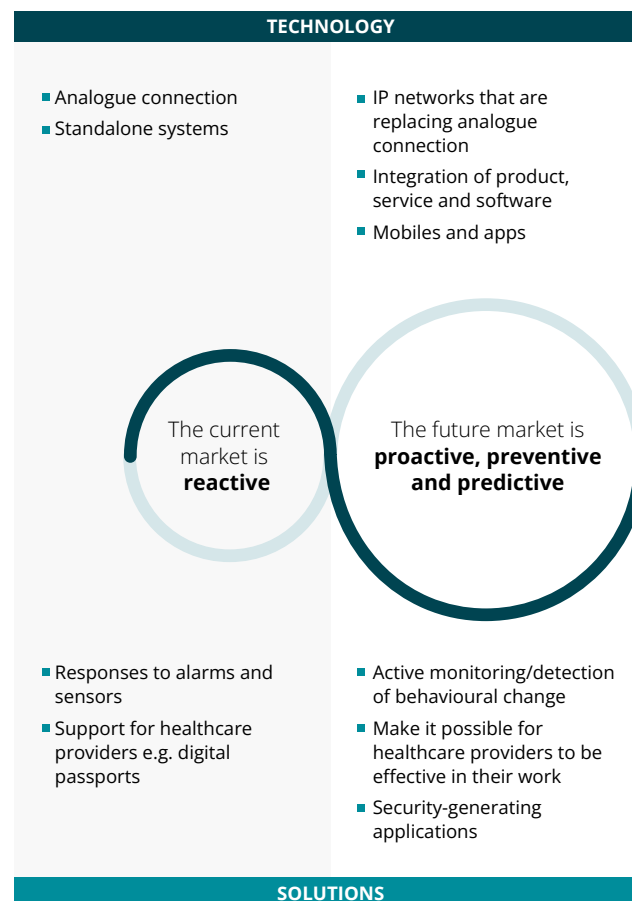
In recent years, Careium has also expanded its geographical presence primarily through acquisitions. We are actively working to evaluate new acquisition objects in order to continue to increase our presence in both new and existing countries and in new value-added technology.

A comprehensive service and product offering

Careium is one of the few players whose offering includes the entire chain with hardware, a proprietary software platform and alarm centres. Our combination of innovative technology and committed employees will provide our direct customers with the best possible service with a high level of efficiency. Our flexible and modular platform for software and systems is an important part of our offering. The platform collects all our service offerings and provides the hub and the common interface for customers and service users. We also intend to offer our software platform as a service (Software-as-a-Service, SaaS) to other service providers, mainly in countries outside of our core markets.

By combining our proprietary products with products from third parties, we also intend to become a complete provider of technology-enabled care with a comprehensive product portfolio.

NEXT-GENERATION SOLUTIONS TRANSFORMING THE MARKET



Increased number of services, increasing recurring revenue

Careium's operations are largely driven by public procurement with contract lengths of 4–5 years, which provide long-term customer relationships and limited cyclical sensitivity. Our business model is based on the fact that the service aspect of our offering (software, alarm centres and field staff), which accounts for approximately 75 per cent of the business, generates recurring revenue over a long period of time.

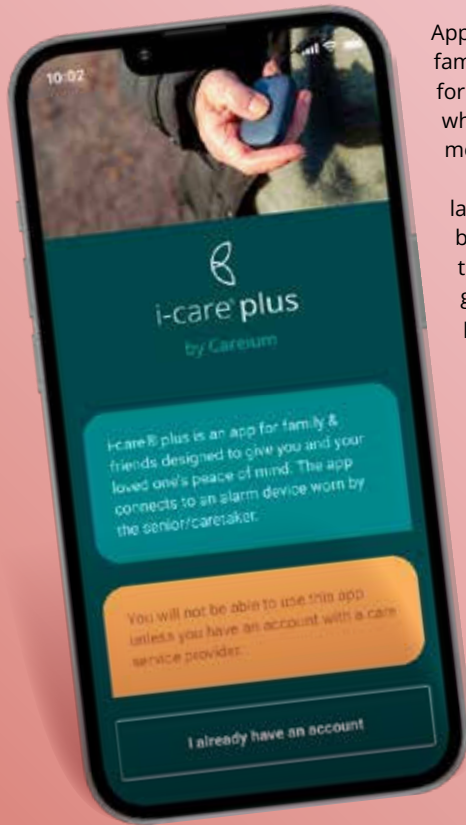
With a further-extended service offering more focused on prevention and prediction, the opportunities for both upselling per-customer and recurring service revenue are significant. This drives both profitability for Careium while providing a more cohesive service and greater value for our customers.

New customer group, expanded market

Careium is already a well-established player in ordinary accommodation (those of our service users who live in their own homes) in our home markets. We are also gradually developing offerings for what is known as sheltered accommodation, where municipal or private carers provide care for seniors who are in greater need of assistance. One success factor is that these carers already know us and our strong offering, via security alarm assignments and connected seniors.

With a strong position in technology with proprietary software and hardware, as well as staff knowledgeable and experienced in service delivery, the conditions for implementing the strategies are in place.

i-care[®] plus – the app that connects the entire care chain



Applications to involve friends and family in the care chain are priorities for both direct clients and service users when creating stronger, safer and more inclusive care.

In the summer of 2022, Careium launched the i-care[®] plus app (available on the App Store and Google Play) that connects service users, caregivers and family members. i-care[®] plus provides peace of mind with improved communication across the care chain, new functionality and important time and cost savings.

Initially, the i-care[®] plus app can be used with the Careium 450 mobile security alarm. The app will be further developed with new functionality and device compatibility. i-care[®] plus will develop and make Careium's offer more attractive and unique for everyone in the care chain which will

give family and friends peace of mind. With the app, you can see that the senior and the equipment are working properly. It also allows you to respond to alarms, get information about the senior's location, share responsibilities within a group and monitor what happens after the senior has pressed the alarm.

Seniors themselves feel more secure and get support from someone they know when needed, without the hassle of detours.

For the service provider, i-care[®] plus saves time and money, as some workload can be shared with family and friends. The app also provides configuration options – services such as geofencing and fall alarm can be managed by family and friends, for example.

Increased transparency is also important – it gives family and friends more insight into what's happening in the senior's daily life.



Technology enabled care – a growing market

We are living longer than ever before. More and more seniors are able to enjoy life. However, a growing proportion of elderly people is also facing challenges. The falling number of people of working age in relation to the number of elderly means that there are fewer young people who can take care of the elderly. This, in turn, means that society needs to think about health and social care in new ways. Careium is well positioned to take a leading role when new digital technology is introduced and shapes tomorrow's welfare for seniors.

Demographic changes drive growth

As the large post-war generation reaches retirement age, the proportion of older people will increase sharply over the next few decades. This in turn means that those who are of working age will have to bear an increasingly heavy burden to cover social expenditure on our elderly.

By 2040, it is estimated there will be around two tax-paying people per pensioner in Europe, compared to five tax-paying people per pensioner in 1980. A shortage of care professionals will further increase the need for effective solutions. For

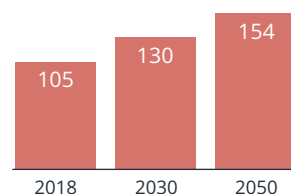
example, Swedish municipalities' costs for care for the elderly are expected to increase by 80 per cent in 30 years despite an increased focus on care at home.

Time- and cost-effective technical products and services are a necessity.

At the same time, seniors want to feel vitality through the ability to live an active and independent life. The innovative desire to find new solutions that make it possible to live at home for longer is therefore of great importance when it comes to increasing the quality of life of our elderly.

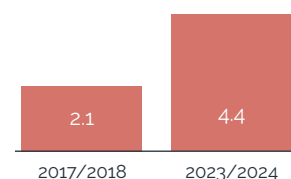
Growing elderly population in Europe

Population aged 65+ years¹



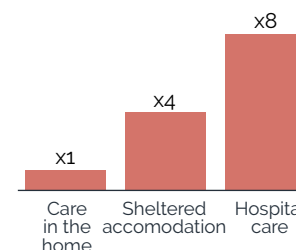
Growing funding gap due to healthcare costs

Estimated funding gap in respect of care in the UK, £ billions²



Care is frequently more costly in sheltered accommodation and hospitals

Cost per form of accommodation³



¹ United Nations, Projections of mortality and causes of death, 2016 to 2060 (2018).

² The real cost of a fair adult social care system, Anita Charlesworth and Toby Watt (2019).

³ Kolada (2020).

Sources: Berg Insight Connected Care in Europe 2019 and Careium's own estimates.



The European market for technology-enabled care is estimated at SEK 50 billion by 2025

The addressable European market for welfare technology is estimated to grow at an average annual rate of more than 10 per cent over the next five years, corresponding to a market of €50 billion by 2025¹. Technology-enabled care (comprising both next generation telecare and telehealth) are gaining in share and interest over traditional technologies. The currently fragmented market in most countries is expected to mature with a digital transition and switchover to new solutions in technology-enabled care.

At the end of 2020, there were 5.2 million telecare users in the EU 28 + 2 countries, corresponding to 5 per cent of the population aged 65 or older.

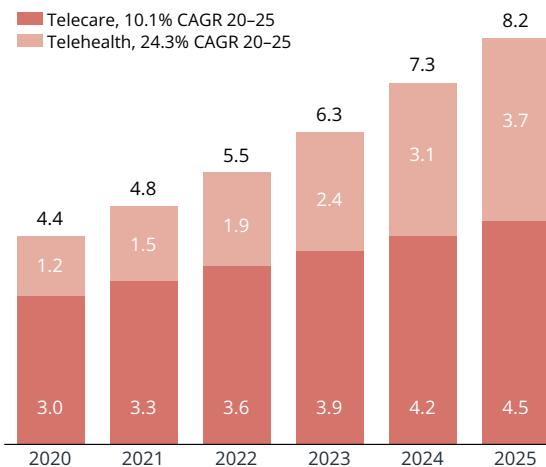
An underlying growth in the proportion of telecare users in many countries is driven partly by the need to keep the elderly out of expensive health care facilities, and partly by general digitisation with increased interest, knowledge and understanding of technology also amongst the elderly population.

There are large variations in the use of telecare solutions and room for further growth in many parts of Europe. Countries such as the United Kingdom, the Netherlands, Sweden and Norway have adopted policies that favour the use of telecare services, and the proportion of users of telecare services varies from 8 per cent to 15 per cent. In countries such as Germany and Austria, the proportion using telecare services is only 4 per cent, while it is less than 1 per cent in Italy and several Eastern European countries.

Important drivers for growth

1. An increased addressable market with the growing proportion of older people in the population
2. The use of technology-enabled care (penetration) is increasing
3. Increase revenue per customer as new services are introduced
4. The digital transition means that a large part of the installed base needs to be replaced

Market outlooks¹, EUR billion



¹ Berg Insight, Connected Care in Europe, 2019. Revenue data in telecare/telehealth do not overlap.

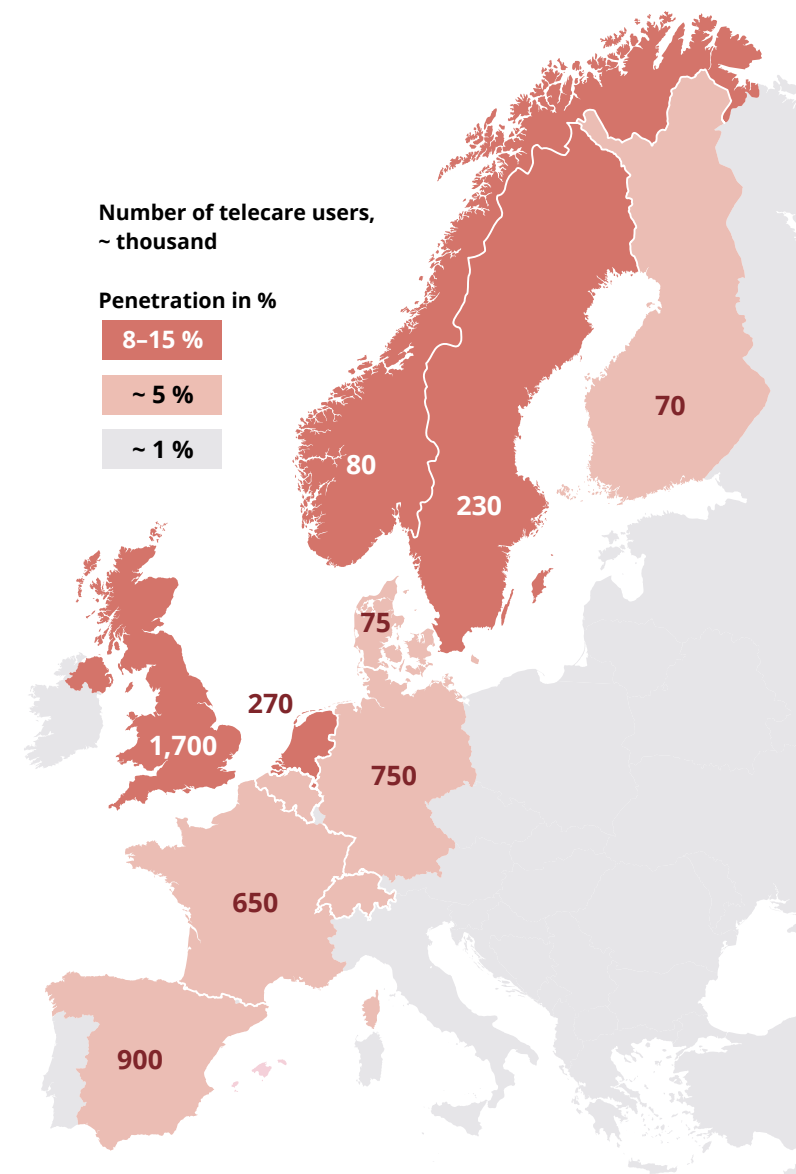
Number of telecare users, ~ thousand

Penetration in %

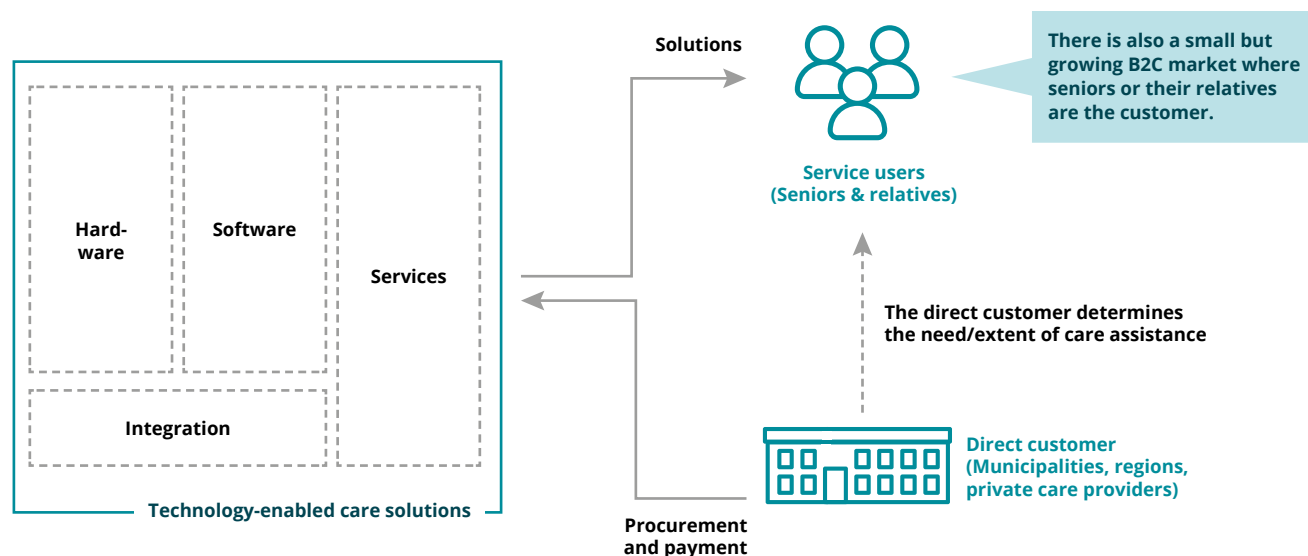
8–15 %

~ 5 %

~ 1 %



Penetration refers to the proportion of telecare service users in the population who are 65+.



Broadening Careium's customer groups

Seniors who need assistance in the home are a growing group. They want to live an active life and be more tech-savvy they will seek new products and services that create a safer and more secure everyday life. This also includes offers linking seniors with their families.

Careium is also bit by bit developing offers for the what are known as care homes and special homes where municipal or private care providers provide care for seniors with greater needs for assistance. One success factor is that these care providers already have prior knowledge of us, via security alarm assignments and connected seniors.

Our solutions are used by seniors but are prescribed by and sold mainly to public sector players.

Strong home markets, potential for geographical expansion

In our aim to be an ambitious knowledge leader in technology-enabled care in Europe, we are using our strong base in the UK, Sweden, Norway and the Netherlands to increase our market share. We have a clear strategy for organic growth in our core business, as well as an acquisition strategy that continuously evaluates new markets and new technology.

The UK is a market with lots of small private and municipal service providers. With a market share of approximately 13 per cent, Careium is one of the largest players. The market is facing digitisation as the analogue network is being phased out in 2025, which is likely to transform the market. Our operations in the United Kingdom have grown organically in recent years

through a number of acquisitions with ongoing integration. With digitisation and the subsequent opportunity for new services, there are several interesting opportunities for continued growth, both organically and through further acquisitions.

In **Sweden**, Careium is a clear market leader in ordinary accommodation, where the Company handles approximately 40 per cent of the market. Sweden is a market which already switched to digitised solutions a number of years ago, but which is now more and more looking at new alternatives in technology-enabled care, which creates opportunities. There is also potential to expand the offering to sheltered accommodation and utilise the strong position and know-how to become a leading player in this segment as well.

Norway is one of Careium's markets that is at the forefront of demanding new types of services, products and solutions. It places demands on us and other companies in the market to continuously further develop our offering. We currently have a market-leading position with close to 40 per cent market share.

The Netherlands is the latest addition to the Careium's home markets through the acquisition of Innocom in September 2021. The Netherlands is an exciting market that, together with the Nordic region, is further advanced in the introduction of new technology-enabled care. We are now one of the three leading players. The market also differs from other home markets in that it is driven by insurance and care providers rather than public players via public procurement.

Careium's export team is focussing on selling our proprietary hardware and our software platform in Germany, France, Spain and Belgium. We also sees that there are interesting opportunities in the future for becoming a provider of both hardware and software platform, which creates conditions for closer customer relationships and further sales.

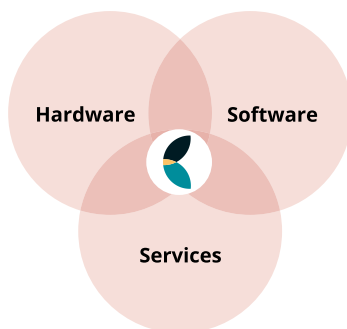
The competitive situation – still fragmented market

The market for technology-enabled care is today relatively fragmented with many players who are specifically focused on either individual markets or offerings. Major players alongside Careium in the traditional telecare market include Tunstall and LeGrand, which have leading positions in a number of markets.

Simply speaking, the players can be divided based on their offering of hardware, software and services and a combination of these. In terms of telecare, it is primarily companies such as Careium, Tunstall, LeGrand and Telealarm that have a more extensive European presence.

On the software side, there are several different players depending on the specialisation. The main players are those with a combination of alarm and a broader service offering, such as Tunstall, Verklizan, LeGrand and Careium.

Service delivery is often local, meaning that most players who deliver services to the end user often do regionally in one country. Those who have a more extensive European presence in service delivery are Tunstall and Careium.



The market for next-generation technology-enabled care is fragmented. In addition to the leading providers of telecare equipment, there are specialised providers and new innovation companies focusing on areas such as activity monitoring, mobile telecommunications services and monitoring of medication.

Through its combination of hardware, software platform and service delivery, Careium has a unique position in the market compared to most competitors. It creates the conditions for both developing and delivering leading offerings with a combination of technology and people.



A complete offering of digital welfare technologies

With a complete digital alarm chain, we can tailor solutions to meet the needs of both the provider and the individual. From security alarms, fall sensors, smoke detectors to secure communication with alarm reception.

Both stationary and mobile social alarms can be connected to Careium's alarm centres. Since we handle the entire alarm chain, our solutions are cost-effective and quality assured.

Careium's integrated technology solution

Careium is one of the few players able to offer the whole chain of social alarms, sensors (fall detectors, smoke detectors, motion detectors, etc.), accessories (cameras, electronic locks, medical robots, etc.) and secure communication with the alarm centre: we provide a complete digital alarm chain.

Both stationary and mobile social alarms can be connected to Careium's alarm centres. As we manage the entire alarm chain, the solutions are cost-effective and quality-assured.

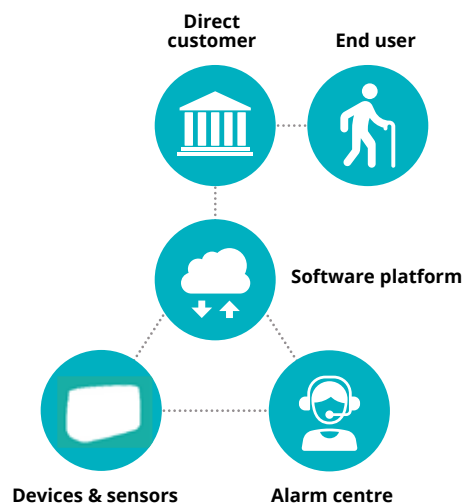
We can also tailor solutions to meet the needs of both the installer and the individual. Careium's combination of innovative technology and committed employees in service delivery provides comparative advantages over most of the competition.

Careium's technology and our proprietary platform enable the creation of new services and integration with both customers and other platforms and products. The purpose of the platform is to collect all Careium's service offerings and to be the hub and common interface for customers and service users. It will replace the our current and former alarm-handling platforms, contributing to increased efficiency.

We are also offering our proprietary software platform as a service (Software as a Service, SaaS) to other service providers, mainly in countries outside of our core markets.

Predictive and preventive digital solutions

Today's and next generation telecare is also increasingly proactive, preventative and predictive. Technology enabled care



that can monitor chronic diseases such as COPD, heart failure, diabetes, hypertension, asthma, coronary artery disease or kidney disease, can help make the care of seniors in the home safer and more effective. Careium is constantly evaluating services and products that offer assistance in relation to prediction and prevention. In order to broaden our range further and to increase growth, we can also work with strategic partners.





Individually tailored solutions for safety in the home

With a social alarm connected to a monitoring centre, our service users can feel safe in their own homes.

Careium's social alarms are a simple way to offer seniors safety in the home. The service user connects to the alarm centre with the press of a button. Thanks to a wide range of accessories, the solution can be adapted to the individual's needs. Additional sensors can monitor everything from smoke and temperature to movement. This ensures that the individual's health and home environment can be evaluated proactively and given the right support.

We offer a wide range of accessories for a safer home:

- Smoke detectors and cooker monitors
- Flood sensors and heat sensors
- Fall sensors and motion sensors
- Medical reminders
- Fixed alarm button
- "Fraudster" alarm button
- Electronic locks



Active and safe living, even outdoors

A mobile social alarm makes it easier for seniors to continue living an active life. This is a flexible service that can be adapted to the user. The provider chooses whether to connect the alarm to an alarm centre, relative or health care professional. The service can act as a mobile security alarm, a tracking alarm or both in combination.

A mobile security alarm encourages and helps the senior to remain active and to feel safe to move freely outside the home. The solution includes an alarm that is directly connected to an alarm centre, GPS-based location and tracking. It is also possible to set up "security zones", where an alarm is sent if the service user leaves the zone.

Smart features for outdoor safety:

- Alarm button
- Two-way voice communication
- GPS and A-GPS localisation
- Tracking
- Safety zones, known as Geo-Fencing
- Remote management via web portal



Remote monitoring and night watch

Visit is our virtual monitoring service. It is essentially a safe and less intrusive alternative to physical home visits. A study by the Swedish Handicap Institute shows that people who require night-time monitoring often feel stressed by physical visits. This may lead to an increased need for help and assistance. Remote monitoring contributes to a better and more peaceful night's sleep.

Remote monitoring with Visit is carried out using a camera that is only activated during certain times or when needed. Monitoring is only done by qualified staff and no pictures or films are saved. Visit is a discreet solution that gives the service user increased security and an undisturbed night's sleep. For the service provider, it is a complete solution that is both environmentally friendly and time saving.

The Visit service includes:

- Camera
- Communications equipment
- Monitoring via Careium's alarm centre
- Alarm notifications to on-duty health care professionals
- Fixed monthly cost
- Tailored to service user needs



Our alarm centres are open 24 hours a day, all year round. We provide a complete digital alarm chain that enhances safety for municipalities, private healthcare providers and connected service users. Today, around 400,000 social alarms are connected to our five alarm centres. Every day we receive about 25,000 alarms.

Our teams of alarm operators have training and experience in the field of healthcare. We are proud to be able to treat all our service users with respect and empathy, and always focus on their individual needs. Together, we speak more than 15 languages. All calls are recorded, saved for six months and can be followed up in detail via our web interface and automated reports. Our monitoring centres are certified in the field of information security according to ISO 27001.

Interrupted alarm reception

We also offer cloud-based alarm reception. A flexible solution that allows Careium's alarm centre quickly to take over and handle a municipality's alarms. This can happen, for example, during busy periods or when there is a shortage of staff. At other times, the municipality handles its alarms itself. The system is web-based and automatically controlled with login. If no one in the organisation is logged in, the alarm is automatically forwarded to Careium alarm centres.

Products you can rely on

We provide proven, high-quality technology with smart design for those who want to live a safe and independent life. When developing new products, needs analyses and field testing are carried out with seniors. Our product development is quality-certified according to ISO 9001 and has clear processes to ensure that products and services meet the customers' requirements and comply with legislation. Important elements relate to which materials may be used, how the requirements for waste management and recycling are met and how the design should be carried out to ensure that the products are safe and user-friendly.



Ellis – the jewel among alarm buttons

A radio alarm button linked to a security alarm allows older people to stay in their own homes for longer, safe in the knowledge that help is available at the touch of a button.



Some seniors, and as many as 53 per cent of female service users, find alarm buttons stigmatizing and in some situations refrain from wearing them.

Ellis is a versatile, long-range alarm button that works with all Careium security alarms but is designed not to look like a traditional radio alarm button. Wrapped around the neck on a stainless steel chain, it looks more like a unique pendant.

Ellis is easy to put on thanks to the chain's magnetic clasp and comes in luxury packaging. The alarm button is waterproof and can therefore be worn in the shower or bath.

Ellis consists of a bidirectional transmitter that uniquely monitors the connection with the base unit and provides a reassuring confirmation that the alarm has gone off. Ellis facilitates service users with impaired vision and is designed for people with reduced motor skills. The replaceable battery makes the product cost-effective.

With Ellis, we give women a safer life through an attractive design.



Together we are building a more sustainable society for all

The Board of Directors is responsible for the Sustainability Report and all subsidiaries in the Careium Group are covered by it.

Around 400,000 security alarms are connected to our four alarm centres. Every day, we receive around 25,000 alarms.

In the summer of 2022, the Loneliness Commission met with MPs for talks on involuntary loneliness.

Technology-enabled care is first and foremost about creating security, freedom and independence for people with physical and cognitive limitations. Our elderly make up the majority of this group. It is a matter of creating the best conditions for a full and dignified life for a group that has a weaker voice.

Secondly, technology enabled care entails more effective care. Where those providing the care can make better use of limited tax revenues. Where care staff gain a better working environment and greater potential to devote their time to valuable meetings with the elderly.

As a leading European player in technology-enabled care, it is in social sustainability that Careium is really making a difference.

Our services and products offer opportunities for greater participation in society for our service users. Careium's solutions provide support to employees working in care and resource efficiency in the use of tax revenues. A responsible business foundation forms the basis for the governance of other sustainability issues.

We are dedicated to helping society deliver safer and more effective care and together building a more sustainable society for all.



WELFARE TECHNOLOGY CAN BE A STEPPING STONE AGAINST INVOLUNTARY LONELINESS AMONG THE ELDERLY

The Loneliness Commission met with MPs in the summer of 2022 for talks on involuntary loneliness.

In the picture:

Carl-Johan Zetterberg Boudrie (Careium), Martin Engman (SPF), Amelia Adamo, Pyyr Niemi (Socialdemokraterna), Barbro Westerholm (Liberalerna) and Camilla Nilsson (Careium).

Involuntary loneliness is a growing social problem with serious consequences. Social isolation can lead to both mental and physical illness and cost both human suffering and significant health care resources. Involuntary loneliness increases the risk of cardiovascular disease, stroke, dementia and depression. In 2022, the Loneliness Commission, a non-political initiative that has spent 18 months working with a wide remit to combat loneliness among older people in Sweden, published a report highlighting the potential of welfare technology to act as a firewall against loneliness in care for the elderly. The Commission made nine proposals to national and local decision-makers.

Involuntary loneliness is particularly high among older people who are supported by social services and living in a care home or receiving home care. 65% of older people living in specialised housing feel that they are often or sometimes lonely. Elderly care is a major part of



the problem, but also a major potential solution. Not least the potential of welfare technology to free up time and resources for social activities.

The report notes that technological developments have been rapid in recent years and that new digital tools are available. At the same time, they are under-utilised and unevenly used across the country. There is great potential here for freeing up time for healthcare workers to work more on tackling involuntary loneliness.

The report provides a review of the state of the art of welfare technology today and in the future, as well as a review of what is preventing welfare technology from being more widely used. A major challenge is that take-up is uneven across the country, risking a further digital divide. Another common problem is that new technological solutions are successfully tested in projects, but are not permanently implemented.

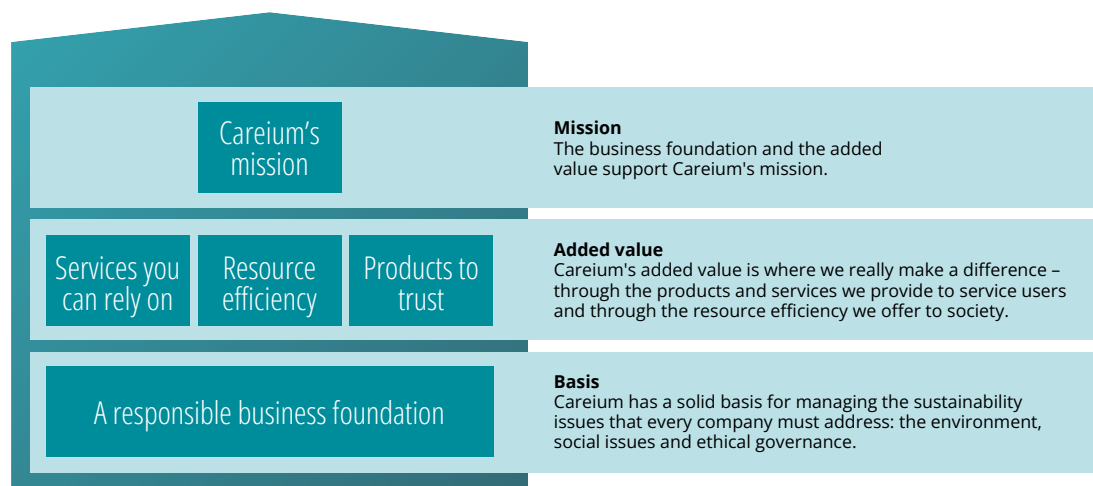
The report from the Loneliness Commission makes nine suggestions on how welfare technology can be used more.

The proposals in brief

- Combating loneliness should be written into the law as a task for elderly care.
- Review home care services with the aim of introducing the right to social time.
- Health economic calculations that give the right to preventive measures against loneliness.
- More national guidelines on welfare technology to ensure equivalence.
- State incentives for welfare technology.
- National responsibility for skills development in care for the elderly.
- Greater mandate for elder care workers.
- Policy against involuntary loneliness.
- Time saved with technical solutions must become social time.

► Read the full report at lonelinesscommission.se. Careium was one of the initiators of the commission.

Careium's sustainability framework



Our sustainability framework is based on helping older people live a better life.

Careium contributes to sustainable social development by providing seniors and people with disabilities with the opportunity to live a more independent, safer and better life assisted by technology. We provide our community customers with the tools they need for the effective use of resources.

We are achieving our mission by offering products and services you can rely on, as well as by offering resource efficiency. A responsible business foundation forms the basis for the governance of other sustainability issues, such as occupational health and safety, equality, governance of suppliers, environmental governance and legal issues.

► Read more about where we make the most sustainability impact in our materiality analysis (Sustainability note 2 Stakeholders, page 77).

Ensuring high quality and an environmental approach that benefits society, both locally and globally, is an obvious part of our business. We have certificates in the international standards for

quality ISO 9001, the environment ISO 14001 and information security ISO 27001.

We support Agenda 2030 and the UN's 17 Global Sustainable Development Goals. In our work to improve working conditions and to promote and protect human rights and the environment throughout the value chain, the greatest opportunity lies in contributing to goals 8, 10 and 12.



The global challenges that Careium considers to be most relevant in relation to its operations are:

- Growing proportion of elderly people
- Lack of resources
- Emissions
- Climate change
- Human rights



With smart digital solutions, we create sustainable value. Every day.

In 2022, Careium had contact with and supported 400,000 connected service users who rely on our people, services and products every day. Solutions that facilitate service users' ability to continue living an active and safe life. Careium's services, products, skills and employees create sustainable values by

promoting security and well-being. Careium's extensive offering also creates value through the efficient utilisation of the resources available to today's health and social care. A responsible business operation adds long-term value for owners and partners.

How Careium creates value for its stakeholders

| Stakeholder | Dialogue | How Careium creates value |
|---|--|---|
| Service users | Pensioners' associations. Relatives. Municipal care administrations. Direct dialogue during product development. Handling complaints. | Safety and independence for end users. |
| Direct customers (municipalities, organisations, private individuals) | Customer satisfaction survey, annually in relevant markets. Requirements in public procurement and other tendering procedures. Audits of SKR etc. Handling complaints. | Support for employees in care. Resource efficiency in the use of tax revenue. Quality of health and social care. |
| Employees | Daily contacts. Employee reviews, annually. Annual employee satisfaction survey and other surveys. | Job opportunities for 900 employees. Good working environment without harassment or any injustice. Opportunity for personal and professional development. |
| Society | Careium monitors social issues, especially in respect of the elderly. Annual checks of legal requirements. | Stable Company that complies with legal requirements and works in an ethical manner, including the prevention of corruption. Contribution to achieving the UN Sustainable Development Goals. |
| Suppliers | Follow-ups at least annually. Audits, risk-based frequency. Calls. Handling complaints. | Financial compensation for services and products that contribute to provision in the supply chain. Workplaces in the supply chain that take human rights and environmental requirements into account. |
| Owners | Board meetings. Annual General Meeting. Nomination committee. Dialogue with investors. | Long-term financial sustainability. Balanced risks, which require good governance of both finances and sustainability issues. |

► For more information, see Sustainability note 1 Stakeholders on page 77.

Products and services you can trust



Goal 10. Reduced inequality

Careium's mission is to create an inclusive society for seniors and people with disabilities. Our employees work for seniors' right to a better quality of life regardless of their individual circumstances. Our technology-enabled care solutions in the field of telecare enable a safer and more independent life and a better quality of life for seniors and people with disabilities. Our services and products provide the opportunity for greater inclusion in society, both socially and financially.



Goal 8: Decent working conditions and economic growth

We strive to be a stable and responsible employer that offers good working conditions and development opportunities. We work actively with health and safety issues. Through technological improvements and innovation, the Company focusses on care of the elderly, providing security for service users, supporting care employees and improving resource efficiency in the use of tax money. We do not accept child labour or forced labour in any form.

Information security

Information security is at the heart of our day-to-day operations. Our risk-based information security management system consists of policies, processes and other controls to protect our services, networks, devices, systems and data from attack, damage or unauthorised access.

Careium's alarm centres handle large volumes of emergency calls 24 hours a day, every day of the year, from customers who are dependent on help being just a push of a button away. To ensure that our services remain available and customer data is kept secure and confidential, we implement our ISO 27001 certification in all our alarm centres.

Our ISO 27001 certification underscores our robust information security, demonstrating that we have identified risks and taken preventive measures to protect information so that it is always available when needed (availability), that we can trust that it is accurate and not tampered with or destroyed (integrity), and that only authorized persons can access it (confidentiality), and that we can track changes (traceability).



Continuous development of information security

Continuous improvement is a foundation of ISO 27001.

Improvements may come from multiple sources, including internal audits, management review outcomes, external audits, security incidents, security reviews and tests and proposals from stakeholders. During 2022, we have improved several aspects of our information security management system, including:

- Updated information security guidelines and enhanced internal training for all employees with regard to digital security for remote workers
- Improved incident management, follow-up and lessons learned
- Improved risk-based provider management
- Improved change process
- Improved onboarding and offboarding process for staff

Our alarm centres are designed to be fully redundant to protect our systems and service delivery in the event of serious incidents. Our emergency business continuity is regularly reviewed and tested in different scenarios at least every two months. These emergency tests are designed to simulate both natural and man-made disasters. During the tests, the Careium emergency team communicates with stakeholders to ensure that the entire information chain is functioning. The emergency team identifies and logs any issues and opportunities for improvement.

Supplier control

Careium has long-term partnerships with its suppliers. The suppliers are reviewed regularly to ensure that they meet the requirements. Suppliers are expected to sign and comply with Careium's ESG policy for suppliers, which is based on Careium's policy for business ethics and the UN Global Compact's ten principles for human rights, labour law, the environment and anti-corruption.

Careium's key sustainability policies

| Policies | Owners | Follow-up |
|--|--------------------|---|
| Business ethics (also includes policies for quality, the environment, the work environment and information security) | Group Management | Group Management conducts an annual review and updates as necessary. Group Management monitors the number of employees who have passed the course and any compliance problems. |
| Quality policy (part of business ethics) | Group Management | ISO 9001 certificate. |
| Environmental policy (part of business ethics) | Group Management | ISO 14001 certificate. |
| Information Security Policy (part of business ethics) | Group Management | ISO 27001 certificate. |
| Occupational health and safety policy (part of business ethics) | HR | Annual monitoring of health and safety is done by each site manager and by the Group Management. |
| ESG policy for Careium suppliers | Group Management | Annual risk assessment is carried out of the various points of the policy. Third-party audit of relevant suppliers, based on risk assessment. |
| Corporate Sustainability Due Diligence, Careium | Board of Directors | Annual updating by the Board of Directors. |
| Modern slavery statement | Board of Directors | Annual updating by the Board of Directors. |

If a supplier violates the code or any other requirement, we make it clear that this is not acceptable. For continued cooperation, demands are stipulated that the supplier develops an action plan for improvement. Should the supplier still fail to meet the requirements, we have the right to suspend cooperation.

Products and product development

Products are developed as far as possible in order to facilitate remediation, repair, updating and reuse. This includes for example replaceable armbands on security alarms or design developments that allow simple remediation.

Our product development is quality certified according to ISO 9001, and has clear processes and structures for the development of products and services that meet customer requirements and comply with the legislation. Important elements relate to which materials may be used, how the requirements for waste management and recycling are met and how the design should be carried out to ensure that the products are safe and user-friendly.

Product quality is managed through systematic quality controls, follow-ups and close dialogues with our selected production partners.

Clear values, motivated employees

Careium's employees are important at every level, but are crucial for every individual person who contacts an alarm centre or who uses Careium's products.

844

Number of employees at year-end

55%

of Careium's managers are women

Careium aims to be an attractive and stimulating workplace for the wide range of professional groups that our employees represent, including engineers, developers, nurses, economists and marketers. In order to ensure a more frequent follow-up, employee surveys have been carried out both in the spring and in the autumn. In 2022, the average response rate was 77 per cent.

Ongoing work is being carried out to maintain a good level with positive results, as well as measures to improve those areas that need to be strengthened.

2021 and 2022 were partly marked by organisational changes as a result of the delisting of Careium and the consolidation of offices in our UK market. The work has been carried out in a responsible and respectful manner for our employees and in close dialogue with trade unions and in accordance with applicable laws. 2023 is starting out with the right conditions, a focused organisation with expertise that can strengthen our position, as well as the opportunity to be the market leader in Europe in the fields of technology-enabled care.





Our mission is to be everyday heroes
– with smart technology, we help
individuals according to their needs and
create the conditions for better care.

Our culture and our values

In connection with the decision to delist Careium as an independent company, a well-anchored effort was made to identify and establish a common vision and a clear and relevant set of values for Careium.

Our vision is that all service users should live a richer life and feel safe and cared for.

We believe our mission is to be everyday heroes – with smart technology, we are creating the conditions for better care and helping individuals based on their own needs.

Our values form the basis for all operations, both internally and externally. Show consideration – act smart – be heroes. In addition to the day-to-day work with the core values, they constitute a basis in staff appraisals. They are also incorporated into leadership programmes as well as staff surveys.

Development

Careium has a flat organisation with the aim of creating good conditions for knowledge transfer, independent thought and creative ideas. During 2022, Careium has distributed nano-lectures with high frequency, focusing on leadership, remote leadership and culture. All our leaders have access to a toolbox that sets them up for success, and support in difficult situations is always available. All employees must have annual staff appraisals with their immediate manager.

By the end of the performance appraisal period (January–March), the percentage of completed appraisals was 87 per cent.

In order to promote Careium as an employer, a career page has been launched with, amongst other things, information about values, the link to the UN sustainability goals and references from employees. Careium aims to give new employees a good first impression as well as an early introduction to our values, carried out through preboarding and onboarding. Here you can find, for example, Careium's whistleblowing policy, Careium Business Ethics and mission, vision and values. When employees leave the Company, their experiences are absorbed by carrying out exit interviews on the basis of a web form. This is all done with the aim of developing Careium as an employer. In 2022, the careers page has been further developed where Careium provides tips and advice to candidates on how to best prepare for an upcoming interview.

Careium's policy for business ethics provides clear guidance in the event of ethical dilemmas in working life and makes it easier to maintain good contact with stakeholders. It also contains our most important policies. In order to involve all employees and ensure that they acquaint themselves with and understand Careium's business ethics, a digital course has been sent to all employees. During the year, all managers, sales staff and people who make decisions on purchasing and supplier selection received a targeted digital course on anti-corruption, which 97 per cent completed with a passing grade.

► For more information, see Sustainability Note 5, Employees on page 82.



Active work for our common environment



Goal 12: Sustainable consumption and production

We are working to select materials in our products that have a good environmental performance throughout their life cycle, from raw material to recycling. We are working to reduce the environmental impact of our transport and journeys. We are working towards the circular use of products with a high percentage of reuse and recycling, where products which can be sanitized and which have replaceable parts have been standard for many years.

Environmental management

ISO 14001 environmental certification is in place for all emergency centres and most of our other operations (98 per cent of staff covered). Careium's ongoing goal is for acquired alarm centres to be added to Careium's central ISO 14001 certificate within 18 months. In 2021, the most recently acquired alarm centre was added to the Group-wide certificate.

Circularity and service life

We develop products that have a long life compared to consumer products. Despite the rapid development of technology, we current estimate that the development of a digital social alarm such as Eliza, will take at least seven years. We do this, amongst other things, by developing new features that can be used on existing products through remote upgrades throughout the life cycle of the products.

As far as possible, Careium develops products to facilitate being sanitized, repaired, updated and reused. This includes for example replaceable armbands on social alarms or design developments that allow simple remediation. Careium's sensors have replaceable batteries which extends the life of the product.

Transport and energy consumption

Our social alarm operations differ from country to country. In Norway and the UK, the offering also includes visits to the user, which to a large extent are carried out by car. We are working in various ways to minimise the environmental impact of car travel. In Oslo, Careium will over time electrify the car fleet. At the end of 2022, the proportion of electric cars had increased to 50 per cent (40 per cent 2020).

We want to use low environmental impact modes of transport and as far as possible use transport by sea from Asia. Energy consumption in our offices is measured and reported in the sustainability notes. The move to a new centralized alarm centre in UK in 2022 also meant a transition to fossil-free energy.

Centrally located offices

We strive to ensure that offices, including our alarm centres, have a pleasant working environment, good environmental performance and are located in places easily accessible by public transport. In Malmö, we are only a few streets away from the main railway station and in Oslo we are centrally located close to buses and commuter trains. In the UK, office relocations were carried out in 2022 taking into account environmental and commuting considerations. We are also increasingly switching to working from home, which reduces travel and makes us less vulnerable to office access disruptions. The office in Oslo is located in an environmental building with a BREEAM "Very good" certificate.

➤ For more information, see Sustainability Note 3, Environmental data on page 79.



Life cycle analysis: With remote monitoring we achieve human, economic and environmental benefits

Careium has carried out a life cycle analysis of the components of its remote monitoring offering. (Eliza, Enzo, Visit, router). The analysis shows clear environmental benefits, alongside the benefits the system provides for the elderly and for the efficient use of resources.

Human, economic and environmental benefits

Careium offers effective camera monitoring within home care, generating security for the elderly, safety and the efficient use of resources for the home care provider.

An alarm operator starts the camera at agreed times and checks that everything looks good. When the camera is not in use, it is pointed towards the ceiling in order to protect the

privacy of the elderly person. The alternative to the camera system is monitoring by home care staff. Night-time visits are frequently made for no other purpose than monitoring.

There are many positive effects. This helps to save the environment as unnecessary travel can be avoided, particularly in sparsely populated municipalities. The working environment for home care staff is improved when fewer staff are required to work at night. The elderly gain more secure monitoring with less intrusion into their night's sleep. In addition, the financial impact for the home care provider is considerable, with the result that resources can be used for other personal care for the elderly.

The life-cycle analysis, which compares traditional monitoring with Careium's camera system, demonstrates the clear environmental benefits. More than 300 kg of carbon dioxide equivalents can be saved on average per service user per year, which corresponds to approximately one return flight between Sweden and Greece.

LIFE-CYCLE ANALYSIS

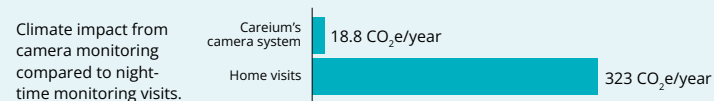
The calculations have been carried out in accordance with ISO 14044:2006 in the unit of carbon dioxide equivalents, CO₂e, a common measure of the overall climate impact in life-cycle analyses.

A negative impact for Careium's camera system has been charted in production – transport – use – recycling.

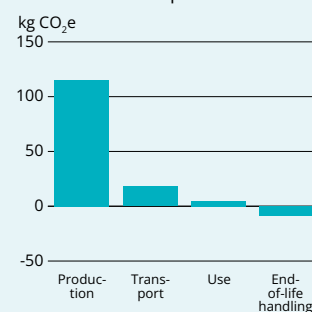
The calculation for traditional monitoring has been carried out on the basis of a report from the National Board of Health and Welfare, using information about how many visits could be avoided with the aid of camera monitoring. Only night-time visits with no action other than monitoring have been included.

Of the total environmental impact, the vast majority comes from production, which also includes material extraction. The thing that Careium can do most effectively to reduce the environmental impact of production is to ensure its products have a long service life, which has been an area of focus for Careium's improvement work for many years. The annual environmental impact of the camera system decreases sharply when the products have a longer service life.

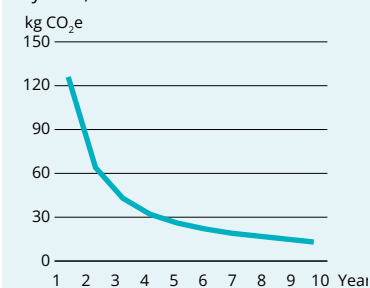
► Read more about the entire life-cycle analysis at www.careium.com.



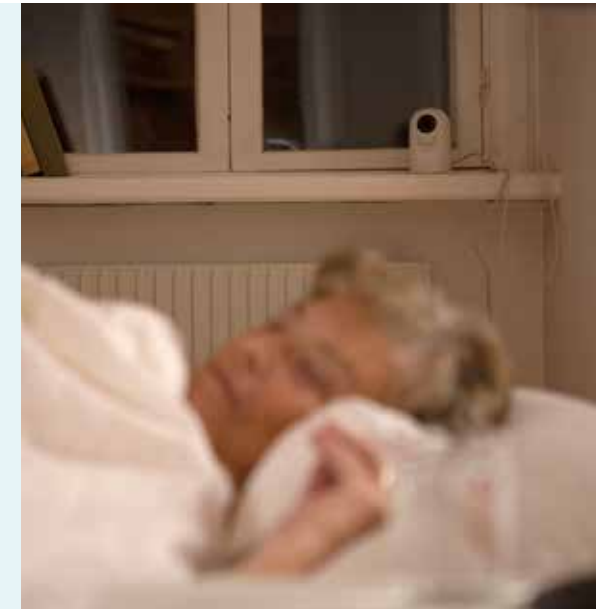
Environmental impact



Annual emissions by the camera system, at different times of use



The annual impact of the camera system decreases sharply when the products have a longer service life.



Careium's work with regulations

In addition to our own sustainability goals, procedures and policies, Careium also works with international frameworks and certification programmes. We do this to ensure quality. In an industry that handles personal data and human health, trust, compliance and ethical conduct are our most important capital. Our customers and stakeholders should be able to feel confident in what we deliver.



The Global Reporting Initiative (GRI) is an international, independent organization. The standard is the most widely used standard for sustainability reporting and has its starting point in how organizations affect the economy, people and the environment. Careium's 2022 Sustainability Report follows the updated GRI standards (GRI: 2021) that apply from 1 January 2023. See sustainability notes for detailed information.



The UN's Sustainable Development Goals

Careium works with the UN Sustainable Development Goals. Above all, Goal 10 "reducing inequality" is ideal for us, as our products and services for older and disabled people contribute to the ability of service users to live a richer and safer life.

Certificates

We have group-wide certificates in the international standards for quality ISO 9001, the environment ISO 14001 and information security ISO 27001.



TCFD is used by companies to better identify their climate-related financial risks and opportunities. See sustainability notes for detailed information.

Auditor's statement on the statutory sustainability report

To the Annual General Meeting of Careium AB (publ), corp. reg. no. 559121-5875

Assignments and distribution of responsibility

The Board of Directors is responsible for the Sustainability Report for the year 2022 on pages 27–36 and 77–90 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

The direction and scope of the investigation

Our investigation has been performed according to FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our investigation of the sustainability report has a different approach from and a much smaller scope than an audit in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this investigation provides us with a sufficient basis for our statement.

Statement

A sustainability report has been prepared.

Malmö 27 March 2023

Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Authorised Public Accountant
Chief Auditor

Directors' Report 2022

The Board of Directors and the CEO of Careium AB (publ), with postal address: Jörgen Kocksgatan 1B, 211 20 Malmö and corporate identity number 559121-5875 hereby present the annual report for the Group and the parent Company for the year 2022. Comparisons given in parentheses refer to the previous year and the annual report is prepared based on the basics presented in Note 1.

Information

Careium AB ("Careium", "the Company" or "the Group") is the market leader in welfare technology in Sweden and Norway and one of the leading players in the United Kingdom and the Netherlands.

Careium's innovative solutions improve the safety, quality of life and independence of seniors both inside and outside the home. For the care provider, the Company's solutions mean increased efficiency and the opportunity to invest resources in more valuable activities. Careium provides its services to approximately 400,000 seniors in Sweden, Norway, the Netherlands and the UK.

The majority of these seniors are connected to one of Careium's four alarm centres in Sweden (two alarm centres), Norway (one alarm centre) and the UK (one alarm centre) where approximately 25,000 alarms are handled every day.

The Market

The addressable European market for technology-enabled care is estimated to grow at an average annual rate of more than 10 per cent over the next five years, corresponding to a market of €50 billion by 2025. Technology-enabled care (comprising both next generation telecare and telehealth) are gaining in share and interest over traditional technologies. The currently fragmented market in most countries is expected to mature with a digital shift and transition to new solutions in technology-enabled care.

Important drivers for growth

1. An increased addressable market with the growing proportion of older people in the population
2. The use of technology-enabled care (penetration) is increasing

3. Increase revenue per customer as new services are introduced
4. The digital shift means that a large part of the installed base needs to be replaced

The Share

There is information about the Careium share on pages 7–8.

Significant events during the financial year

- Earnings per share amounted to SEK -0.47 (0.19).
- During the year, an action programme to transform the business was successfully implemented. The actions taken during the year, principally a new, streamlined organisational structure and significant adjustments to the UK business, were reflected in significantly strengthened profitability in the final quarter of the year with Careium's strongest quarterly operating profit to date.
- A number of new products and services were launched during the year. These include the i-care® plus security app, the Eliza S welfare hub, digital keys for home care and the new Ellis alarm button.
- Carl-Johan Zetterberg Boudrie left the position as CEO and President of Careium on 24 October 2022. He was replaced by interim-CEO Maria Khorsand.
- In early December, the Board of Careium appointed Christian Walén as President and CEO, effective March 2023. He thus replaces interim CEO Maria Khorsand.
- Christian Walén comes from a role as CEO of PBM Sweden AB and Global Business Manager for Mental Health and Nordic Head of B2B within Kry/Livi, following the acquisition of PBM by Kry AB in 2021. Christian has previously been CEO of Assessio and Senior Manager at Accenture.

Net sales and profit/loss

Careium's revenue during the year amounted to SEK 725.1 million (587.5) an increase of 23.4 per cent compared to 2021. Service sales amounted to SEK 550.8 million (464.0), an increase of 18.7 per cent. Product sales amounted to SEK 174.3 million (123.5) an increase of 41.1 per cent. Sales have increased in all markets with strong organic growth in the Nordics and sharply increasing product sales in Great Britain. In Central Europe, the sales search is foremost driven by the Dutch subsidiary Inno-com acquired in 2021.

EBIT amounted to SEK -15.8 million (8.6), which gives an EBIT margin of -2.2 per cent (1.5). The deterioration in margin is explained by increased costs linked to the transformation of operations in Great Britain.

Profit for the year amounted to SEK -8.6 million (4.7). Financial net was SEK 0.4 million (0.5).

Cash flow, investments and financial positions

Cash flow from operating activities amounted to SEK -21.2 million (-19.8). The Group's net cash flow, which amounted to SEK -104.9 million (107.5) during the year, was affected by acquisitions of SEK -2.7 million (-112.6) and investments of SEK -66.0 million (-51.1). Investments are primarily related to product development and rental equipment. No dividend was paid. At year-end, Careium had interest-bearing debt of SEK 293.5 million (292.3) and cash and cash equivalents of SEK 39.9 million (142.5). The equity ratio increased to 57.2 per cent (52.6) at the end of the period.

At the end of the third quarter, the Company broke one of the covenants in the financing agreement with the bank. The bank provided a waiver for this covenant based on the Company's financial plan, which shows that the Company can return to the regular covenants at the end of the third quarter of 2023.

The Board

The Board consists of the chair Lennart Jacobsen, Towa Jexmark, Cecilia Ardstrom, Kai Tavakka, Stefan Berg and Christian Walén. The Board meetings are also attended by CEO Maria Khorsand (until October Carl-Johan Zetterberg Boudrie). The Company's CFO Mathias Carlsson has been co-opted to the Board as secretary.

Remuneration to senior executives

These guidelines include the Company's CEO, the members of the group's senior management team and remuneration to Board members in addition to board fees (e.g. consultancy fees). The guidelines shall apply to remuneration agreed, and changes made to remuneration already agreed, until the end of the Annual General Meeting in 2023. The guidelines do not cover remuneration decided on by the Annual General Meeting. A successful implementation of the Company's business strategy and the exploitation of the Company's long-term interests, including its sustainability, require that the Company can recruit and retain qualified employees. This requires that the Company is able to offer competitive remuneration. These guidelines allow senior executives to be offered a competitive total remuneration.

The Company's guidelines for remuneration to senior executives for 2022 essentially state that salaries and other remuneration conditions for senior executives should be in line with market conditions. In addition to fixed base salary, management may also be paid variable remuneration and bonuses, which shall have a predetermined cap and be based on performance achieved against established performance targets (and in some cases other key performance indicators). Maximum cost including social charges for variable remuneration may not exceed the fixed remuneration to the Company's senior executives.

The total cost of fixed and variable remuneration shall be determined annually at an amount that includes all of the Company's remuneration costs. At the end of the measurement period for compliance with variable cash remuneration criteria, the extent to which the criteria have been met shall be assessed.

The Remuneration Committee is responsible for the assessment of remuneration to the CEO. In the case of variable cash remuneration to other executives, the CEO is responsible for the assessment. In addition, and independently of these guidelines, the Annual General Meeting may decide on, for example, share and share price-related remuneration. The Company's senior executives have the option to allocate part of their fixed and variable remuneration to other benefits, such as pension benefits. The management's pension plans will mainly be defined contribution. In the event of termination by the Company, senior executives may be entitled to severance pay, which in such case shall have a predetermined ceiling. Upon termination of employment by the employee, no severance pay shall be given. The Board has established a Remuneration Committee. The committee's tasks include preparing the Board's decision on

proposed guidelines for remuneration to senior executives. The Board shall draw up proposals for new guidelines at least every four years and submit the proposal for decision by the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. The Remuneration Committee shall also review and evaluate programmes for variable remuneration for the management team, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the Company. The Board's discussion of and decisions on remuneration-related matters do not include the CEO or other members of the management team, to the extent that they are affected by the issues. The Board may decide to suspend the guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the long-term interests of the Company, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the Remuneration Committee's task to prepare the Board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.

Product development and development expenses

Careium performs product development and design projects together with various external partners. In addition to the Company's own development costs, there are significant development costs at the manufacturing partners. Careium employs design companies from different countries and the costs are either fixed or variable. Careium sometimes also buys technology from various external companies.

For 2022, the Group's development costs amounted to SEK 17.7 million (18.1).

Investments

Investments are made in design, mould tools, certification processes, control equipment, inventory, leased alarm units, computers and software systems. Investments amounted to SEK 66.0 million (51.1). See also under Accounting principles.

Legal processes

Careium has not, during the year, been involved in any disputes that have affected or will affect the Company's position in any significant way.

Quality

Careium's product development is quality certified according to ISO9001 and has clear processes to ensure that products

and services meet customer requirements and comply with legislation. Important elements relate to which materials may be used, how the requirements for waste management and recycling are met and how the design should be carried out to ensure that the products are safe and user-friendly. Our monitoring centres are certified in the field of information security according to ISO 27001.

Risks

Careium is exposed to a variety of risks that the Company continuously monitors, analyses and acts upon to mitigate potential risks. The most significant risks are described on pages 39–40.

Sustainability

The Sustainability Report can be found on pages 27–36 and 77–90.

Dividend

The Board has decided not to propose any dividend for 2022.

Parent Company

Careium AB had a turnover of SEK 9.5 million (1.0). Profit after financial items amounted to SEK 0.5 million (3.1). Careium AB is responsible for the financing of the subsidiaries. Equity amounted to SEK 413.6 million (413.7).

Annual General Meeting

The Annual General Meeting will be held in Malmö on 27 April 2023.

Proposal for the appropriation of the Company's profit

The following funds in the parent Company are at the disposal of the Annual General Meeting:

| | |
|------------------------|--------------------|
| Profit brought forward | 360,102,019 |
| Profit for the year | -119,710 |
| | 359,982,309 |

The Board of Directors proposes that funds at the disposal of the Annual General Meeting are carried forward.

Events after the end of the year

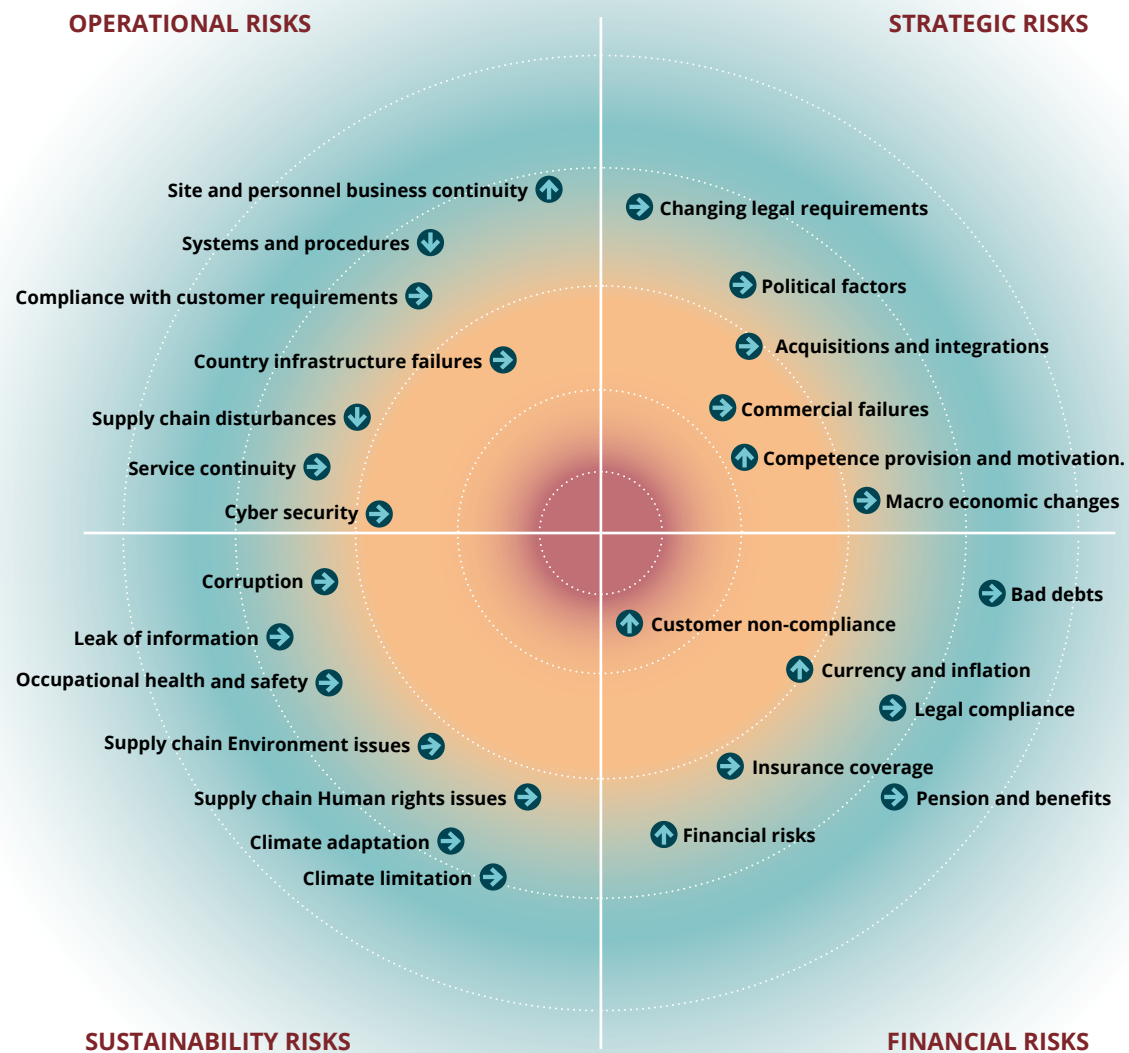
No significant events have occurred after the end of the year.

Overview of risks

Careium has a general risk assessment model that is adapted to the current risk assessment, through clear criteria for assessing probability and consequence. Risks are assessed at several levels, by different groups. Risks are coloured according to their severity and addressed as they arise. Risks in red should normally be short-term, green risks do not need to be addressed and for yellow risks, it is up to the risk owner to decide whether action should be taken. All risks have an owner. The owner of the risk is the party that has the financial responsibility for the area to which the risk relates. Risk reduction is planned and implemented on the basis of the severity of the risk. Careium's top risks have been assessed and followed up by the Group management and have the following distribution.

Risk level compared to 2021:

↑ Up
 → Unchanged
 ↓ Down



Risk management 2022

Careium has a general risk assessment model that is adapted for current risk assessment through clear criteria for assessment of probability and consequence. Risks are assessed at several levels, by different groups. The risks are colored based on seriousness and are dealt with in turn. Red risks should not normally be there for long, green ones do not need to be fixed and for the yellows, it is up to the risk owner to decide whether action must be taken. All risks have an owner. The risk owner is whoever has the financial responsibility. Risk reduction is planned and implemented based on how serious the risk is. Careium's top risks have been assessed and has been followed up by group management and has the following distribution.

STRATEGIC RISKS

Commercial failures include failure to put profitable services and products on the market and failing to meet customer requirements for products and services. These risks are handled by the management and the board of directors, and adjustments are continually being made to meet changing requirements. Project risks are assessed at the start of each product and service development project and are added to as the project progresses. The risks are managed and reduced during the project, and are largely taken into account when deciding whether to allow the project to proceed to the next stage.

Acquisitions integrations are handled by the senior management and the Board of Directors.

Competence provision and motivation include attracting and retaining staff and keeping them motivated. This is described in the Employee section on pages 32–33.

Changing legal requirements include risks of missing legal requirements for products and services. New laws are continually being added on the Company's markets. We systematically review these and ensure that our products and services meet the legal requirements.

Macroeconomic changes occur and are managed over time. We have no operations in Russia or Ukraine, but we are still feeling the impact of the pandemic where our operations are an important part of maintaining the countries' safety chains.

Political factors include, for example, risks associated with municipalities deciding to cut costs or handle emergency services themselves, as well as risks associated with amended rules in the countries in which we operate.

OPERATIONAL RISKS

Cyber security in the alarm services and other information security risks are handled by the information security management system. The ISO 27001 certification focuses on the alarm centres, as they are the most susceptible parts of the Company in terms of information security. The risks are assessed in a highly structured manner in accordance with the requirements set out in the standard. Relevant risks have action plans that are followed up regularly, by risk owners and by the information security steering group.

Service continuity is crucial to Careium's operations. The consequences of failure are severe, therefore this risk is constantly in focus. In all alarm centres, the Company's continuity is tested through exercises based on various scenarios. Proactive system testing is performed to identify weaknesses and risks. During the year, we have experienced difficulties in maintaining service delivery in United Kingdom at an acceptable level meaning that this risk has increased.

Country infrastructure failures. The infrastructure in each country, such as electricity, internet, and national telecommunications networks, is necessary for the operation of telephones and personal emergency response systems. Careium's alarm centres have backup functions and a high degree of redundancy in critical infrastructure. If the national infrastructure is seriously damaged, however, there is a risk of alarm chains not working. The UK business has been impacted during the year by the poor performance of the ambulance service.

Supply chain disturbances are a regular occurrence. This is managed by using a number of different suppliers and through good communication and planning to deal with component shortages. Control and communication have been strengthened and this risk has been reduced.

Site and personnel business continuity include illnesses, traffic accidents, fires and emergencies affecting offices. Procedures are in place to manage these risks.

Systems and procedures have been stabilised as the split where Careium was spun off from Doro is now complete.

FINANCIAL RISKS

Financial risks, see note 23 on pages 71–72.

SUSTAINABILITY RISKS

Occupational health and safety risks are assessed per operational site, in accordance with local legislation and in accordance with Careium's guidelines. An annual summary is prepared that is reported to the group management. Working in an alarm centre can be stressful and psychologically demanding, as the needs of the alarm service users are at the heart of the operation. This is managed with the support of team leaders and by focusing on having a good workplace. A good introduction and clear procedures support the employees in their day-to-day work.

Supply chain Environment issues are addressed through evaluations of suppliers and contract requirements. ESG policy is used for supplier requirements. Audits and other checks are carried out on relevant suppliers, with a focus on those where the risks are deemed to be the greatest. Customers' demands for control of the entire supply chain are constantly increasing and we are developing our procedures in line with this.

Corruption risks have been evaluated, based on the Global Compact "Guide for Anti-Corruption Risk Assessment" and Transparency International's risk figures in different countries. A digital training course has been developed and sent to Careium employees involved in purchasing decisions and sales. Careium's whistleblowing policy can be found on the Company's website; no incidents of corruption have been received in 2022.

Leak of information could affect the privacy of our customers as large amounts of sensitive personal data are handled. We have clear internal rules for handling personal data, which are communicated to new employees and in recurring courses. We also have technical systems that protect our information.

Climate limitation mainly concern the fact that Careium's products are manufactured in Asia and transported to the European market, with climate impact both in production and transportation. A society that focusses on climate issues is an opportunity for Careium, as demand for digital services is likely to increase if travel has to be cut back.

Climate adaptation lie in the risks of disruptions to the supply chain and in the risks of maintaining service delivery during extreme weather. Careium's offices in Europe and the warehouses we use are not located in places with high exposure to extreme weather.

Corporate governance

The Swedish Corporate Governance Code ("the Code") applies to Swedish limited companies whose securities are admitted to trading on a regulated market in Sweden, currently Nasdaq Stockholm and NGM Equity. The Company is thus not formally covered by the Code, as the Company's shares are not intended to be admitted to trading on a regulated market. The Board has currently chosen not to apply the Code.

General information about Careium

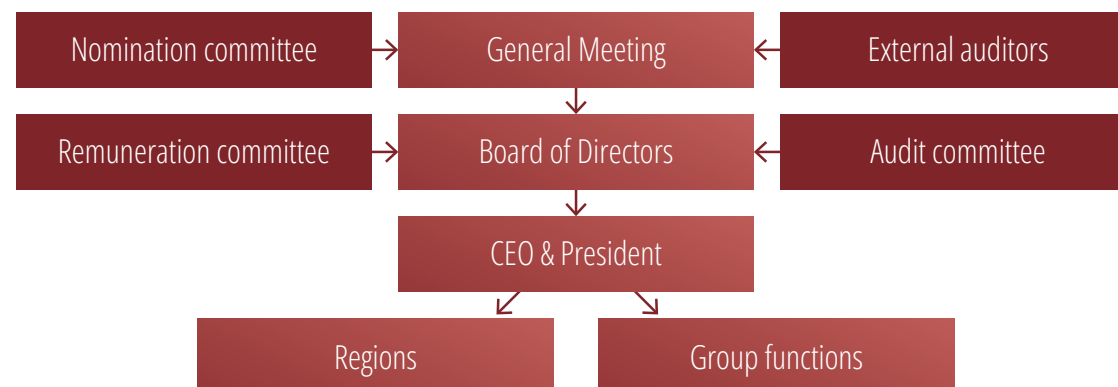
Careium is a Swedish public limited company. The Company's governance is based on the Articles of Association, the Swedish Companies Act, the Annual Accounts Act, First North's regulations and other applicable regulations. Careium is governed through several bodies. At the Annual General Meeting, the shareholders exercise their voting rights, for example, to influence the composition of the Board and to elect auditors. The Board's duties are established in part by Careium's CEO. The CEO is responsible for and leads the day-to-day operations in accordance with the Board's guidelines.

Shareholders

According to the shareholder register held by Euroclear Sweden AB as of 31 December 2022, Careium had 5,159 shareholders. Of the total number of shares, foreign shareholders accounted for 55.0 per cent. The number of shares in Careium at 31 December 2022 was 24,326,214 and at the same date Careium's market capitalisation was SEK 219 million. Careium's largest shareholder is Accendo Capital, which owns 17.1 per cent of the Company's shares.

General Meeting

The General Meeting is the highest decision-making body in a limited liability company. It is at the Annual General Meeting that all shareholders can exercise their voting rights and decide on matters that affect the Company and its operations. The Swedish Companies Act and the Articles of Association stipulate how the Annual General Meeting and Extraordinary General



Meeting shall be convened and who has the right to participate and vote at the General Meeting.

The Annual General Meeting shall be held within six months after the end of the financial year. At the Annual General Meeting, resolutions are made on the adoption of the income statement and balance sheet for the Company, allocation of the profit or loss for the year according to the approved balance sheet, discharge from liability for the Board and the CEO for the financial year, appointment of Board members and auditor, and remuneration to Board members and auditor according to the law and articles of association.

All shareholders who are directly registered in the shareholder register kept by Euroclear Sweden six banking days before the General Meeting and who have notified the Company of their intention to participate in the General Meeting no later than the date stated in the notice convening the General Meeting have the right to participate. Shareholders can attend the General Meeting in person or by proxy and can also be accompanied by assistants.

Nomination committee

At the General Meeting of Careium on 29 April 2022, a resolution was adopted on the principles for the composition and work of the Nomination Committee of the Company, which

shall apply until a resolution is adopted to change them by the General Meeting.

The Nomination Committee shall consist of 3 (3) members representing the Company's largest shareholders by voting power. The Chair of the Board of Directors of the Company shall be an adjunct to the Nomination Committee.

Prior to the 2023 Annual General Meeting, the Nomination Committee consists of Chairman Mark Shay of Accendo Capital, Richard Torgerson of Nordea Fonder and Peter Lindell of Rite Internet Ventures. Lennart Jacobsen, chair of Careium AB, has been co-opted to the nomination committee.

The majority of the members of the Nomination Committee shall be independent of the Company and its management. The CEO or any other member of the management shall not be a member of the Nomination Committee. At least one of the members of the Nomination Committee shall be independent of the largest shareholder or group of shareholders in the Company with voting rights who cooperate in the management of the Company.

The Nomination Committee shall submit proposals to the Annual General Meeting on the matters set out below:

- election of the chairman of the meeting,
- number of Board members,
- election of the Chair and Board members,

- the remuneration of the Board of Directors with a breakdown between the Chair of the Board and the other members and, where appropriate, remuneration for committee work,
- the election of the auditor or auditors,
- the remuneration of the Company's auditor, and
- to the extent deemed necessary, changes in the principles for the appointment of the Nomination Committee and instructions to the Nomination Committee.

In the case of a general meeting other than an Annual General Meeting, the proposal of the nomination committee shall include the election or elections to take place at the general meeting.

The Board

The Board is the highest decision-making body after the General Meeting and also the highest executive body. The Board shall continuously assess the Company's financial situation and ensure that the Company's organisation is designed in such a way that the accounting, management of funds, and the Company's financial circumstances are otherwise controlled in a satisfactory manner. According to the Swedish Companies Act, the Board is responsible for the Company's organisation and management of the Company's affairs.

The Company's Board members are elected at the Annual General Meeting for the period until the end of the next Annual General Meeting. Careium's Articles of Association do not contain any restrictions regarding the eligibility of Board members. According to the Articles of Association, the Board shall consist of a minimum of three and a maximum of ten members.

The Board decides on issues concerning the Company's business focus, strategy, business plan, resources and capital structure, organisation, acquisitions, major investments, divestments and annual reports, as well as other general issues of a strategic nature. In addition, the Board takes up and decides on other matters that fall outside the scope of responsibility of the CEO. The Board shall also ensure that the Company's disclosure of information is characterised by openness and that it is correct, relevant and reliable. In addition, the Board's tasks include

appointing, evaluating and, if necessary, dismissing the CEO.

The Board has adopted rules of procedure for its work which, among other things, contain rules for the number of ordinary Board meetings, matters to be dealt with at ordinary Board meetings, the Chair's duties and instructions regarding the division of responsibilities between the Company's Board and CEO. The Rules of Procedure, which are decided annually by the Board, also contain instructions on which financial reports and which financial information must be submitted to the Board.

The board had eleven meetings during the year. All Board member attended all meetings. At each board meeting, the board considers whether there are any conflicts of interest at each decision point.

The Board has established a Remuneration Committee and an Audit Committee. The Audit Committee consists of Cecilia Ardstrom (Chair), Kai Tavakka and Lennart Jacobsen, and has been set up with the main task of preparing the Board's work to ensure the quality of financial reporting. The Remuneration Committee consists of Lennart Jacobsen (Chair) and Towa Jexmark, and has been set up to consider issues relating to remuneration of the CEO and other senior executives.

Evaluation of the work of the Board

Careium's Chairman Lennart Jacobsen is responsible for conducting an evaluation of the work of the Board, including its committees (Audit and Remuneration Committee), together with an independent party, on an annual basis.

Remuneration for the board

Remuneration for Board members, the chair of the Board and for committee work is decided annually by the Annual General Meeting. A proposal for remuneration is being prepared by the Company's Nomination Committee. Remuneration to the board during the year has been paid as follows:

- Chairman Lennart Jacobsen received SEK 600,000 for the chairmanship of Careium's board, SEK 60,000 for the chairmanship of the remuneration committee and SEK 40,000 as a member of the audit committee.

- Cecilia Ardstrom received a total of SEK 330,000 for the board work and chairship of the audit committee, Towa Jexmark SEK 280,000 for board work and as a member of the remuneration committee, Kai Tavakka SEK 193,000 for board work and as a member of the audit committee, and Stefan Berg and Christian Walén SEK 167,000 each for board work.

In total, the remuneration for board and committee work amounted to SEK 1,837 thousand (109), which follows the decision of the Annual General Meeting.

Diversity policy on the Board

The members of Careium's Board as a group shall have a composition appropriate to the Company's business, stage of development and other circumstances, characterised by diversity and breadth in terms of the skills, experience and background of the members elected by the General Meeting. An even gender division shall always be sought.

Auditor

The auditors monitor and review the management of the Company by its Board of Directors and Chief Executive Officer and the quality of the Company's financial reporting. On 29 April 2022 the auditing company Öhrlings PricewaterhouseCoopers AB was appointed as Careium's auditors for the period up to the end of the 2023 Annual General Meeting, with Johan Rönnbäck as the principal auditor. In the past year, fees for audit work within the Careium Group amounted to SEK 2,1 million (2,9).

The CEO and senior executives

Maria Khorsand, the Company's CEO, was subordinate to the Board and was responsible, in accordance with the Swedish Companies Act, for the day-to-day management of the Company's affairs in accordance with the Board's guidelines and instructions.

The Board of Directors has established instructions for the CEO to clarify the responsibilities and powers of the CEO ("CEO instructions"). The Board shall continuously evaluate the work

of the CEO. According to these instructions, the CEO shall also provide the Board with the information and decision-making information required for the Board to be able to fulfil its duties to manage the Company's affairs and continuously monitor operations. The CEO shall, within the framework of the Swedish Companies Act and the business plan, budget and CEO instructions established by the Board, as well as other guidelines and instructions issued by the Board, make the necessary decisions in the day-to-day management of the Company.

The CEO and senior executives, with the support of various staff functions, are responsible for ensuring compliance with the Company's overall strategy, financial and business controls, financing, capital structure, risk management and acquisitions. This includes the establishment of financial statements as well as communicating with and providing information to investors.

Against the background of the follow-up and controls that the board, the managing director and the auditors perform it was not considered necessary to establish a special internal audit.

Remuneration to group management

Guidelines to senior executives, applied in 2022, were adopted by the Annual General Meeting of Careium, in April 2022. The total remuneration will be reviewed annually to ensure that it is market-based and competitive. The remuneration to senior executives and employees within Careium must reflect the individual's performance, behaviour and responsibilities, both in the short and the long term. When assessing the performance of the CEO and the group management, in relation to a number of predetermined, well-defined goals (individual, departmental and team-related), Careium applies a structured process in order to assess performance accurately. In addition to fixed basic salary, members of the management team can also receive variable cash remuneration, which must have a predeter-

mined ceiling and be based on measurable targets (qualitative, quantitative, general and individual). Terms and conditions for variable salary must be designed in such a way that the Board of Directors has the potential to limit or refuse to pay variable salary if such a measure is deemed reasonable. Such remuneration must not exceed an amount corresponding to 30 per cent of the fixed annual salary, and must not be paid more than once per year per individual for a member of the group management, with the exception of the CEO, who may receive up to 50 per cent. Decisions regarding such remuneration must be made by the Board of Directors following a proposal by the Remuneration Committee. The Company's former CEO, who resigned on October 24, 2022, received a salary of SEK 3,606 thousand in 2022, including settlement of earned vacation days. The Company's current interim CEO received consulting fees amounting to SEK 802 thousand in 2022. Salaries to the other members of the group management amounted to SEK 12,316 thousand. During the year, the Company also had members of the group management on a consulting basis who received consulting fees of SEK 2,445 thousand. Some employees in the group management, including the CEO, were offered a salary benefit in the form of a company car if desired. The Company's other senior executives have a notice period of six months.

Governance of subsidiaries

The eleven subsidiaries are governed and supervised by their own boards in each country, mainly consisting of representatives of Careium in Sweden. Careium's President and CEO or CFO is the Chair of the Board of each subsidiary. The subsidiaries report to the Careium Board at all meetings. The reports contain information on the performance and financial position of each Company.

Risk assessment

Risk and risk management in Careium's operations are described in more detail in the Risk Management section on pages 39–40. The specific financial risks are described in more detail in note 23. Careium performs an ongoing risk assessment to identify material risks that could lead to errors in financial reporting. Risk management is embedded in each process and various methods are used to assess and mitigate risks and to ensure that the risks to which Careium is exposed are managed in accordance with established regulations, instructions and monitoring procedures. The purpose of this is to reduce any risks and promote correct accounting, reporting and information disclosure.

Malmö, March 2023

Careium's Board

Board of Directors



Lennart Jacobsen
Chairman of the Board since 2021
Born: 1966

Education: Master of Science in Electrical Engineering and Telecommunications from the Royal Institute of Technology.

Experience: Lennart has served as a Board member of Qliro Group AB and CEO of GE Money Bank Nordics. In addition, Lennart has served as EVP Head of Retail Banking at Nordea, a business that provided services to more than 10 million Nordic customers. Prior to that, Lennart held various positions within GE Capital.

Other ongoing assignments: Chairman of the Board of AB Svensk Exportkredit and Playground Group AB. President and Board member of Invesi Investment AB. Board member of Swedbank Robur Fonder AB and Oryx Holding AB.

Shareholding in Careium (including those of related parties holdings): 80,639 shares.

Independence: Independent in relation to Careium, its management and its major shareholders.



Kai Tavakka
Board member since 2022
Born: 1986

Education: Master of Science in Economics, Aalto University and CFA Charterholder from CFA Institute.

Experience: Kai has previously worked in corporate finance at Danske Bank and PCA Corporate Finance.

Other ongoing assignments: Partner at Accendo Capital and Board member of SSH Communications Security Corp.

Shareholding in Careium (including those of related parties holdings): 13,000 shares.

Independence: Independent in relation to Careium and its management. Dependent in relation to Careium's largest owners.



Towa Jexmark
Board member since 2021
Born: 1971

Education: Degree in physiotherapy from Lund University and medical degree from Umeå University.

Experience: Towa has many years of experience from the health care sector, where she has worked in several different roles. Within Region Skåne, Towa has worked as a clinical physician and also held managerial roles, as operations and division manager. For the past seven years, Towa has worked at Capio / Ramsay Santé in roles such as VP Group Medical development Capio and as CEO of Capio Go – an internal start-up company within Capio, which focused on digital healthcare services. Since 2019, Towa has been leading a Group-wide innovation team in the role of Head of Innovation & Strategic partnerships. Ramsay Santé is today Europe's second largest private care provider with operations in five countries.

Other ongoing assignments: Head of Innovation at Ramsay Gds.

Shareholding in Careium (including those of related parties holdings): 1,700 shares.

Independence: Independent in relation to Careium, its management and its major shareholders.



Stefan Berg
Board member since 2022
Born: 1971

Education: Phil. Bachelor of Science in Systems Science, Uppsala University.

Experience: Stefan has previously worked at Electrolux in Internet of Things (IoT) and as Chief Information Officer (CIO) at Com Hem. He also has experience from AU-System/Teleca, Cybercom Group and Strand Interconnect.

Other ongoing assignments: Chief Technology Officer (CTO) at Transcom. Board member of Finly AB and own company Mountainflow AB.

Shareholding in Careium (including those of related parties holdings): 5,000 shares.

Independence: Independent in relation to Careium, its management and its major shareholders.



Cecilia Ardström
Board member since 2021
Born: 1965

Education: Studies in economics at the Gothenburg School of Economics.

Experience: Cecilia's most recent experience is as acting CEO of AMF Fonder AB and as a Board member of, among others, Aktiebolaget Svensk Exportkredit, DORO AB, Länsförsäkringar Fondförvaltning AB and Humlegården Fastigheter AB. In addition, Cecilia has experience as Head of Risk and COO at Folksam Capital Management and as Head of Investment at Folksam Group and Länsförsäkringar AB.

Other ongoing assignments: Chair of Nordic Credit Partners AB. Board member of Euroclear Sweden AB, AMF Fonder AB, Teracom AB, Teracom Group AB and Guldsillen AB. Chief Operating Officer CARM Solutions AB.

Shareholding in Careium (including those of related parties holdings): 1,565 shares.

Independence: Independent in relation to Careium, its management and its major shareholders.



Christian Walén
Board member since 2022
Born: 1981

Education: Reg. Psychologist, majoring in organization, Linköping University and MBA, majoring in financial analysis, Stockholm School of Economics.

Experience: Christian has previously been CEO of Assessio as well as Senior Manager at Accenture.

Other ongoing assignments: CEO of PBM Sweden AB, global business manager for mental health and Nordic manager of B2B within Kry/Livi since 2021. Chairman of Hundra HQ.

Shareholding in Careium (including those of related parties holdings): 2,607 shares.

Independence: Independent in relation to Careium, its management and its major shareholders.

Careium's auditor

Öhrlings PricewaterhouseCoopers AB, with address Anna Lindhs Plats 4, 211 19 Malmö, is Careium's auditor. Johan Rönnbäck, chartered accountant and member of FAR (the industry association for chartered accountants), is the principal auditor.

Management



Maria Khorsand
Interim CEO since 2022
Born: 1957

Education: Masters of Science, California State University, Fullerton California, USA, Major in Computer Science.

Experience: Maria has served as CEO of SOS Alarm AB, SP Technical Research Institute of Sweden, Dell Sweden, and Ericsson Technology Licensing. During her extensive career she has held several executive positions at OMX, Eriksson, Riksbanken (Sweden's central bank) and Burroughs Corporations in the U.S.

Other ongoing assignments: Member of the board at the VTI – Road and transport institute, Swedish Sea Rescue Society, Mistra – Foundation for strategic environmental research.

Shareholding in Careium (including holdings of related parties): –



Johan Helgertz
Head of Portfolio and Technology since 2021
Born: 1970

Education: Master's Degree in Business Administration at Lund University.

Experience: Johan has previous experience in the role of senior business developer at Sony, Product Director and Head of Portfolio Innovation at Sony Mobile.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): 2,150 shares.



Mathias Carlsson
CFO since 2021
Born: 1970

Education: Master of Science in Business and Economics from Växjö University.

Experience: Mathias has previous experience from assignments as Head of Financial Control at DORO AB. In addition, Mathias has been an authorised public accountant and partner at PwC.

Other ongoing assignments: Member of the Board of Careium Norge AS, Innocom, Victrix SocSan, Greencoat House Ltd with subsidiaries and Velloma AB.

Shareholding in Careium (including holdings of related parties): 37,000 shares.



Annika Ramsing
CHRO since 2021
Born: 1972

Education: Bachelor's Degree in Behavioural science from Lund University.

Experience: Annika's most recent experience is as CHRO for DORO AB and she has previous experience from assignments as Group HR Manager for TwentyFourSevenGroup AB, HR Manager for 3DK, HRBP for Grontmij AB.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): 1,946 shares.



Ulrik Nilsson
COO since 2021
Born: 1971

Education: General secondary education in electrical telecommunications.

Experience: Ulrik's most recent experience is as VP Operations at DORO AB and he has previous experience from assignments as Operations Director, IT/IS Director.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): 15,500 shares.



Martin Puumalainen
Regional Manager Nordics and Other markets since 2021
Born: 1969

Education: Master's Degree in Law from Lund University.

Experience: Martin's most recent experience is as Regional Manager Sweden for DORO AB and consulting on public procurement. He has previous experience working as Country Manager Sweden at Lekolar, Group Purchasing Manager at Arriva Scandinavia A/S.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): –



Yvonne Warmerdam
Regional manager Netherlands since 2022
Born: 1961

Education: Master's Degree in psychology from Rijksuniversiteit Leiden, Post-HBO Business management at Hogeschool Leeuwarden.

Experience: Yvonne has extensive experience from several leading positions at Eurocross Assistance, process and sales manager at Innocom Bureau for Bedrijfscommunicatie BV, as well as solid experience from security alarms the industry.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): –



Paul Goodrich
Regional manager UK since 2022
Born: 1972

Education: Bachelor's Degree in Economics at Surrey University and Master's Degree in Logistics and Supply Chain Management from Cranfield Business School.

Experience: Paul has a diverse background from several industries – healthcare, logistics, oil and gas. Over the past ten years, Paul has served at board level in the NHS and Bupa, as CEO of a global top 100 hospital in London, as well as director of provider management at Bupa. During Paul's previous career, he has also been stationed in the Middle East, Europe and the USA.

Other ongoing assignments: –

Shareholding in Careium (including holdings of related parties): –

Remuneration report

In accordance with the Swedish Companies Act Chapter 8 (53 a) below, a report on remuneration to Board members, the CEO and the Deputy CEO (the Report). Remuneration to Board members over and above board fees is also covered in this report, where applicable. The report describes how the guidelines for remuneration to senior executives for Careium, adopted by the Annual General Meeting of Careium in April 2022, were applied in 2022. The report also contains information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board.

Rules on remuneration to senior executives and on incentive programs

Further information about remuneration to senior executives can be found in Note 5 (Employees and staff costs) on pages 62–63 in the 2022 annual report. Information about the work of the remuneration committee during 2022 can be found in the corporate governance report on pages 42–43 of the 2022 annual report. Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are disclosed in note 5 on pages 62–63 of the 2022 Annual Report.

The CEO summarises the Company's overall performance in his report on pages 9–10 of the 2022 Annual Report. The main purpose of the Report is to give shareholders the opportunity to form an opinion on how the guidelines have been applied with regard to such remuneration as is covered by the guidelines in accordance with Chapter 8 (51) of the Swedish Companies Act, that is guidelines for salary and other remuneration to Board members, the CEO and the deputy CEO. The principles and the governance model for remuneration are set out in the Policy, which states that remuneration must be in line with the Company's business strategy, long-term interests and sustainability, and that it must ensure the avoidance of conflicts of interest. It can be noted that CEO Carl-Johan Zetterberg Boudrie left his post in October 2022 and was replaced by interim CEO Maria Khorsand.

The Company has not registered any deputy CEO.

Excerpts from the policy are marked with "" below, followed by a statement in figures with comparative material;

""The guidelines promote the Company's business strategy, long-term interests and sustainability

In order for Careium successfully to implement the Company's business strategy, as described on the Company's website, and to safeguard the Company's long-term interests, including its sustainability, the Company needs to be able to recruit, retain and continue to motivate qualified employees.

The remuneration to senior executives and employees within Careium must reflect the individual's performance, behaviour and responsibilities, both in the short and the long term. When assessing the performance of the CEO and the group management, in relation to a number of predetermined, well-defined goals (individual, departmental and team-related), Careium applies a structured process in order to assess performance accurately. This process takes into account not only "what" is delivered, but also "how" it is delivered, i.e. performance in combination with behaviour. Decisions regarding the payment of remuneration should only be made on the basis of the guidelines set out in policies and instructions. Discrimination

relating to factors such as race, gender, age, religion or ethnicity is not permitted under any circumstances.

The remuneration to senior executives and employees normally consists of:

- Fixed basic salary
- Short-term variable remuneration paid in cash (key individuals)
- The potential to participate in long-term incentive plans (key individuals), and
- Pension and other customary benefits

The fixed basic salary should consist of a fixed annual cash salary corresponding to remuneration for the role and the position. The size of the remuneration is influenced by the complexity of the work, responsibility, performance, local market conditions and the way in which it contributes to achieving the business goals. As the fixed salary should reflect the performance of the employee, it is individual and differentiated.

A fixed term, variable remuneration must be based on

Table - Total remuneration to the CEO in 2022 (SEK thousand)*

| CEO | Fixed compensation*** | Variable compensation | Other benefits | Pension costs | Total compensation | Proportion of fixed/variable compensation |
|-------------------------------|-----------------------|-----------------------|----------------|---------------|--------------------|---|
| Carl-Johan Zetterberg Boudrie | 3,606.2** | 0 | 106.0 | 744.3 | 4,456.6 | 100/0 |

* The table reports compensation paid for the period 1 January – 31 October 2022. On 24 October 2022, interim CEO Maria Khorsand took office on a consulting basis. She received a consulting fee of SEK 802 thousand during the year.

** Including settlement of earned holiday days in connection with Carl-Johan Zetterberg Boudrie leaving the company on 31 October 2022.

*** Excluding the settlement of earned holiday days in connection with Carl-Johan Zetterberg Boudrie leaving the CEO post and adjusted for the fact that his service period was 1 month for 2021 and 10 months in 2022, the remuneration to the CEO has increased by 26 per cent. Average compensation in the group, based on the number of full-time equivalents (excluding CEO) amounted to SEK 453 thousand (404), an increase of 12 per cent. The CEO's remuneration was 5.4 times higher than average remuneration in the group.

the achievement of predetermined targets, and the variable remuneration must have a predetermined ceiling. The outcome must be linked to measurable targets (qualitative, quantitative, general and individual). No remuneration can be paid if there is no clear link to the achievement of the targets. In the case of financial targets, the assessment must be based on the latest financial information published by the Company.

A short-term programme with variable salary aims to safeguard the Company's long-term sustainability, and a maximum cost including social security contributions for variable remuneration may not exceed the fixed remuneration of the Company's senior executives.

Terms and conditions for variable salary must be designed in such a way that the Board of Directors has the potential to limit or refuse to pay variable salary if such a measure is deemed reasonable. Such remuneration must not exceed an amount corresponding to 30 per cent of the fixed annual salary, and must not be paid more than once per year per individual for a member of the group management, with the exception of the CEO, who may receive up to 50 per cent. Decisions regarding such remuneration must be made by the Board of Directors following a proposal by the Remuneration Committee.

Additional variable cash remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are for a limited time period and are only made at an individual level, either for the purpose of recruiting or retaining employees, or as remuneration for extraordinary work over and above the person's regular duties.¹

The board's view is that the total remuneration to the CEO is in accordance with the Company's guidelines. The remuneration

contributes to the Company's long-term results by being market-based and founded on predetermined targets. The CEO's remuneration is a consequence of the achievement of measurable goals (qualitative, quantitative, general and individual). These goals are set out in the Policy and the process presented therein, in accordance with the follow-up and assessment thereof carried out by the board of directors. During the period, the Company has not recovered any variable remuneration. The Company's process regarding the payment of variable remuneration is such that payment is only made following verification that the relevant targets have been achieved, but provides the potential for recovery if a situation arises that brings the issue to the fore.

Excerpts from the policy

Preparation and decision-making process

A remuneration committee exists within the board of directors. The committee's duties include preparing principles for remuneration to the group management and for the board's decision regarding proposed guidelines for remuneration to senior executives. New guidelines will be drawn up at least every four years and be submitted for a decision at the Annual General Meeting. The guidelines always apply until new guidelines have been adopted by the general meeting.

The Remuneration Committee will also follow and evaluate programmes for variable remuneration to the group management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels within the Company. The CEO's remuneration will be determined within the framework of approved principles

by the board of directors following preparatory work and a recommendation by the remuneration committee. The CEO's decision regarding remuneration to other senior executives will be made within the framework of established principles and following reconciliation with the remuneration committee. The members of the remuneration committee are independent in relation to the Company and the group management. The CEO or other members of the group management, to the extent that they are affected by the issues, are not present during the board's discussion of and decisions on remuneration-related matters.

Departures from the guidelines

The board may decide to temporarily suspend the guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the long-term interests of the Company, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the remuneration committee's task to prepare the board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.²

Malmö, March 2023

Careium AB (publ)
The Board

Financial information

Income statement – The Group

| SEK million | Note | 2022 | 2021 |
|---|----------|--------------|--------------|
| Net sales | 2, 3 | 725.1 | 587.5 |
| Cost of goods and services sold | | -451.4 | -347.2 |
| Gross profit | | 273.7 | 240.3 |
| Sales, distribution and marketing expenses | | -148.7 | -126.9 |
| Research and development expenses | | -17.7 | -18.6 |
| Administration expenses | | -160.8 | -99.4 |
| Other income and expenses | 2 | 37.7 | 13.3 |
| Operating profit | 4, 5, 29 | -15.8 | 8.6 |
| Profit from financial items | | | |
| Financial income | 6 | 9.2 | 2.8 |
| Financial expenses | 6 | -8.8 | -2.2 |
| Profit after financial items | | -15.4 | 9.2 |
| Income tax | 17 | 6.8 | -4.5 |
| PROFIT FOR THE YEAR | | -8.6 | 4.7 |
| Attributable to: | | | |
| The Parent Company's Shareholders | | -11.4 | 4.5 |
| Key figures | | | |
| Average number of shares, thousand | 11 | 24,326 | 24,032 |
| Average number of shares by dilution effect, thousand | | 24,326 | 24,032 |
| Earnings per share before dilution, SEK | | -0.47 | 0.19 |
| Earnings per share after dilution, SEK | | -0.47 | 0.19 |

Statement of comprehensive income – The Group

| SEK million | 2022 | 2021 |
|--|-------------|-------------|
| PROFIT FOR THE YEAR | -8.6 | 4.7 |
| Items that may later be transferred to the income statement: | | |
| Translation differences | 23.7 | 14.6 |
| Other comprehensive income | 23.7 | 14.6 |
| Total result | 15.1 | 19.3 |
| Attributable to: | | |
| The Parent Company's Shareholders | 12.3 | 19.1 |

Balance sheet – The Group

| SEK million | Note | 2022 | 2021 |
|--|--------|--------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Goodwill | 7 | 428.7 | 407.8 |
| Customer register and distribution agreement | 7 | 24.3 | 40.4 |
| Trademarks | 7 | 0.2 | 0.7 |
| Capitalized expenditure for development work | 7 | 122.9 | 99.5 |
| Right-to-use assets | 4 | 38.7 | 40.5 |
| Equipment, tools and rental equipment | 8 | 63.2 | 55.1 |
| Long-term receivables | 4 | 35.5 | 9.7 |
| Deferred tax asset | 17 | 13.2 | 1.8 |
| | | 726.7 | 655.5 |
| Current Assets | | | |
| Inventory | 19 | 50.4 | 39.7 |
| Accounts receivable | 23 | 117.8 | 168.9 |
| Other receivables | 4, 10 | 23.1 | 11.8 |
| Prepaid expenses and accrued income | 10 | 34.2 | 33.3 |
| Cash and cash equivalents | 12, 23 | 39.9 | 142.5 |
| Total current assets | | 265.4 | 396.2 |
| TOTAL ASSETS | | 992.1 | 1,051.7 |

| SEK million | Note | 2022 | 2021 |
|---|------|--------------|----------------|
| SHAREHOLDER ´S EQUITY | | | |
| Share capital | 11 | 0.5 | 0.5 |
| Reserves | | 29.2 | 5.5 |
| Profit/loss brought forward | | 483.8 | 495.3 |
| Hybrid capital | | 53.1 | 50.2 |
| Total shareholders' equity | | 566.6 | 551.5 |
| LONG-TERM LIABILITIES | | | |
| Interest-Bearing Liabilities | | | |
| Liabilities to credit institutions | 24 | 225.0 | 250.9 |
| Leasing liabilities | 12 | 29.2 | 0.0 |
| Liabilities to Group companies | 4 | 24.7 | 27.9 |
| Total Interest-Bearing Liabilities | | 278.9 | 278.8 |
| Non-Interest-Bearing Liabilities | | | |
| Other provisions | 22 | 0.7 | 0.7 |
| Other long-term liabilities | 18 | 0.0 | 36.2 |
| Deferred tax liabilities | 17 | 4.2 | 2.9 |
| Total Non-Interest-Bearing Liabilities | | 4.9 | 39.8 |
| CURRENT LIABILITIES | | | |
| Interest-Bearing Liabilities | | | |
| Leasing liabilities | 4 | 14.6 | 13.5 |
| Total Interest-Bearing Liabilities | | 14.6 | 13.5 |
| Non-Interest-Bearing Liabilities | | | |
| Provision for guarantees | 20 | 1.6 | 1.4 |
| Accounts payable | | 36.8 | 78.9 |
| Other liabilities | | 25.5 | 30.9 |
| Current tax liabilities | | 0.8 | 2.1 |
| Accrued expenses and prepaid income | 13 | 62.4 | 54.8 |
| Total Non-Interest-Bearing Liabilities | | 127.1 | 168.1 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 992.1 | 1,051.7 |

Report on changes in shareholders equity – The Group

| SEK million | Share capital | Reserves ¹⁾ | Profit brought forward | Hybrid capital | Total share- holders' equity |
|---|---------------|------------------------|------------------------|----------------|---------------------------------|
| Shareholders' Equity 31 December 2020 | 0.0 | -9.1 | 395.6 | 0.0 | 386.5 |
| Profit for the year | | | 4.5 | 0.2 | 4.7 |
| Other comprehensive income | | 14.6 | | | 14.6 |
| Comprehensive income | 0.0 | 14.6 | 4.5 | 0.2 | 19.3 |
| Issuance of perpetual subordinated instruments (hybrid loans) | | | | 50.0 | 50.0 |
| Other transactions with shareholders | 0.5 | | 95.2 | | 95.7 |
| Total Transactions with Shareholders | 0.5 | 0.0 | 95.2 | 50.0 | 145.7 |
| Shareholders' Equity 31 December 2021 | 0.5 | 5.5 | 495.3 | 50.2 | 551.5 |
| Profit for the year | | | -11.4 | 2.8 | -8.6 |
| Other comprehensive income | | 23.7 | | | 23.7 |
| Comprehensive income | 0.0 | 23.7 | -11.4 | 2.8 | 15.1 |
| Total Transactions with Shareholders | | | | | 0.0 |
| Shareholders' Equity 31 December 2022 | 0.5 | 29.2 | 483.8 | 53.1 | 566.6 |

| | | |
|---|-------------|-------------|
| 1) Specification of reserves | 2022 | 2021 |
| Accumulated translation differences at the beginning of the year | 5.5 | -9.1 |
| This year's translation differences | 23.7 | 14.6 |
| Accumulated Translation Differences at the End of the Year | 29.2 | 5.5 |
| Total Reserves at the End of the Year | 29.2 | 5.5 |

Statement of cash flow – The Group

| SEK million | Note | 2022 | 2021 |
|--|------------|--------------|--------------|
| CURRENT ACTIVITIES | | | |
| Operating Profit | | -15.8 | 8.6 |
| Adjustments for Items not Included in the Cash Flow | | | |
| Changes in provisions | 20, 21, 22 | -35.2 | -14.1 |
| Depreciation and impairments | 7, 8, 29 | 74.6 | 56.5 |
| Total Items not Affecting Cash Flow | | 23.6 | 51.0 |
| Interest received | | 0.8 | 2.8 |
| Paid interest | | -8.6 | -2.3 |
| Taxes paid for the year | 17 | -4.4 | -5.3 |
| Cash flow from operating activities before changes in working capital | | -12.2 | -4.8 |
| Changes in Working Capital | | | |
| Change in inventory | 19 | -10.2 | -4.9 |
| Change in operating receivables | | 44.7 | -109.3 |
| Change in non-interest-bearing liabilities | | -67.0 | 48.2 |
| Cash Flow from Current Activities | | -21.1 | -19.8 |

| SEK million | Note | 2022 | 2021 |
|---|------|---------------|---------------|
| INVESTMENT ACTIVITIES | | | |
| Acquisitions of subsidiaries | 18 | -2.7 | -112.6 |
| Acquisition of intangible assets | 7 | -29.4 | -33.3 |
| Acquisition of tangible fixed assets | 8 | -36.6 | -17.8 |
| Cash Flow from Investing Activities | | -68.7 | -163.7 |
| FINANCING ACTIVITIES | | | |
| Transactions with Group companies | | 0.0 | 99.1 |
| Repayment of loans | 27 | -69.3 | -180.4 |
| Change of overdraft | | 29.2 | 0.0 |
| Loans | 27 | 25.0 | 372.3 |
| Cash Flow from Financing Activities | | -15.1 | 291.0 |
| This Year's Cash Flow | | -104.9 | 107.5 |
| Cash and cash equivalents at the beginning of the year | | 142.5 | 32.2 |
| Exchange rate difference in cash and cash equivalents | | 2.3 | 2.7 |
| Cash and Cash Equivalents at the End of the Year | 23 | 39.9 | 142.5 |

Income statement – Parent Company

| SEK million | Note | 2022 | 2020/2021 (18 months) |
|-------------------------------------|----------|-------------|--------------------------|
| Net sales | 2,3 | 9.5 | 1.0 |
| Cost of goods and services sold | | 0.0 | 0.0 |
| Gross profit | | 9.5 | 1.0 |
| Administration expenses | | -11.8 | -1.6 |
| Other income and expenses | 2 | 0.0 | 0.1 |
| Operating Profit | 4, 5, 29 | -2.3 | -0.5 |
| Profit from Financial Items | | | |
| Financial income | 6 | 11.6 | 4.0 |
| Financial costs | 6 | -8.8 | -0.4 |
| Profit after Financial Items | | 0.5 | 3.1 |
| Group contribution | | -0.6 | 0.0 |
| Income tax | 17 | 0.0 | -0.4 |
| PROFIT FOR THE YEAR | | -0.1 | 2.7 |

Statement of comprehensive income – Parent company

| SEK million | 2022 | 2020/2021 (18 months) |
|-----------------------------|-------------|--------------------------|
| PROFIT FOR THE YEAR | -0.1 | 2.7 |
| Other comprehensive income | 0.0 | 0.0 |
| Comprehensive income | -0.1 | 2.7 |

Balance sheet – Parent company

| SEK million | Note | 2022-12-31 | 2021-12-31 |
|-------------------------------------|--------|--------------|--------------|
| ASSETS | | | |
| Fixed assets | | | |
| Shares in Group Companies | 9, 25 | 376.5 | 310.1 |
| Receivables from Group companies | | 223.0 | 312.4 |
| Total fixed assets | | 599.5 | 622.5 |
| Current assets | | | |
| Accounts receivable | 23 | 0.0 | 2.0 |
| Receivables from Group companies | | 99.4 | 1.7 |
| Other receivables | 4, 10 | 0.2 | 0.0 |
| Prepaid expenses and accrued income | 10 | 0.4 | 1.5 |
| Cash and cash equivalents | 12, 23 | 0.0 | 85.5 |
| Total current assets | | 100.0 | 90.7 |
| TOTAL ASSETS | | 699.5 | 713.2 |

| SEK million | Note | 2022-12-31 | 2021-12-31 |
|---|------|--------------|--------------|
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 11 | 0.5 | 0.5 |
| Hybrid capital | | 53.1 | 50.0 |
| Profit/loss brought forward | | 360.0 | 363.2 |
| Total shareholders' equity | | 413.6 | 413.7 |
| LONG-TERM LIABILITIES | | | |
| Interest-Bearing Liabilities | | | |
| Liabilities to credit institutions | 24 | 225.0 | 250.0 |
| Overdraft | 12 | 29.2 | 0.0 |
| Total Interest-Bearing Liabilities | | 254.2 | 250.0 |
| Non-Interest-Bearing Liabilities | | | |
| Other long-term liabilities | 18 | 0.0 | 36.2 |
| Total Non-Interest-Bearing Liabilities | | 0.0 | 36.2 |
| CURRENT LIABILITIES | | | |
| Non-Interest-Bearing Liabilities | | | |
| Accounts payable | | 1.7 | 1.7 |
| Liabilities to Group companies | | 27.9 | 8.1 |
| Other liabilities | | 0.2 | 0.6 |
| Current tax liabilities | | 0.7 | 0.5 |
| Accrued expenses and prepaid income | 13 | 1.2 | 2.4 |
| Total Non-Interest-Bearing Liabilities | | 31.7 | 13.3 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 699.5 | 713.2 |

Report on changes in equity – Parent company

| SEK million | Share capital | Hybrid capital | Profit brought forward | Total equity |
|---|----------------------|-----------------------|-------------------------------|---------------------|
| Equity 30 June 2020 | 0.5 | 0.0 | 0.0 | 0.5 |
| Profit for the year | | | 2.7 | 2.7 |
| Other comprehensive income | | | 0.0 | 0.0 |
| Comprehensive income | 0.0 | 0.0 | 2.7 | 2.7 |
| Issuance of perpetual subordinated instruments (hybrid loans) | | 50.0 | | 50.0 |
| Other transactions with shareholders | | | 360.5 | 360.5 |
| Total transaction with shareholders | 0.0 | 50.0 | 360.5 | 410.5 |
| Equity 31 December 2021 | 0.5 | 50.0 | 363.2 | 413.7 |
| Profit for the year | | | -0.1 | -0.1 |
| Other comprehensive income | | | 0.0 | 0.0 |
| Comprehensive income | 0.0 | 0.0 | -0.1 | -0.1 |
| Interest hybrid loan | | 3.1 | -3.1 | 0.0 |
| Total Transactions with Shareholders | 0.0 | 3.1 | -3.1 | 0.0 |
| Equity 31 December 2022 | 0.5 | 53.1 | 360.0 | 413.6 |

Statement of cash flow – Parent company

| SEK million | Note | 2022 | 2021 |
|--|------|--------------|-------------|
| CURRENT ACTIVITIES | | | |
| Operating Profit | | -2.3 | -0.5 |
| Total Items not Affecting Cash Flow | | -2.3 | -0.5 |
| Interest received | | 4.3 | 4.0 |
| Interest paid | | -8.6 | -0.4 |
| Taxes paid for the year | 17 | 0.0 | 0.1 |
| Cash flow from current activities before changes in working capital | | -6.6 | 3.2 |
| Changes in Working Capital | | | |
| Change in operating receivables | | -94.8 | -4.7 |
| Change in non-interest-bearing liabilities | | 18.4 | 2.9 |
| Cash Flow from Current Activities | | -83.0 | 1.4 |
| INVESTMENT ACTIVITIES | | | |
| Additional purchase price subsidiary | | -2.7 | 0.0 |
| Cash Flow from investment Activities | | -2.7 | 0.0 |
| FINANCING ACTIVITIES | | | |
| Repayment of loans | 27 | -50.0 | -165.9 |
| Loans | 27 | 25.0 | 250.0 |
| Loans granted to group companies | | -4.0 | 0.0 |
| Change of overdraft | | 29.2 | 0.0 |
| Cash Flow from Financing Activities | | 0.2 | 84.1 |
| This Year's Cash Flow | | -85.5 | 85.5 |
| Cash and cash equivalents at the beginning of the year | | 85.5 | 0.0 |
| Exchange rate difference in cash and cash equivalents | | 0.0 | 0.0 |
| Cash and Cash Equivalents at the End of the Year | 23 | 0.0 | 85.5 |

Notes

Note 1 Basis for Preparation and Accounting Principles

General information

Careium AB (publ), which is the parent company in the Careium Group, is a limited liability company with its registered office in Malmö, Sweden. The company's operations are set out in the administration report on pages 37–38.

Basis for Establishment

Careium's consolidated financial reports have been prepared in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), as adopted within the EU, and the Swedish Financial Reporting Board's Recommendation RFR 1, Supplementary Accounting Rules for Groups.

Careium applies the acquisition value method when valuing assets and liabilities, other than with regard to debt for additional purchase consideration valued at fair value via the income statement. A further description of the preparation of the consolidated financial statements is set out below.

All amounts are stated, unless otherwise stated, in Swedish million kronor (SEK million).

The formation of the Careium Group is a transaction under joint control and is currently not covered by any IFRS, which means that an appropriate accounting principle must be applied in accordance with IAS 8. An applicable and accepted method is to use previously booked values (predecessor basis), which is the principle that Careium has chosen to apply.

The financial statements have been prepared based on the financial information reported for the above units for consolidated accounting purposes in Doro AB, which was Careium's parent company up until the demerger on 10 December 2021. The financial statements are thus an aggregation of this financial information and are presented as if the units were a Group from the time they were part of the Doro Group and mean that the units' assets and liabilities are presented with the book values for the highest level of joint control (i.e. Doro AB).

Due to the fact that it is not only legal entities that have been transferred in connection with the formation of the Careium Group, in preparing the financial statements, in addition to the principles used to determine which assets, liabilities, income and expenses as well as cash flows are to be included in the consolidated financial statements, the following considerations have been made:

Allocation of Income and Expenses

A prerequisite for preparing consolidated financial statements is that income and expenses as well as assets and liabilities are based on items that can be identified. Doro has had an internal cost allocation where key costs, including IT, finance and HR functions as well as other staff costs, have been charged to the operating segments, which means that related costs for Careium have been included in the consolidated financial reports.

Remuneration to Senior Executives

Due to the fact that there was no appointed Group management for Careium before 10 December 2021, no special information is presented regarding remuneration to senior executives before the period before 10 December 2021.

Derivatives and Hedge Accounting

Prior to separation, Careium's commercial flows have been hedged in accordance with Doro's financial policy, via internal reporting regarding future flows, which in turn have been hedged by Doro AB. No derivatives have been reported in these reports as the majority of the currency exposure hedged relates to flows related to the Doro Phones operating segment.

Financial Costs and Capital Structure

Financial costs charged to the units in Careium for the period prior to separation are based on the actual borrowing and interest costs that exist in the individual units. Careium's historical capital structure has not reflected it for a separate, listed unit as it has primarily been internally financed. The final capital structure for Careium was determined in connection with Doro's distribution of Careium.

Income tax

Tax is reported in the consolidated financial reports based on reported tax in the constituent units.

Profit per share

Calculation of earnings per share in these financial reports is based on the average number of shares outstanding in the Doro Group prior to separation. This is considered most relevant as the distribution of the Careium share will take place at a ratio of 1:1 to the Doro share.

Elimination of Transactions within Careium

Receivables, liabilities, income and expenses as well as unrealised gains and losses that arise between units within Careium are eliminated in their entirety. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no need for impairment.

Transactions between Careium and Doro are reported in the balance sheet on separate lines as short-term/long-term receivables/liabilities to Group companies prior to separation.

Accounting and Valuation Principles

Basis for preparing Careium's consolidated financial statements has been described above.

GROUP

Consolidated Financial Statements

Principles

The Group includes the companies in which Careium AB (publ), after the restructuring, directly or indirectly, owns so many shares that they correspond to more than 50 per cent of the votes. Acquired companies are included in the consolidated accounts from the date of acquisition or when a controlling influence is achieved. Sold companies are included up to and including the day of sale. Consolidated financial statements are prepared in accordance with the acquisition method, which means that the acquisition value of participations in Group companies is distributed over identifiable assets and liabilities at the time of acquisition, at fair values.

Non-utilised tax loss carryforwards in the acquired company are converted into deferred tax assets in the consolidated accounts if the assessed earning capacity means that they can be expected to be utilised. Furthermore, deferred tax is calculated on the difference between the fair values of assets and liabilities and tax values. In cases where the acquisition value of the shares in the Group Company exceeds the net of acquired assets and liabilities, as described above, the difference is reported as goodwill, which is tested at least annually for impairment.

When buying a company, the purchase price may depend on the result. In that case, a calculation is made of the future profit and thus the total purchase price. A reconciliation and possible

adjustment of the expected purchase price is made quarterly. Changes in the current item are reported in the income statement. Balances within the Group and unrealised internal gains are eliminated in the consolidated accounts. When eliminating internal transactions, the tax effect is also taken into account based on the nominal tax rate in each country.

Translation of foreign operations

All the foreign Group companies' assets and liabilities are translated at the exchange rate on the balance sheet date, while all items in the income statements are translated at the average exchange rate for the financial year. The translation differences that arise are an effect partly of the difference between the average exchange rates of the income statements and the exchange rates on the balance sheet date, and partly of the net assets being translated at a different exchange rate at the end of the year than at the beginning of the year. The translation differences are reported in other comprehensive income.

Exchange Rates

The following exchange rates have been used when translating foreign operations:

| Currency | Average Price | | Balance Day Course | |
|----------|---------------|-------|--------------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| EUR | 10.63 | 10.15 | 11.15 | 10.26 |
| NOK | 1.05 | 0.99 | 1.05 | 1.03 |
| GBP | 12.45 | 11.79 | 12.58 | 12.22 |
| USD | 10.06 | 8.59 | 10.41 | 9.04 |

Effects of changes in exchange rates

Receivables and liabilities in foreign currency are translated at the exchange rate on the balance sheet date, and unrealised exchange rate gains and losses attributable to operations are included in operating profit. Exchange rate differences attributable to non-operating items, such as cash and bank loans, are reported in net financial items.

Revenue from Agreements with Customers

Careium's revenues consist of product sales of mainly alarm units and sales of alarm services. Revenue from product sales is reported when control has passed to the buyer, which normally occurs when the products are delivered. Careium has discount agreements with most customers. Agreed discounts reduce the sales revenue in the period in which sales are reported. The Group's commitment to repair or replace defective products in accordance with normal warranty rules is reported as a provision.

The sales of services is normally offered as a package solution over an agreed period of time, including, for example, an alarm unit, alarm reception and communication between the alarm unit and the alarm centre. The Group's package solutions contain several performance commitments and the transaction price is distributed to each separate performance commitment based on their independent observable sales prices. Revenues relating to services, such as alarm reception and communication, are reported in the period in which the services are performed. When the offered package solution includes the provision of hardware, an assessment is made at each delivery whether the hardware part is to be classified as a financial lease or an operational lease, which affects the time when the performance commitment is delivered. For deliveries that are classified as financial leasing, revenue is reported when the hardware has been delivered to the

customer. For deliveries that are classified as operational leasing, the income is reported successively during the rental period.

State Aid

State Aid is reported as other revenues in the period it arises.

Remuneration to Employees

The employees' remuneration is reported with earned and paid salaries and earned bonus. Accounting is made for established holidays and social security contributions as accrued costs.

Pensions

The predominant proportion of Careium's commitments to staff are various defined contribution pension plans. A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service during the current or previous periods. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no additional payment obligations once the fees have been paid. The fees are reported as personnel costs when they fall due for payment. Prepaid fees are reported as an asset to the extent that cash repayment or reduction of future payments can benefit the Group.

Research and Development

Product development takes place in collaboration with various manufacturing external partners and the main expenses are with them. Product development refers to expenses for product adaptations, design, type approvals, etc. Expenses attributable to the development phase are capitalised as an intangible asset if it is probable, with a high degree of reliability, that they will result in future financial benefits for the Group. This means that stringent criteria must be met before a development project results in an intangible asset being activated. Such criteria include the ability to complete the project, proof that the project is technically viable and that a market exists, as well as the intention and ability to use or sell the intangible asset. It must also be possible reliably to measure costs during the development phase. Forming tools for the manufacture of the products at external partners are owned by Careium and the expenses for them are capitalised and depreciated according to plan if the product's service life is expected to exceed one year. Careium has no expenses for research.

Tangible and Intangible Fixed Assets

Fixed assets are reported at acquisition value less accumulated depreciation according to plan and accumulated impairments, in addition to goodwill, which are not depreciated in the Group.

Financial Instruments

Investments

The Group classifies its investments in debt instruments into three categories: accrued acquisition value, fair value via other comprehensive income and fair value via the income statement. The classification is made in accordance with IFRS 9, based on the business model and the debt instruments' contractual cash flows. Management classifies investments at the time of acquisition. Investments in debt instruments, within the framework of a business model whose goal is to hold financial instruments to collect contractual cash flows that only constitute payment of principal and interest, are classified as accrued acquisition value and are reported as current and long-term current assets. Purchases and sales of financial instruments are reported on the business

day, which is the date on which the Group commits to buy or sell the financial instrument. Financial instruments are derecognised from the balance sheet when the rights to receive cash flows from the financial instruments have expired or been transferred, and when the Group has substantially transferred risks, liabilities and benefits associated with the ownership of the financial asset or liability.

Loan receivables

Loan receivables are debt instruments with fixed or determinable repayments that are not listed on an active market. They are first reported at fair value and then measured at accrued acquisition value. Provisions for expected credit losses are calculated according to the simplified method for calculating expected credit losses. The method means that expected losses during the entire term of the claim are used as a starting point. When calculating expected credit losses, accounts receivable are grouped according to the number of days of delay. Interest income on loan receivables is reported as financial income. Loan receivables that fall due for payment within twelve months are reported as current assets under interest-bearing receivables and those that fall due after twelve months as fixed assets under long-term loan receivables.

Liabilities

Liabilities are first reported at fair value, net after deductions for transaction costs. In subsequent periods, they are reported at amortized costs according to the effective interest method, except for liability relating to additional purchase price consideration, which are reported at fair value in each financial statement and gains and losses are reported in the income statement as other operating income/other operating expenses. Any differences between income, net after deduction of transaction costs and repayment value are reported on an ongoing basis in the consolidated income statement during the loan period. Interest expenses are accumulated and reported in the income statement for each period. Debts with an original maturity of more than twelve months are classified as long-term liabilities in the Group's statement of financial position, but repayments that fall due within twelve months are reported in current liabilities under Short-Term Share of Long-Term Liabilities. Short-term corporate certificates, bank loans and other interest-bearing loans for which the original maturity is less than twelve months are reported in current liabilities under Interest-bearing liabilities.

Fair Value Hierarchy

The Group uses the following hierarchy to determine and provide information on the fair value of financial instruments according to valuation techniques:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** other techniques through which all input data that has a significant impact on the carrying amount can be observed, either directly or indirectly
- **Level 3:** methods that use input data that have a significant impact on the reported fair values that are not based on observable market data

Impairments

At each balance sheet date, it is assessed whether there is any indication of a need for impairment of the reported values of the Group's assets. If there are indications, the recoverable amount of an asset is calculated. The recoverable amount is the higher of an asset's net realisable value and value in use. When determining the value in use, the present value of the estimated future payments that the asset is expected to give rise to during the period of use is calculated. The present value calculation uses a discount rate before tax that reflects the current market interest rate and the risk attributable to the asset.

If the recoverable amount is less than the carrying amount, a impairment of the asset is made to the recoverable amount. Reversals of impairments are made if there are no longer reasons for these impairments except for goodwill. Impairments and reversals of impairments are reported in the income statement.

At least once a year, forecasted future earnings and cash-flow are evaluated in relation to goodwill, capitalised expenses relating to ongoing development projects and the right to use premises. If the carrying amount exceeds its value in use, an impairment loss is recognised.

Depreciation of Tangible Fixed Assets

Depreciation according to plan takes place on a straight-line basis based on the asset class' original acquisition value and the estimated useful life:

| | |
|---------------------------|-----------|
| Tools and equipment | 2-5 years |
| Leased social alarms etc. | 5 years |

Amortisation of Intangible Assets

Intangible assets are amortised during the estimated useful life. For activated product development, depreciation begins from the market introduction of each product. Depreciation according to plan takes place on a straight-line basis based on the asset class' original acquisition value:

| | |
|--|-----------|
| Capitalised expenses for development work | 3-8 years |
| Trademarks | 1-5 years |
| Customer register and distribution agreement | 3-7 years |

Leasing

Careium leases various offices, premises, office equipment and vehicles. The terms are negotiated separately for each agreement and contain a large number of agreement terms. The leasing agreements are reported as usufruct rights and a corresponding liability, on the day on which the leased asset is available for use by the Group. Assets and liabilities arising from leasing agreements are initially reported at present value. Leasing liabilities include the present value of the following leasing payments:

- fixed fees after deductions for any benefits in connection with the signing of the leasing agreement, variable leasing fees that depend on an index or a price, initially valued using an index or price at the start date,
- amounts expected to be paid by the lessee according to residual value guarantees
- the exercise price of an option to repurchase if the Group is reasonably certain to exercise such an opportunity
- Penalties that are paid upon termination of the leasing agreement if the leasing period reflects that the Group will use an opportunity to terminate the leasing agreement

Lease payments that will be made for reasonably secure extension options are also included in the valuation of the debt. Leasing payments are discounted with the implicit interest rate of the leasing agreement. If this interest rate cannot be easily determined, as is normally the case for the Group's leasing agreement, the lessee's marginal borrowing rate shall be used, which is the interest rate that the individual lessee would have to pay to borrow the funds necessary to purchase an asset of similar value to the usufruct in a similar economic environment with similar terms and collateral.

Leasing payments are divided between amortisation of the debt and interest. The interest is reported in the income statement over the leasing period in a way that entails a fixed interest rate for the leasing liability reported during the respective period. Assets with usufruct are valued at acquisition value and include the following:

- the amount the lease liability was originally valued at,
- leasing fees paid on or before the commencement date, after deduction of any benefits received in connection with the signing of the leasing agreement,
- initial direct expenses,
- expenses to restore access to the condition provided for in the terms of the lease.

Usufruct is usually amortised on a straight-line basis over the shorter of the useful life and the lease term. If the Group is reasonably sure of exercising a call option, the usufruct is depreciated over the useful life of the underlying asset. Payments for short-term contracts and all leasing agreements of lesser value are expensed on a straight-line basis in the income statement. Short contracts are agreements with a leasing period of twelve months or less. Agreements of lesser value mainly include IT equipment and office furniture.

Inventory

Inventories are valued at the lower of acquisition value according to the first-in-first-out principle (FIFO) and net sales value (lowest value principle). The acquisition value is calculated for each delivery. Impairments of inventories are made according to a model where longer periods in stock result in increased impairments. Different product groups have different rapid impairments.

Net sales value is defined as sales price reduced for sales costs. Impairments to net sales value include impairments due to technical and commercial obsolescence made in each Group company.

Hybrid capital

Careium has issued a hybrid loan with a nominal amount of SEK 50 million. All loans under the hybrid loan are held by Doro AB. The hybrid loan has no agreed maturity date, but Careium does have the right to decide on settlement of the loan. In accordance with the terms of the loan, it is reported as equity in Careium.

Provisions

Provisions refer to liabilities that are uncertain with respect to the amount or time when they will be settled. A provision is reported when there is a commitment as a result of an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and that a reliable estimate of the amount can be made. The following provisions are reported in the balance sheet: pensions, guarantee commitments, disputes and additional costs.

Taxes

Reporting in the income statement is made of all tax that is estimated to amount to reported profit. These taxes have been calculated according to each country's tax rules and reported in the item Tax on profit for the year. The Group's total tax in the income statement consists of current tax on the taxable profit for the period and deferred tax. The deferred tax mainly consists of changes in the deferred tax asset regarding tax loss carryforwards and other temporary differences.

The Group uses the balance sheet method to calculate deferred tax assets and liabilities. The balance sheet method means that the calculation is made on the basis of tax rates as of the balance sheet date applied to temporary differences between an asset's or a liability's book and tax value as well as tax loss carryforwards. Deferred tax assets are reported in the balance sheet only

to the part of the value that can probably be utilised in the foreseeable future. An individual assessment is made of the situation for companies in each country.

Cash Flow Analysis

Cash flow analyses are prepared according to an indirect method, which means that results after financial items are adjusted for transactions that did not result in inflows or outflows during the period and for any income and expenses that are attributed to the investment operations' cash flows.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and short-term investments with a maximum maturity of 3 months on the date of acquisition.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the company's chief executive officer. The highest executive decision-maker is the function that is responsible for allocating resources and evaluating the segments' results. For Careium, this function is performed by the CEO. For other information on Careium's segment reporting, see Note 2.

Classification

The balance sheet items that are classified as current assets and current liabilities are expected to be recovered or paid within a twelve-month period. All other balance sheet items are recovered or paid later.

Critical Accounting Issues and Uncertainty in Estimates

In preparing Careium's consolidated accounts, the Board of Directors and the President, in addition to estimates, have made a number of assessments of critical accounting issues that are of great importance for reported amounts. This applies to the following areas:

Valuation of Goodwill

When assessing whether there is any indication of a need for impairment of the reported values for goodwill, assumptions are made about the future expected earnings and cash flow development for the lowest possible cash-generating unit. For further information, see Note 7.

Deferred tax Regarding Loss Carryforwards

When valuing deferred tax assets, assessments are made of future tax surpluses for each company and thereby the possibility of utilising the loss carryforwards. Note 17 describes the size of the loss carryforwards.

Credit Risks in Accounts Receivable

When assessing credit risks in accounts receivable, individual assessments are made that are based on historical ability to pay and information in general. Careium has historically had very low realised customer losses, but works actively with follow-up. For other information, see Note 23.

Valuation of Stock

The valuation of inventory is based on a model based on inventory turnover. In addition to this, individual assessments are made that are based on historical sales statistics and sales forecasts compared with the amount of products in stock and in production at a subcontractor.

Parent company

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and by applying the Swedish Board for Financial Reporting's recommendation RFR 2 (Accounting for Legal Entities). The statements issued by the Swedish Board for Financial Reporting for listed companies are also applied.

Note 2 Segment Accounting, Net Sales and Other Income and Expenses

| Group | 2022 | 2021 |
|--|--------------|--------------|
| Sales of products | 174.3 | 123.5 |
| Sales of services | 550.8 | 464.0 |
| Net sales | 725.1 | 587.5 |
| Nordics | 344.8 | 281.8 |
| United Kingdom and Ireland | 276.2 | 243.9 |
| Central Europe | 98.1 | 56.2 |
| Other markets | 6.0 | 5.7 |
| Net sales | 725.1 | 587.5 |
| <i>of which Sweden</i> | 242.7 | 188.9 |
| Other operating expenses and income | | |
| Government assistance received | 1.8 | 1.8 |
| Other incomes | 35.8 | 11.5 |
| Other expenses | 0.0 | 0.0 |
| | 37.7 | 13.3 |

Segment Accounting (according to IFRS 8)

Careium is reported as a functional organisation. The functional division supports Careium's organisational structure where services are shared between different products, geographical regions and distribution channels (private and public). The regions are responsible for sales and service delivery in each region and report to the CEO of Careium. Careium is an operating segment with a common strategy and joint performance monitoring and cost and investment budget. Careium's operations are reported as a segment and financial information and results are analysed and evaluated as a segment by the highest executive decision-maker. The most important performance measure for the management of the business is EBIT. The customers' location forms the basis for the division of sales into geographical regions. No single customer accounts for more than ten per cent of net sales. All significant tangible and intangible assets are controlled by the Swedish parent company.

Note 3 Intra Group transactions

Of the parent company's invoicing, SEK 9.5 million (1.7) relates to subsidiaries. Invoicing from subsidiaries to parent companies amounted to SEK 0.3 million (0). Invoicing between subsidiaries amounted to SEK 181.3 million (49.6).

Note 4 Leasing Agreement

Leasing Agreements where the Group is the Lessee

The following amounts related to leasing agreements are reported in the balance sheet.

| | Group | |
|---------------------|-------------|-------------|
| Right-to-use assets | 2022 | 2021 |
| Premises | 27.0 | 37.0 |
| Equipment | 0.0 | 0.0 |
| Vehicle | 5.4 | 2.4 |
| Other | 6.3 | 1.1 |
| Total | 38.7 | 40.5 |

| | Group | |
|---------------------|-------------|-------------|
| Leasing liabilities | 2022 | 2021 |
| Short-term | 14.6 | 13.5 |
| Long-term | 24.1 | 27.0 |
| Total | 38.7 | 40.5 |

New right-to-use assets during 2022 amounted to SEK 16.3 million (6.9).

The following amounts related to leasing agreements are reported in the income statement.

| | Group | |
|-------------------------------------|--------------|--------------|
| Depreciation of Right-to-use assets | 2022 | 2021 |
| Premises | -11.2 | -11.8 |
| Equipment | 0.0 | -1.0 |
| Vehicle | -3.2 | -1.2 |
| Other | -3.8 | 0.0 |
| Total | -18.2 | -14.0 |

| | | |
|---|------|------|
| Interest expenses (included in financial expenses) | -0.1 | -1.4 |
| Expenses attributable to short-term leasing agreements, leasing agreements for which the underlying asset is of low value and variable leasing payments that are not included in leasing liabilities (included in operating expenses) | -4.5 | -3.9 |

The total cash flow regarding leasing agreements during 2022 was SEK 22.8 million (19.3).

Leasing Agreements Where the Group is the Lessor

The company has financial leasing agreements regarding alarm units delivered to customers in the public sector. The contract period is normally between 12 and 24 months with an option to extend for another 12 to 24 months. Reserves for doubtful receivables do not exist as customers in the public sector are judged to be creditworthy.

Agreed future leasing agreements fall due for payment as below.

| | Group | |
|------------------------------|-------------|-------------|
| Financial Leasing Agreements | 2022 | 2021 |
| Within 1 year | 16.4 | 6.8 |
| Within 2 to 5 years | 35.4 | 9.7 |
| Later than 5 years | 0.0 | 0.0 |
| Total | 51.8 | 16.5 |

Note 5 Employees

| Average Number of Employees | 2022 | Of which men | 2021 | Of which men |
|-----------------------------|------------|--------------|------------|--------------|
| Sweden | 174 | 81 | 168 | 77 |
| Norway | 59 | 31 | 59 | 31 |
| United Kingdom | 341 | 106 | 390 | 105 |
| Germany | 6 | 5 | 7 | 3 |
| Spain | 10 | 8 | 11 | 8 |
| Netherlands | 45 | 22 | 15 | 7 |
| Total | 635 | 253 | 650 | 231 |

Salaries and Other Remuneration

Salaries, remunerations, social security costs and pension costs have been paid in the following amounts:

| | 2022 | 2021 |
|-------------------------------|--------------|--------------|
| Salaries and benefits | 290.4 | 262.6 |
| | 290.4 | 262.6 |
| Social expenses | 50.0 | 42.1 |
| | 50.0 | 42.1 |
| Pension costs | 16.4 | 16.5 |
| <i>of which premium based</i> | 12.2 | 12.7 |
| | 16.4 | 16.5 |

Salaries and remuneration, including board fees and distribution between senior executives and other employees

| | 2022 | | 2021 | |
|----------------|---------------|-----------------|---------------|-----------------|
| | Board and CEO | Other Employees | Board and CEO | Other Employees |
| Sweden | 4.3 | 80.9 | 0.3 | 75.2 |
| Norway | 0.0 | 50.6 | 0.0 | 44.9 |
| United Kingdom | 0.0 | 125.2 | 0.0 | 127.1 |
| Germany | 0.0 | 4.3 | 0.0 | 3.4 |
| Spain | 0.0 | 7.5 | 0.0 | 7.0 |
| Netherlands | 0.0 | 19.4 | 0.0 | 4.8 |
| Total | 4.3 | 287.9 | 0.3 | 262.4 |

| Gender distribution, senior executives | 2022, number | Women, % | 2021, number | Women, % |
|--|--------------|----------|--------------|----------|
| Board of Directors | 6 | 33 | 3 | 67 |
| Group management | 11 | 12 | 10 | 10 |

Remuneration to senior executives (SEK thousand)

| Board 2022 | Salary | Pension | Other benefits | Total |
|-------------------------|--------------|----------|----------------|--------------|
| Chairman of the Board | 700 | 0 | 0 | 700 |
| Other senior executives | 1,137 | 0 | 0 | 1,137 |
| Total | 1,837 | 0 | 0 | 1,837 |

Chairman of the board Lennart Jacobsen received SEK 700 thousand. Cecilia Ardström received SEK 330 thousand, Towa Jexmark SEK 280 thousand, Kai Tavakka SEK 193 thousand, Stefan Berg SEK 167 thousand and Christian Walén SEK 167 thousand. The board was elected at the ordinary general meeting on April 29, 2022.

| Senior executives 2022 | Salary | Bonus and other variable remuneration | Pension | Other benefits | Total |
|-------------------------------|---------------|--|--------------|-------------------|---------------|
| Carl-Johan Zetterberg Boudrie | 2,447 | 0 | 744 | 106 | 3,297 |
| Other senior executives | 12,248 | 68 | 2,614 | 271 | 15,201 |
| Total | 14,695 | 68 | 3,358 | 377 | 18,498 |

The amounts above include salaries and remuneration to employed senior executives. In 2022, the management team consisted of 11 people. In addition to salaries and allowances to employed senior executives, consulting fees to temporary senior executives have been paid out with SEK 4,044 thousand, of which SEK 802 thousand to Maria Khorsand (interim CEO).

Principles

Fees are paid to the Chairperson and members of the Board in accordance with the decision of the Annual General Meeting. Remuneration to the CEO and other senior executives consists of basic salary, variable remuneration, other benefits (mainly company car) and pension premiums. The distribution between basic salary and variable remuneration shall be in proportion to the executive's responsibilities and powers. Average number of executives in Group management during 2022: 11 (0).

Pensions

For the CEO and other senior executives in the Group, the age of 65 applies to pensions and customary pension plans according to the general pension as well as the full provision for the entire salary amount according to the ITP / ITPK plans. All pension benefits are vested, i.e. not conditional on future employment. The notice periods are according to LAS or a maximum of twelve months. No agreements have been made regarding pension commitments or the equivalent in addition to what is covered by the notice periods stated above, either for Board members or senior executives. Pension plans for senior executives are essentially defined-contribution plans and premiums have been paid in the amount of SEK 3.3 million (0.3).

Terms and conditions of termination

The notice period from the company's side and from the CEO's side is one year. The CEO is entitled to severance pay for a period of twelve months in the event of termination by the company. In the event of termination by the CEO, no severance pay is paid. Other senior executives have severance pay agreements of between three and nine months.

Preparation and decision-making process

This is described in the Directors' Report.

Note 6 Interest and Similar Items

| | Group | | Parent company | |
|-----------------------------|-------------|-------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Income | | | | |
| Interest income, external | 0.8 | 0.2 | 0.1 | 0.0 |
| Interest income, internal | 0.0 | 0.0 | 4.2 | 0.4 |
| Exchange rate gains | 8.3 | 2.6 | 7.3 | 2.6 |
| Dividend from subsidiaries | 0.0 | 0.0 | 0.0 | 1.0 |
| Other | 0.1 | 0.0 | 0.0 | 0.0 |
| Total | 9.2 | 2.8 | 11.6 | 4.0 |
| Costs | | | | |
| Interest expenses, external | -8.6 | -2.1 | -8.5 | -0.2 |
| Interest expenses, internal | 0.0 | 0.0 | -0.1 | 0.0 |
| Exchange rate losses | -0.1 | 0.2 | -0.1 | -0.2 |
| Other | -0.1 | -0.3 | -0.1 | 0.0 |
| Total | -8.8 | -2.2 | -8.8 | -0.4 |
| Net financial items | 0.4 | 0.6 | 2.8 | 3.6 |

Note 7 Intangible Fixed Assets

| | Group | | Parent company | |
|--|--------------|--------------|----------------|-------------|
| The Group/Goodwill | 2022 | 2021 | 2022 | 2021 |
| Incoming Acquisition Value | 407.8 | 339.5 | 0.0 | 0.0 |
| Acquisition | 0.0 | 56.1 | 0.0 | 0.0 |
| Translation difference | 20.9 | 12.2 | 0.0 | 0.0 |
| Closing Accumulated Acquisition Value | 428.7 | 407.8 | 0.0 | 0.0 |
| Group/Customer Register and Distribution Agreements | 2022 | 2021 | 2022 | 2021 |
| Incoming Acquisition Value | 95.0 | 74.1 | 0.0 | 0.0 |
| Acquisition | 0.0 | 14.4 | 0.0 | 0.0 |
| Investment | 0.0 | 1.4 | 0.0 | 0.0 |
| Translation difference | -16.6 | 5.1 | 0.0 | 0.0 |
| Closing Accumulated Acquisition Value | 78.4 | 95.0 | 0.0 | 0.0 |
| Depreciation | -54.6 | -40.0 | 0.0 | 0.0 |
| This year's depreciations | -16.1 | -12.5 | 0.0 | 0.0 |
| Translation difference | 16.6 | -2.1 | 0.0 | 0.0 |
| Closing Depreciation | -54.1 | -54.6 | 0.0 | 0.0 |
| Outgoing Residual Value | 24.3 | 40.4 | 0.0 | 0.0 |

The Group performs impairment assessments of goodwill annually, and when there is an indication of impairment. Impairment assessments have been performed at segment level, which is the lowest level at which separable cash flows are identified.

The recoverable amount of the unit has been determined based on the value in use that consists of the current value and future cash flows. The calculation of future cash flows is based on an assessment of the expected growth rate according to established forecasts for the next five years. The forecasts are based on previous years' experience, but also take into account future expected developments. Assumptions about future growth and profitability are based on external and internal assessments of market growth, historical development and management's assessment of market shares. The discount factor, WACC, has been determined through the Capital Asset Pricing Model (CAPM). As part of the WACC, a risk-free interest rate corresponding to the return on a ten-year government bond has been used with a supplement for the stock market's risk premium and with a supplement for a risk premium for smaller companies. The required rate of return has been weighted on the basis of the optimal capital structure derived from the capital market. The recoverable amount exceeds the carrying amount, which is why no need for impairment is deemed to exist.

Sensitivity Analysis

Growth rate after five years: In the impairment test, Careium has assumed a sustainable growth rate of two per cent (2). A change in the growth rate from two per cent to one per cent does not mean any need for impairment. Discount rate before tax is increased by one per centage point: In its impairment testing, Careium has used a discount rate of 14.3 per cent (13.2) before tax. A change in the discount rate before tax to 15.3 per cent does not entail a need for impairment.

| | Group | | Parent company | |
|--|--------------|--------------|----------------|-------------|
| The Group/Brands | 2022 | 2021 | 2022 | 2021 |
| Incoming Acquisition Value | 3.2 | 3.0 | 0.0 | 0.0 |
| Acquisition | 0.0 | 0.0 | 0.0 | 0.0 |
| Translation difference | -0.6 | 0.2 | 0.0 | 0.0 |
| Closing Accumulated Acquisition Value | 2.6 | 3.2 | 0.0 | 0.0 |
| Depreciation | -2.5 | -1.9 | 0.0 | 0.0 |
| This year's depreciations | -0.5 | -0.5 | 0.0 | 0.0 |
| Translation difference | 0.6 | -0.1 | 0.0 | 0.0 |
| Closing Depreciation | -2.4 | -2.5 | 0.0 | 0.0 |
| Outgoing Residual Value | 0.2 | 0.7 | 0.0 | 0.0 |
| The Group/Capitalised Expenses for Development Work/IT, SEK million | 2022 | 2021 | 2022 | 2021 |
| Incoming Acquisition Value | 141.5 | 106.5 | 0.0 | 0.0 |
| This year's acquisitions | 29.4 | 34.3 | 0.0 | 0.0 |
| Acquisition | 0.0 | 0.0 | 0.0 | 0.0 |
| Translation difference | 2.8 | 0.7 | 0.0 | 0.0 |
| Closing Accumulated Acquisition Value | 173.7 | 141.5 | 0.0 | 0.0 |
| Depreciation | -42.0 | -30.6 | 0.0 | 0.0 |
| This year's depreciations | -8.8 | -8.8 | 0.0 | 0.0 |
| Sales/Disposals/Impairments | 0.0 | -2.6 | 0.0 | 0.0 |
| Closing Depreciation | -50.8 | -42.0 | 0.0 | 0.0 |
| Outgoing Residual Value | 122.9 | 99.5 | 0.0 | 0.0 |

Note 8 Tangible Fixed Assets

| | Group | | Parent company | |
|--|---------------|--------------|----------------|------------|
| Equipment, Tools and Rented Equipment, SEK million | 2022 | 2021 | 2022 | 2021 |
| Incoming Acquisition Value | 138.7 | 99.0 | 0.0 | 0.0 |
| This year's acquisitions | 36.6 | 17.8 | 0.0 | 0.0 |
| Acquisition | 0.0 | 16.5 | 0.0 | 0.0 |
| Sales/Disposals | -0.3 | -2.0 | 0.0 | 0.0 |
| Translation difference | 10.3 | 7.4 | 0.0 | 0.0 |
| Closing Acquisition Value | 185.4 | 138.7 | 0.0 | 0.0 |
| Depreciation | -83.6 | -49.8 | 0.0 | 0.0 |
| This year's depreciations | -31.0 | -20.7 | 0.0 | 0.0 |
| Acquisition | 0.0 | -10.6 | 0.0 | 0.0 |
| Sales/Disposals | 0.3 | 0.5 | 0.0 | 0.0 |
| Translation difference | -7.9 | -3.0 | 0.0 | 0.0 |
| Closing Depreciation | -122.2 | -83.6 | 0.0 | 0.0 |
| Outgoing Residual Value | 63.2 | 55.1 | 0.0 | 0.0 |

Note 9 Shares in Group Companies

| Subsidiaries | Number of shares | Share, % | Book value 2022 |
|---|------------------|----------|-----------------|
| Careium Sweden AB | 2,500 | 100 | 100.3 |
| – Careium Services AB | | | |
| Careium D-A-CH GmbH | 1 | 100 | 2.0 |
| Careium Norge AS | 242,294 | 100 | 31.3 |
| Greencoat House Ltd | 334,448 | 100 | 139.9 |
| – Doro Care UK Ltd | | | |
| – Invicta Telecare Ltd | | | |
| – Eldercare UK Ltd | | | |
| – Careium UK Ltd | | | |
| Victrix SocSan S.L. | 36,363 | 100 | 27.6 |
| Innocom Bureau voor Bedrijfscommunicatie B.V. | 18,000 | 100 | 75.4 |
| | | | 376.5 |
| | | | 2022 |
| Opening Balance | | | 310.1 |
| Acquisition | | | 0.0 |
| Shareholders' contribution | | | 100.0 |
| Revaluation of additional purchase price | | | -33.6 |
| Closing Balance | | | 376.5 |

| Subsidiaries – Company ID Number | Registered Offices |
|--|-----------------------------|
| Careium Sweden AB – 556569-9740 | Malmö, Sweden |
| Careium Services AB – 559304-5957 | Malmö, Sweden |
| Careium D-A-CH GmbH – HRB 6783 | Taunus, Germany |
| Careium Norge AS – 986616500 | Oslo, Norway |
| Greencoat House Ltd – 08626194 | East Sussex, United Kingdom |
| – Doro Care UK Ltd – 08666755 | East Sussex, United Kingdom |
| – Invicta Telecare Ltd – 04133585 | East Sussex, United Kingdom |
| – Eldercare UK Limited – 02163445 | East Sussex, United Kingdom |
| – Careium UK Ltd – 13723761 | East Sussex, United Kingdom |
| Victrix SocSan SL – B87664504 | Madrid, Spain |
| Innocom Bureau voor Bedrijfscommunicatie B.V. – 17176384 | Leende, Netherlands |

Note 10 Other current receivables and Prepaid expenses and accrued income

| | Group | | Parent company | |
|------------------------------|-------------|-------------|----------------|----------|
| Other receivables | 2022 | 2021 | 2022 | 2021 |
| Financial leasing receivable | 16.4 | 6.9 | 0.0 | 0 |
| Other receivables | 6.7 | 4.9 | 0.2 | 0 |
| Total | 23.1 | 11.8 | 0.2 | 0 |

| | Group | | Parent company | |
|--------------------------------|-------------|-------------|----------------|------------|
| Prepayments and accrued income | 2022 | 2021 | 2022 | 2021 |
| Prepaid Rents | 1.3 | 1.5 | 0.0 | 0.0 |
| Prepaid insurance premiums | 0.7 | 2.0 | 0.2 | 1.3 |
| Prepaid exhibition costs | 0.0 | 0.0 | 0.0 | 0.0 |
| Prepaid IT costs | 0.0 | 0.1 | 0.0 | 0.0 |
| Contract assets | 11.1 | 21.8 | 0.0 | 0.0 |
| Other prepaid expenses | 21.1 | 7.9 | 0.2 | 0.2 |
| Total | 34.2 | 33.3 | 0.4 | 1.5 |

Contract assets refer to accrued income from customer contracts in the service transaction where the terms of the contract stipulate that the services must be debited in arrears.

Note 11 Share capital and dividend

| | Number of shares | Voting rights | Type |
|----------|------------------|------------------|--------|
| A-shares | 24,326,214 | 1 vote per share | Normal |

Share capital

24 326 214 shares with a quota value of SEK 0.0208 = SEK 506,832.41.

Dividend

The Board of directors proposes that no dividend is paid for 2022.

Note 12 Overdraft facilities

| | Group | | Parent company | |
|---------------------------------|-------------|------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Approved credit | 50.0 | 0.0 | 50.0 | 0.0 |
| <i>Of which utilised credit</i> | <i>29.2</i> | <i>0.0</i> | <i>29.2</i> | <i>0.0</i> |

Note 13 Accrued expenses and prepaid income

| | Group | | Parent company | |
|-----------------------------|-------------|-------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Holiday pay liability | 15.0 | 14.9 | 0.0 | 1.2 |
| Social fees | 6.8 | 6.9 | 0.0 | 0.4 |
| Other personnel liabilities | 8.3 | 4.2 | 0.0 | 0.0 |
| Contract liabilities | 1.2 | 6.6 | 0.0 | 0.0 |
| Other accrued expenses | 31.0 | 22.2 | 1.2 | 0.8 |
| Total | 62.4 | 54.8 | 1.2 | 2.4 |

Contract liabilities refer partly to performance commitments that have been invoiced but have not yet been delivered to the customer and partly to provisions for agreed customer bonuses.

Note 14 Pledged assets for liabilities to credit institutions

| | Group | | Parent company | |
|------------------------|-------|------|----------------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Shares in subsidiaries | 130.8 | 37.6 | 131.6 | 31.6 |

Note 15 Contingent liabilities

The Group and the parent company have no contingent liabilities.

Note 16 Auditors

At the 2022 Annual General Meeting, the audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was elected as Careium's auditors, with Johan Rönnbäck as chief auditor. PwC has the audit assignment in all large units except Careium Norge AS and Innocom for one year.

| Fees and Cost Reimbursements | Group | | Parent company | |
|---|------------|------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| PwC | | | | |
| Audit assignment | 1.3 | 2.7 | 0.9 | 0.4 |
| <i>of which to Öhrlings PricewaterhouseCoopers AB</i> | <i>1.0</i> | <i>1.0</i> | <i>0.9</i> | <i>0.4</i> |
| Audit outside the assignment | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>of which to Öhrlings PricewaterhouseCoopers AB</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> |
| Tax advice | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>of which to Öhrlings PricewaterhouseCoopers AB</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> |
| Other services | 0.0 | 1.8 | 0.0 | 0.0 |
| <i>of which to Öhrlings PricewaterhouseCoopers AB</i> | <i>0.0</i> | <i>0.2</i> | <i>0.0</i> | <i>0.0</i> |
| Other | | | | |
| Audit assignment | 0.8 | 0.2 | 0.0 | 0.0 |
| Audit outside the assignment | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax advice | 0.0 | 0.0 | 0.0 | 0.0 |
| Other services | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 2.1 | 4.7 | 0.9 | 0.4 |

Note 17 Taxes

| Tax on Profit for the Year | 2022 | 2021 |
|---|-------------|-------------|
| Current tax | -3.7 | -4.2 |
| Deferred tax | 10.5 | -0.3 |
| Total Tax on the Profit for the Year | 6.8 | -4.5 |

The relationship between the year's tax expense and reported profit before tax:

| Taxes | 2022 | 2021 |
|---|--------------|-------------|
| Reported profit before tax | -15.4 | 9.2 |
| Tax 20,6 % | 3.2 | -1.9 |
| Non-deductible expenses | -1.0 | -0.7 |
| Non-taxable income | 7.2 | 2.1 |
| Utilisation of previously unrecognized tax loss carryforwards | 0.0 | 0.2 |
| Change valuation loss carryforward | -1.4 | 0.0 |
| Change valuation of temporary differences | 0.0 | -1.6 |
| Tax expense/tax revenue in previous years | -0.2 | -1.6 |
| Adjustment for tax rates in foreign Group companies | -1.0 | -1.0 |
| Reported Tax | 6.8 | -4.5 |

Temporary differences exist in cases where the reported values and tax values of assets or liabilities are different. Temporary differences, unutilised tax loss carryforwards and other future tax carryforwards have resulted in deferred tax assets and liabilities relating to the following items:

| Deferred tax receivables/tax liabilities | 2022 | 2021 |
|--|-------------|-------------|
| Unutilised loss carryforwards | 24.0 | 11.3 |
| Temporary differences, provisions | 0.0 | 0.0 |
| Temporary differences, other | -15.0 | -12.4 |
| Total reported deferred tax receivables/tax liabilities | 9.0 | -1.1 |

Deferred tax assets are reported in the balance sheet for unutilised loss carryforwards and temporary differences to the extent that they are likely to be utilised in the foreseeable future. An individual assessment is made by each company with regard to historical earnings development, future plans and the possibility of using the loss carryforwards.

Of the Group's loss carryforwards, SEK 24 million (11) can be utilised without a time limit. The remaining loss carryforwards are in UK, Norway and Spain.

| Losses carry forward fall due as follows | 2022 | 2021 |
|---|-------------|-------------|
| Without limit | 24 | 11 |
| Total | 24 | 11 |

| Gross Change of Deferred Taxes | 2022 | 2021 |
|--|-------------|-------------|
| Opening balance | -1.1 | 2.7 |
| Tax attributable to the income statement | 10.5 | 2.0 |
| Tax attributable to components in other comprehensive income | -0.4 | 1.2 |
| Acquisition/merger | 0.0 | -7.0 |
| Closing balance | 9.0 | -1.1 |

Note 18 Acquisition

ACQUISITION 2022

No acquisitions were carried out in 2022.

During the year, the additional purchase price for the acquisition of Victrix SocSan SL was settled at SEK 2.7 million.

ACQUISITION 2021

FirstCall 24/7

On February 1, 2021, Careium acquired the FirstCall 24/7 telecare business from Trent and Dove Housing. The acquisition means that Careium takes over the customer agreements for the business. The purchase price was paid in cash and amounted to approximately GBP 1 on a debt-free basis. FirstCall 24/7 had annual sales in 2019/20 of GBP 0.5 million.

Below is information on acquired net assets and goodwill

| Real value | SEK million |
|--|-------------|
| Intangible assets | 1.5 |
| Accrued expenses | -1.5 |
| Acquired net assets | 0.0 |
| Goodwill | 0.0 |
| Total Purchase Price | 0.0 |
| The Acquisition's Impact on the Group's Cash Flow | 0.0 |

Innocom

On 1 September 2021, Careium acquired the Dutch company Innocom Bureau voor Bedrijfscommunicatie BV. ("Innocom"). The purchase price was paid in cash and amounted to approximately SEK 72 million on a debt-free basis. Goodwill is linked to the strengthened position that Innocom gives Careium on the Dutch market. Innocom's sales for 2020 amounted to EUR 4.9 million (approximately SEK 50 million). The business employs about 40 full-time employees and supports about 26,000 end users.

Below is information on acquired net assets and goodwill

| Real value | SEK million |
|--|-------------|
| Customer relationships | 14.4 |
| Tangible Fixed Assets | 5.7 |
| Deferred tax, receivable | - |
| Inventory | 2.6 |
| Short-term receivable | 4.9 |
| Cash and bank balances | 1.4 |
| Loan | - |
| Deferred tax, liabilities | -3.6 |
| Current liabilities | -3.6 |
| Acquired net assets | 20.3 |
| Goodwill | 54.6 |
| Total Purchase Price | 76.4 |
| Cash in acquired company | 1.4 |
| Additional purchase price | 4.3 |
| The Acquisition's Impact on the Group's Cash Flow | 70.7 |

Note 19 Goods for resale

| Group | 2022 | 2021 |
|---------------------------------------|-------------|-------------|
| Opening gross stock | 42.9 | 36.0 |
| Acquisition | 0.0 | 2.1 |
| Change in gross stock | 11.8 | 4.1 |
| Internal profit in stock | 0.0 | 0.0 |
| Translation difference | 0.6 | 0.7 |
| Closing gross stock | 55.3 | 42.9 |
| Opening write-downs of stock | -3.2 | -3.7 |
| Acquisition | 0.0 | 0.0 |
| Change in write-downs of stock | -1.6 | 0.7 |
| Translation difference | -0.1 | -0.2 |
| Closing write-downs of stock* | -4.9 | -3.2 |
| Net stock in the balance sheet | 50.4 | 39.7 |

* Acquisition value for the inventory that write-downs of stock of SEK 4.9 million (3.2) related amounts to SEK 6.8 million (3.7).

Note 20 Provision for guarantees

| | Group | | Parent company | |
|------------------------|------------|------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Opening Balance | 1.4 | 0.2 | 0.0 | 0.0 |
| Acquisition | 0.0 | 0.0 | 0.0 | 0.0 |
| Amounts released | 0.0 | 0.0 | 0.0 | 0.0 |
| New provisions | 0.2 | 1.2 | 0.0 | 0.0 |
| Translation difference | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 1.6 | 1.4 | 0.0 | 0.0 |

Note 21 Provision for Pensions

| | Group | | Parent company | |
|------------------------|------------|-------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Opening Balance | 0.0 | 40.3 | 0.0 | 0.0 |
| Acquisition | 0.0 | 0.0 | 0.0 | 0.0 |
| Amounts released | 0.0 | -43.8 | 0.0 | 0.0 |
| New provisions | 0.0 | 0.0 | 0.0 | 0.0 |
| Translation difference | 0.0 | 3.5 | 0.0 | 0.0 |
| Closing Balance | 0.0 | 0.0 | 0.0 | 0.0 |

Note 22 Other Provisions

| | The Group | | Parent company | |
|------------------------|------------|------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Opening Balance | 0.7 | 4.1 | 0.0 | 0.0 |
| Amounts released | -0.7 | -3.9 | 0.0 | 0.0 |
| New provisions | 0.3 | 0.5 | 0.0 | 0.0 |
| Translation difference | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 0.3 | 0.7 | 0.0 | 0.0 |

| | The Group | | Parent company | |
|--------------------------|------------|------------|----------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Additional royalty costs | 0.0 | 0.0 | 0.0 | 0.0 |
| Claimed amounts | 0.0 | 0.2 | 0.0 | 0.0 |
| Other provisions | 0.3 | 0.5 | 0.0 | 0.0 |
| Closing balance | 0.3 | 0.7 | 0.0 | 0.0 |

Note 23 Risk Management and Financial Instruments**FINANCIAL RISK MANAGEMENT**

The Group's management of financial risks is governed by a financial policy adopted by the Board. Risk management aims to reduce or eliminate risks. The main focus is on striving for a low-risk financial profile. Careium's finance function has had the overall responsibility for financial risk management, including financing, currency and interest rate risk management, liquidity management and cash management. Careium's financial activities are centralised to take advantage of economies of scale, ensure good internal control and facilitate risk monitoring.

Credit and Counterparty Risk

The Group is primarily exposed to credit risk in connection with commercial customer transactions but also in connection with financial transactions. The latter in the form of emittance risk in the event of financial investments. Credit and counterparty risks are managed centrally. Financial instruments may only be made with approved banks. Short-term investments may only be made within the counterparty categories state, municipality and bank. In 2022 no short-term financial investments were made. Accounts receivable amounted to SEK 117.8 million (168.9) and leasing receivables to SEK 51.8 million (16.5). Careium has in recent years had low credit losses in that the main customer group is larger companies and public organisations. The largest customer accounts for less than 10 per cent of the Group's sales. In most countries, Careium works without credit insurance.

Under 2022, Careium has experienced problems with invoicing processes and claims procedures at its subsidiary in the UK, which increased the amount of overdue receivables. The Group is working intensively to address the issues.

| Age Analysis of Accounts Receivable | 2022 | 2021 |
|--|--------------|--------------|
| Not due | 79.5 | 56.1 |
| Due < 60 days | 13.6 | 11.1 |
| Due > 60 days | 42.8 | 109.4 |
| Total Accounts Receivable | 135.9 | 176.6 |
| Expected bad debt losses | -18.1 | -7.8 |
| Accounts receivable in the financial statements | 117.8 | 168.8 |

| Bad Accounts Receivable | 2022 | 2021 |
|--------------------------------|--------------|-------------|
| Opening Balance | -7.8 | -7.0 |
| Through acquisitions | 0.0 | -0.1 |
| Expected bad debt losses | -11.3 | -1.7 |
| Confirmed bad debt losses | 0.8 | 0.1 |
| Translation difference | -0.3 | -0.4 |
| Amounts reversed | 0.5 | 1.3 |
| Closing Balance | -18.1 | -7.8 |

Other receivables

Other receivables including financial lease receivables are not yet due.

Liquidity Risk

At the end of 2022, the Group had SEK 293.5 million (292.3) in interest-bearing liabilities, including SEK 39.3 million (41.4) relating to finance lease liabilities for assets with right of use. Careium has a framework loan (so-called RCF) of SEK 450 million maturing in December 2024.

The Group's liquidity in bank balances at the end of 2022 was SEK 39.9 million (142.5). The overall objective is to manage the Group's short-term funding needs while minimising excess liquidity. Careium must have a liquidity reserve of at least SEK 25 million. The company breached one of the covenants in the financing agreement with the bank at the end of the third quarter of 2022. The bank provided a waiver for this covenant based on the company's financial plan, which shows that the company can return to the regular covenants at the end of the third quarter of 2023.

Currency Risks

Careium is exposed to currency risks caused by unfavourable exchange rate fluctuations that may affect sales, earnings and equity. The currency risk is described below divided into transaction exposure and translation exposure, respectively.

Transaction Exposure

Transaction exposure arises due to Careium having revenues and expenses in various currencies. Purchases of products are largely made in USD, while sales are made in SEK, GBP, NOK and EUR. Product sales make up about 25 per cent of sales, but some of the product purchases are made in local currency in each market. In other respects, purchases are made mainly in local currency in each market and other costs largely refer to personnel costs. The transaction exposure is therefore not normally considered to be significant.

Translation Exposure

Translation exposure arises when foreign assets and liabilities as well as income statements in foreign subsidiaries are translated to SEK in connection with consolidation. Careium does not hedge the translation exposure.

| Value of foreign assets | 2022 | 2021 |
|-------------------------|--------------|--------------|
| NOK | 24.3 | 29.1 |
| EUR | 242.4 | 219.3 |
| GBP | 33.6 | 78.1 |
| Total | 300.3 | 326.5 |

Interest rate risk

Interest rate risk consists of the risk that the Group's net interest income will deteriorate as a result of an increase in the market interest rate. Careium's current loan portfolio consists of loans in SEK and EUR with variable interest rates. The average interest rate on borrowing in 2022 has been 3.4 per cent. Should the SEK interest rate rise by 1 percentage point, Careium's net financial items would deteriorate by approx. SEK 2.5 million based on indebtedness on 31/12/2022.

Term analysis for derivatives and financial liabilities as per December 31, 2022

| The Group, SEK million | Currency | 0-3 months | 3 months-1 year | 1-3 year | 3 years or more | Total |
|------------------------|----------|-------------|-----------------|--------------|-----------------|--------------|
| Bank loans | SEK | | | 225.0 | | 225.0 |
| Overdraft | EUR | | | 29.2 | | 29.2 |
| Leasing liabilities | Mixed | | 14.6 | 24.7 | | 39.3 |
| Accounts payable | Mixed | 36.8 | | | | 36.8 |
| Total | | 36.8 | 14.6 | 278.9 | 0.0 | 330.3 |

Hybrid loan

Careium has issued a hybrid loan with a nominal amount of SEK 50 million. All loans under the hybrid loan are held by Doro AB.

The hybrid loan has no agreed maturity date, but Careium has the right to decide on the settlement of the loan. In accordance with the terms of the loan, it is reported as equity in Careium. The hybrid loan has an interest rate of 5.5 per cent. Interest on the loan is paid at Careium's discretion. Unpaid interest increases the loan and interest is calculated on the accumulated amount.

Valuation of financial instruments

Financial instruments are valued either at fair value over the income statement, fair value via other comprehensive income or at amortized cost. All financial instruments, except debt for additional purchase price, have been valued at amortized cost in 2022 and 2021, respectively, and the reported value corresponds to fair value.

Breakdown of how fair value is determined is based on three levels:

Level 1: According to prices quoted in an active market for the same instrument.

Level 2: Based on directly or indirectly observable market data not included in level 1.

Level 3: Based on inputs that are not observable in the market.

Additional purchase price was valued at fair value according to level 3. The reported value agrees with fair value.

Note 24 Liabilities to credit institutions

| | Group | | Parent company | |
|---|--------------|--------------|----------------|--------------|
| Long-term | 2022 | 2021 | 2022 | 2021 |
| Bank loans | 225.0 | 250.9 | 225.0 | 250.0 |
| Short-term | | | | |
| Bank loans | 0.0 | 0.0 | 0.0 | 0.0 |
| Total liabilities to credit institutions | 225.0 | 250.9 | 225.0 | 250.0 |

The bank loans have an interest rate of 1.0 per cent + STIBOR (but a minimum of 1.0 per cent). The parent company's liabilities to credit institutions are in Swedish kronor.

| | Group | | Parent company | |
|---|--------------|--------------|----------------|--------------|
| Maturity dates of long-term liabilities | 2022 | 2021 | 2022 | 2021 |
| 1-2 years | 0.0 | 0.0 | 0.0 | 0.0 |
| 2-5 years | 225.0 | 250.9 | 225.0 | 250.0 |
| More than 5 years | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 225.0 | 250.9 | 225.0 | 250.0 |

Note 25 Related-Party Transaction

No related party transactions have taken place during the year.

Note 26 Significant events after year-end

No significant events after the end of the period.

Note 27 Changes in debt

| | Other assets | Debt attributable to financing activities | | | | Total |
|--|---|---|-----------------------------------|--|---|--------------|
| | Cash and cash equivalents/over-draft facilities | Financial leases due within 1 year | Financial leases due after 1 year | Liabilities to credit institutions due within 1 year | Liabilities to credit institutions due after 1 year | |
| Net debt as of 31 December 2020 | -32.2 | -32.2 | 33.8 | 0.0 | 93.3 | 108.8 |
| Cash flow | -107.6 | -14.0 | | | 305.0 | 183.4 |
| Exchange rate differences | -2.7 | | | | | -2.7 |
| Additional/expiring rights of use | | 13.6 | -5.9 | | | 7.7 |
| Total non-cash items | | | | | -147.4 | -147.4 |
| Net debt as of 31 December 2021 | -142.5 | 13.5 | 27.9 | 0.0 | 250.9 | 149.8 |
| Cash flow | 104.9 | -19.3 | | | 3.3 | 88.9 |
| Exchange rate differences | -2.3 | | | | | -2.3 |
| Additional/expiring rights of use | | 20.4 | -3.2 | | | 17.2 |
| Net debt as of 31 December 2022 | -39.9 | 14.6 | 24.7 | 0.0 | 254.2 | 253.6 |

Note 28 Use of non-international financial reporting standards ("IFRS") measures

Guidelines regarding alternative key figures for companies with securities listed on a regulated market within the EU have been issued by ESMA (The European Securities and Markets Authority).

These guidelines will be applied to alternative key figures used from 3 July 2016. The interim report refers to a number of non-IFRS performance measures used to help both investors and management to analyse the company's operations. We describe below the various non-IFRS performance measures used as a complement to the financial information reported in accordance with IFRS.

Calculation of financial performance measures that are not found in the IFRS regulations

| | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| Capital employed | | |
| Total assets | 992.1 | 1,051.7 |
| Non-interest-bearing liabilities | 132.0 | 185.2 |
| Cash and cash equivalents | 39.9 | 142.5 |
| Reported capital employed | 820.2 | 724.0 |
| Leverage ratio | | |
| Interest-bearing liabilities | 293.5 | 278.8 |
| Equity | 566.6 | 551.5 |
| Reported leverage ratio | 0.52 | 0.51 |
| Capital turnover rate | | |
| Net sales | 725.1 | 587.5 |
| Average total assets | 1,021.9 | 884.5 |
| Reported capital turnover rate | 0.7 | 0.7 |

Description of financial performance measures that are not found in the IFRS regulations

| Non-IFRS performance measures | Description | Reason for use of measures |
|--|--|--|
| Restructuring costs | Impairment costs and personnel costs in connection with restructuring. | The measure indicates the specific costs that have arisen in connection with the restructuring of a specific business, which contributes to a better understanding of the underlying cost level in the ongoing operating activities. |
| Gross margin % | Net sales minus cost of goods and services sold as a percentage of net sales. | The gross margin is an important measure indicating the margin before other expenditure. |
| Sales growth comparable entities % | Change in net sales for the period for the Group companies held both the current and previous year as a percentage of net sales for the corresponding period the previous year. | Sales growth in comparable units shows the Group's organic growth excluding company acquisitions. |
| Currency-adjusted sales growth, % | Net sales for the period recalculated at exchange rates for the corresponding period the previous year minus net sales for the corresponding period the previous year as a percentage of net sales for the corresponding period the previous year. | The measure shows the currency-adjusted sales growth. |
| Equity/assets ratio | Equity expressed as a percentage of total assets. | A traditional measure indicating financial risk, expressed as the proportion of total capital financed by the owners. |
| Return on average shareholders' equity | Profit rolling 12 months after financial items and tax divided by average equity. | Shows from a shareholder perspective what return is given on the owners' invested capital. |
| Capital employed | Total assets reduced by non-interest-bearing liabilities and cash and bank balances. | The measure shows how much total capital is used in the business and is thus one component in measuring return from the business. |
| Return on average capital employed | Operating profit rolling 12 months, divided by the quarterly average capital employed. | The central measure for measuring the return on all the capital tied up in the business. |
| Number of connections | Number of subscription customers connected to the alarm centre. | This measure shows the volume of customers in the service business. |

Note 29 Subdivision of income statement by cost type

| The Group, SEK million | 2022 | 2021 |
|---|--------------|------------|
| Operating Income | | |
| Net sales | 725.1 | 587.5 |
| Other operating income | 54.8 | 25.6 |
| Operating Expenses | | |
| Merchandise | -135.4 | -113.8 |
| Other external expenses | -220.2 | -105.5 |
| Personnel costs | -365.5 | -328.6 |
| Depreciation and impairments of tangible fixed assets | -49.2 | -34.7 |
| Depreciation and impairments of intangible assets | -25.4 | -21.8 |
| Other operating expenses | 0.0 | -0.1 |
| Operating Profit | -15.8 | 8.6 |
| Profit from Financial Items | | |
| Interest income and similar income items | 9.2 | 2.8 |
| Interest expenses and similar income items | -8.8 | -2.2 |
| Profit after Financial Items | -15.4 | 9.2 |
| Tax on Profit for the Year | 6.8 | -4.5 |
| Profit for the year | -8.6 | 4.7 |

| Parent company, SEK million | 2022 | 2021 |
|---|-------------|-------------|
| Operating Income | | |
| Net sales | 9.5 | 1.0 |
| Other operating income | 0.0 | 0.1 |
| Operating Expenses | | |
| Merchandise | 0.0 | 0.0 |
| Other external expenses | -7.1 | -1.2 |
| Personnel costs | -4.7 | -0.4 |
| Depreciation and impairments of tangible fixed assets | 0.0 | 0.0 |
| Depreciation and impairments of intangible assets | 0.0 | 0.0 |
| Other operating expenses | 0.0 | 0.0 |
| Operating Profit | -2.3 | -0.5 |
| Profit from Financial Items | | |
| Interest income and similar income items | 11.6 | 0.0 |
| Interest expenses and similar income items | -8.8 | -0.4 |
| Profit after Financial Items | 0.5 | 3.1 |
| Group contribution | -0.6 | 0.0 |
| Tax on Profit for the Year | 0.0 | -0.4 |
| Profit for the year | -0.1 | 2.7 |

Note 30 Proposed allocation of the company's profit

The Board has decided not to propose any dividend for 2022.

| | |
|------------------------|--------------|
| Profit brought forward | 360.2 |
| Profit for the year | -0.1 |
| | 360.0 |

Sustainability notes

Note 1 Stakeholders

Careium's stakeholders have been identified by Group management. This has been done through discussion and is updated annually. In our work with quality, the environment and information security, the stakeholder list is used to identify the requirements that stakeholders have for us in each area and this becomes an important basis for our management system and the certifications set out in ISO 9001, 14001 and 27001. Dialogue is conducted with the stakeholders who are considered most important for the business and the company's future.

More information about stakeholders can be found on page 27.

Note 2 Materiality analysis

The materiality analysis was originally drawn up by the head of sustainability in 2021 in collaboration with relevant offices (Group management, Board of Directors, purchasing, HR, regions, etc.). It is updated annually in connection with the preparation of the sustainability report. The result of the materiality analysis forms the basis for the design and content of the sustainability report. Positive impact is marked with colored text.

| | Manufacture of products | Transport of products | Careium internally (management and provision of services) | Use of products and services | Reuse and recycling of products |
|--------------------------|---|--|---|---|---|
| Stakeholder affected | Suppliers Society | Suppliers | Employees Owners | Customers Society | Society |
| ENVIRONMENTAL IMPACT | Emissions and other environmental impacts during material mining and production. Manufacturing mainly in Asia. | CO ₂ and other emissions from aircraft, boats and trucks. | Heating, electricity and water to Careium's offices and alarm centres. Visits by car to alarm service users and direct customers. | Energy consumption of products. Reduced driving for home care. | Energy consumption. Use of finite resources. Waste. |
| Significance | High Life-cycle analysis of the alarm chain shows that 85 per cent of the climate footprint comes from manufacturing. Waste and emissions are also part of this component. | Medium Life-cycle analysis of the alarm chain shows that 10 per cent of the climate footprint comes from transport. | Low Relatively small environmental impact. Impact due to control of other stages. | Low Life-cycle analysis of the alarm chain shows that 5 per cent of the climate footprint comes from using the products. (Higher proportion when used in countries with a worse energy mix). | Medium Lifespan and repairability are important to reduce the impact of production. |
| Possibility to influence | Low Limited opportunities to choose components and manufacturers. | Medium Customer requirements and difficulties in inventory planning result a sub-optimal reliance on air freight. | Medium Green electricity can be selected. Cars can be chosen on the basis of environmental performance. | Medium Construction is carried out for low energy use. | Medium In terms of construction, emphasis is placed on life span and repairability. Products are labelled to facilitate recycling. |
| Careium governance | Supplier selection. Product specification. Business ethics policy. | Supplier selection. CO ₂ -measurement. | Governance in accordance with ISO 14001. Measurement and control of environmental impact. | Product development. | Product development. |

| | | | | | |
|---------------------------------|---|---|--|--|---|
| SOCIAL IMPACT | Work environment and human rights. Conflict minerals. Provision for staff in the supply chain. | Work environment and human rights. Provision for staff in the supply chain. | Work environment and human rights. Provision for staff. Profit for owners. | Information security/personal data. Product safety. Maintenance of alarm service. Safety and independence for end users. Work environment and care quality for municipalities. | Work environment and human rights in relation to recycling. Repairability and a long life span provide economical sustainability. |
| Significance | High The greatest risks in relation to the work environment and human rights lie in the manufacturing chain. | Low Relatively minor social impact. | Medium Careium's own operations take place in countries with low social risks, but the working environment is an important issue for our approximately 1,000 employees. | High Ageing population is a challenge in the countries in which Careium operates. Positive impact on service users, relatives and municipalities. | Low Relatively small social impact. |
| Possibility to influence | Medium To obtain competitive products, manufacturing is carried out in Asia. Selection and control of suppliers is carried out, but there are risks. | Medium Established transport companies are selected in accordance with our procedures. | Medium Work environment and culture can be controlled, but employees in the alarm centres have to work nights and week-ends and the work can be stressful. | High Products and services are developed for good social impact. Quality of products and services that meet customer requirements. | Medium In terms of construction, emphasis is placed on life span and repairability. |
| Careium governance | Supplier selection. Product specification. ESG policy for suppliers. | Supplier selection. | Business ethics Surveying and control of work environment. | Management in accordance with ISO 27001, ISO 9001. | Product development. |
| BUSINESS ETHICS IMPACT | Risk of corruption. Provision in the supply chain. | Risk of corruption. Provision in the supply chain. | Risk of unethical governance. Risk of insider trading. Provision for staff. Profit for owners. | Risk of corruption, price cartels and misleading marketing. Tax payment. Products and services that increase municipalities' ability to offer a good service at a lower cost. | Risk of corruption. Repairability and a long life span provide economical sustainability. |
| Significance | Medium The biggest risks in relation to corruption lie in the manufacturing chain, but still low risks. | Medium Relatively small customer at each supplier. | Low Low risks internally. | High Ageing population is a challenge in the countries in which Careium operates. Positive impact on service users, relatives and municipalities. | Low Relatively small impact. |
| Possibility to influence | Medium To obtain competitive products, manufacturing is carried out in Asia. Selection and control of suppliers is carried out, but there are risks. | Medium Established transport companies are chosen. | High Measurement and control of finances and corporate governance. | High Products and services are developed for good financial sustainability. | Medium Suppliers with a good reputation are chosen. |
| Careium governance | Supplier selection. ESG policy for suppliers | Supplier selection. | Business ethics and other policies. Financial reporting. | Business ethics policy. | ESG-policy for suppliers. |

Explanations for the table: Significance is Careium's real impact in an area, opportunity is what remedy Careium has in relation to this impact. Environment is the external environment, how the planet is impacted. Social denotes the impact on people. Business ethics includes anti-corruption, that the applicable taxes are paid, that insider trading is proscribed, etc.

Strategy based on materiality

Through this materiality analysis, Careium has reached the conclusion that it is in social sustainability at the customer level that Careium has the greatest impact. This is the level at which Careium makes a difference in a way that would not have been the case if the company had been operating in another industry, with other customer segments. This creates value for service users and society.

There are many other important sustainability issues, but which have not been identified as central based on our business and its impact.

| Question | Reason why this issue is not central to Careium |
|------------------------------|--|
| Biodiversity | We do not have our own land areas and our products have no specific impact on plants and animals. |
| Water consumption | We only consume water in offices in our own business, with water consumption restricted to hygiene and beverages. We have no insight into or influence over the water consumption of our suppliers. |
| Rights of indigenous peoples | We do not conduct business that has any particular impact on indigenous peoples. We do however consider the issue when choosing suppliers. |
| Use of chemicals | In our business, chemicals are used to remediate recycled products and for general cleaning, but the quantities we use are small and the chemicals have a low risk of damage. Procedures are in place for chemical handling and are handled in our management of occupational health and safety. |
| Air quality | Our operations do not give emissions that affect air quality. Manufacturing and transport, which are carried out by subcontractors, do have an impact. |
| Noise | Our operations do not make a lot of noise. Manufacturing and transport, which are carried out by subcontractors, do make noise. |

Note 3 Environmental data

Greenhouse gases

| Emissions, tonnes of CO ₂ e (carbon dioxide equivalent) | 2022 | 2021* | 2020* |
|--|------|-------|-------|
| Direct greenhouse gas emissions, Scope 1 | 260 | 301 | 227 |
| Indirect greenhouse gas emissions, Scope 2 | 89 | 76 | 23 |
| Emissions from transport of goods, Scope 3 (see below for explanation) | 290 | 102 | 150 |
| Use of Careium products, Scope 3 (see below for explanation) | 583 | | |

* Careium was spun off as a separate company in 2021. Reported figures for 2020 and 2021 refer only to emissions which can be attributed to Careium's operations. The increase in emissions between 2020 and 2021 is explained by the fact that the business had been expanded through the acquisition of new companies.

Greenhouse gases, calculation methods

| Emissions | How we calculated and what we included |
|--|--|
| General | All calculations relate to the climate impact from the use of fuel. Impact from the production and distribution of the fuel is not included. |
| Direct greenhouse gas emissions, Scope 1 | Emissions from own cars and leased cars, as well as combustion for heating, constitute Careium's Scope 1 emissions. |
| Indirect greenhouse gas emissions, Scope 2 | <p>Energy consumption for Careium's premises is responsible for our Scope 2 emissions.</p> <p>In cases where Careium does not have its own electricity and heating agreements for offices, the calculation is based on the total figure for the building and what share Careium's offices make up of the building. In two smaller offices (3 per cent of the Group's total footprint) it has not been possible to produce a total figure for the building, in this case consumption has been estimated.</p> <p>The emissions from district heating (CO₂e/kWh) have been calculated using emission factors from the suppliers.</p> <p>Emissions from electricity (CO₂e/kWh) have been calculated using emission factors from the suppliers in Sweden, Norway and the new office in Blackburn, England. In other places the emission factor for the country residual mix was used (according to AIB 2021).</p> |
| Emissions from the transport of goods, Scope 3 | <p>Our freight forwarders have calculated Careium's transport of goods according to the standard for calculating and reporting greenhouse gas emissions in the transport sector, EN 16258:2012. Only transports from Asia to warehouse are reported. This does not include transports from warehouse to end customer. This does not include transport from the warehouse to the end customer.</p> <p>More detailed figures can be found in the table below (The table below shows both WTW and TTW, but the greenhouse gas table above uses TTW).</p> |
| Use of Careium products, Scope 3 | The products' energy use by our customers has been roughly calculated using the average energy consumption of the products. Average CO ₂ e/kWh for electricity (according to AIB 2021, total supplier mix) have been used in the countries where the products are used. Number of products that were active on December 31, 2022 was used as the value for the entire year. |
| Other Scope 3 emissions | Scope 3 emissions in addition to those mentioned above are not reported because data are not available. Examples include passenger transport by air and train, staff commuting and emissions from the manufacture of products. |

Emission figures from freight forwarders 2022

Scope 3, transport of goods

| Mode of transport | Tonne CO ₂ e, WTW 2021 | Tonne CO ₂ e, TTW 2021 | Tonne CO ₂ e, WTW 2022 | Tonne CO ₂ e, TTW2022 |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Air | 120 | 102 | 318 | 261 |
| Sea | 2 | 2 | 7 | 6 |
| Road | Not reported | Not reported | 28 | 23 |
| Total | 122 | 104 | 353 | 290 |

WTW=Well to wheel, TTW=Tank to wheel.

In 2021, there were only total figures for Doro+Careium, where 5 per cent was attributed to Careium.

Power consumption

| | 2021 | 2022 | | | | | | |
|---|-------|-------|--------|--------|----------------|---------|-------------|-------|
| | Group | Group | Sweden | Norway | United Kingdom | Germany | Netherlands | Spain |
| Passenger transport, company-owned cars (Scope 1), MWh | 2,074 | 1,206 | 53 | 347 | 468 | 73 | 254 | 11 |
| Electricity consumption, office, MWh* (total, including electricity for heating) | 867 | 597 | 193 | 160 | 184 | 2 | 53 | 5 |
| Heating with district heating, MWh* | 460 | 439 | 347 | 82 | 0 | 10 | 0 | 0 |
| Cooling with district cooling, MWh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Consumption of steam | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Heating with own combustion, MWh | 120 | 117 | 0 | 0 | 35 | 0 | 82 | 0 |
| Fossil-free electricity is used in the number of offices/total number of offices | 6/13 | 5/8 | 3/3 | 1/1 | 1/1 | 0/1 | 0/1 | 0/1 |

* In most offices, district heating is calculated as a proportion of the building's total consumption, as separate meters are not available. In some offices, this also applies to electricity consumption.

No energy has been sold.

Energy consumption in 2022 for all active Careium products is 4,115 MWh (calculated on approximate annual consumption per unit and with the units that were active 2022-12-31).

Environmental facts office

| | 2021 | 2022 | | | | | | |
|---|-------|-------|--------|--------|----------------|---------|-------------|-------|
| | Group | Group | Sweden | Norway | United Kingdom | Germany | Netherlands | Spain |
| Office space, m ² | 8,858 | 6,286 | 3,164 | 1,600 | 408 | 105 | 900 | 109 |
| Water consumption, m ³ * | 3,230 | 2,042 | 1,467 | 152 | 311 | 25 | 112 | 25 |
| Electrical waste, including batteries, kg | 9,771 | 9,873 | 1,541 | 3,600 | 3,417** | 70 | 1,245 | 0 |

* In most offices, water consumption is calculated as a proportion of the building's total consumption, as separate meters are not available. For the German and Spanish offices, estimates have been made based on the number of staff.

** Electrical waste in England is extra high due to the closure of two offices which meant the eradication of equipment.

Note 4 Customer safety

ISO 9001 and ISO 27001 certifications support secure processes and improve working methods so that services maintain the promised level. All 4 of our alarm centres are certified according to ISO 9001 (quality) and ISO 27001 (information security). In the UK, the local TSA standard specifies quality requirements in the alarm chain, and all of our alarm centres in the country have this certification. The local Chainmark standard is used in the Benelux countries. See home pages for certificates.

When suppliers are involved in the service chain, agreements are in place to ensure the level of service.

Emergency procedures and testing are important to check that the services can be maintained, even in the event of disruptions. In the alarm centres, emergency/operational continuity procedures are reviewed and practised in various scenarios in order to simulate both natural disasters and man-made emergencies. Our own IT staff are on standby 24/7 to ensure the operation of the emergency services and to take action in the event of any disruptions.

Risks to customers' health and safety are taken into account and are a vital element in all development of all new products and services. We also constantly work to improve the customer experience and reduce risks. More on our risk-mitigation work can be found on pages 39–40.

Labeling of products and services

The products are labeled and product information is available to facilitate service users

- Content of substances is declared for each product according to European legislation to pass CE marking. In this, special consideration is given to substances that may cause environmental or social harm impact.
- Safe use of the product or service is specified in product information available for each product.
- How to dispose of the products is described in the product information. In the materiality analysis is given a general description of the environmental and social effects of product waste.
- All new products and services that are launched are checked against current legislation and customer requirements before they are put on the market, as part of the development process.
- Purchasing of components is handled internally. Today, we do not publish where the individual products and components are procured, other than in general terms, see materiality analysis.

Waste

Waste occurs mainly during the production of the products we sell (upstream), as well as downstream, when products have been used, worn out and become waste. In our own business we have general office waste, where in recent years we have reduced paper consumption as we step by step move towards more digital solutions. We lack measurements of office waste in most offices because it is included in the rent and becomes part of the property's total waste. However, we can measure the amount of electrical waste including batteries, which is reported under the heading "Environmental facts office". The relatively large amount of electrical waste is due to the fact that in several places we lease out products that are taken back and scrapped when they can no longer be used.

We provide products with long life and reparability to reduce the amount of waste. We carry out cleaning and repair of products in Sweden, Norway, England and the Netherlands.

Data regarding the amount of waste at our units is collected by each site manager and sent annually to the group's sustainability manager for compilation. The site managers are also responsible so that waste from the respective offices is collected and transported in line with legal requirements.

The products we put on the market are reported according to the requirements of the WEEE/BATTERY/PACKAGING directives.

Note 5 Employee data

| | 2021 | 2022 | | | | | | |
|---|-------|-------|---------------|---------------|----------------------------|--------------------|----------------------|------------------------|
| Staff details | Group | Group | Region Sweden | Region Norway | Region UK (United Kingdom) | Region Netherlands | Region International | Common group functions |
| Number of employees, Head count, at year-end (full-time and part-time) | 1,013 | 844 | 167 | 107 | 473 | 49 | 5 | 67 |
| Proportion of women of total number of employees, at year-end, % | 66 | 62 | 67 | 47 | 69 | 51 | 20 | 33 |
| Proportion of staff under 30 years of age, % | 29 | 35 | 53 | 40 | 34 | 18 | 0 | 13 |
| Proportion of staff 30–50 years of age, % | 40 | 38 | 34 | 37 | 36 | 33 | 80 | 60 |
| Proportion of staff over 50 years of age, % | 31 | 27 | 13 | 23 | 30 | 49 | 20 | 27 |
| Proportion of women in managerial positions, at year-end, % | 52 | 55 | 45 | 40 | 68 | 25 | 0 | 28 |
| Proportion of staff who have had appraisal interviews | 88 | 85 | | | | | | |
| Number of employees, Head count – permanent at the end of the year | | 589 | 113 | 70 | 299 | 39 | 5 | 63 |
| Number of employees, Head count – temporary at the end of the year | | 53 | 9 | 1 | 29 | 10 | 0 | 4 |
| Number of employees, Head count – non guaranteed hours at the end of the year* | | 226 | 45 | 36 | 145 | 0 | 0 | 0 |
| Number of employees, Head count – full time at the end of the year (calculated on permanent and temporary) at the end of the year | | 380 | 89 | 48 | 155 | 18 | 5 | 65 |
| Number of employees, Head count – part time at the end of the year (calculated on permanent and temporary) at the end of the year | 294 | 262 | 33 | 23 | 173 | 31 | 0 | 2 |
| Collective agreements in place** | | 39% | Yes | Yes | No | No | No | Yes |

* Required employees who are brought in on an hourly basis are alarm operators in the alarm centers.

** In countries where we do not have a collective agreement, local legislation and Careium's ethical guidelines are followed.

It happens that we hire people who do work for us, e.g. interim managers and consultants. We do not have compiled data on quantity, but are working on being able to report this next year.

Occupational health and safety

Careium has an occupational health and safety policy and a guideline that applies to the entire Group. Based on these, each Country Director is responsible for governance and follow-up regarding the occupational health and safety, including oversight of compliance with legal requirements. At Group level, an annual follow-up of all business premises is carried out to check that all have active occupational health and safety initiatives in place with oversight of relevant requirements. All the Group's employees are covered by occupational health and safety initiatives.

| Occupational health and safety facts | 2021 | 2022 | | | | | | |
|--|-------|-------|--------|--------|----------------|---------|-------------|-------|
| | Group | Group | Sweden | Norway | United Kingdom | Germany | Netherlands | Spain |
| Occupational health and safety procedures are documented in the local language | 5/6 | 5/6 | Yes | Yes | Yes | Yes | No | Yes |
| Safety inspections are held at least annually | 99% | 100% | Yes | Yes | Yes | Yes | Yes | Yes |
| Number of reported occupational injuries and incidents | 21 | 17 | 3 | 2 | 12 | 0 | 0 | 0 |
| Sick leave due to occupational injuries and incidents, hours | 388 | 20 | 20 | 0 | 0 | 0 | 0 | 0 |
| Number of reported cases of discrimination | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note 6 Anti-corruption

All operations have been risk assessed according to the UN Global Compact "Guide for Anti-Corruption Risk Assessment". Figures from Transparency International have been used to assess risks in different countries. The risks have been assessed as low.

The company's Business ethics policy and ESG policy for suppliers set out rules regarding anti-corruption.

All managers (except team leaders), all employees in sales and everyone who makes decisions about purchases receive an annual digital course on anti-corruption. Out of 73 people who received the course, and were still employed at the end of the year, 71 people (97 per cent) have completed it, including the final test.

No cases of corruption have been detected in 2022. The whistleblower channel available on our external website can be used by anyone who wants to report suspicious cases.

Note 7 The supply chain

Careium's products are mainly manufactured in Asia, by major suppliers who also manufacture products for other European customers that in many cases are larger than Careium and place high demands on quality and sustainability. The products are transported to Europe by boat as far as possible, but flights are used to meet customers' needs when freight has to move faster. The products are received in Careium's central warehouse where they are configured and distributed to customers across Europe.

Careium's services in the field of social alarms are performed in our own alarm centres in Sweden, Norway and UK. Sub-contractors that perform installations are used to a limited extent and are controlled by us.

Assessment regarding environmental and social impact

All new significant suppliers brought in during 2022 were assessed regarding the environment, social impact and other sustainability criteria. During the year, we have further strengthened our routines for supplier assessment with clear boundaries for when assessment should be made of different parameters, for example sustainability.

Existing suppliers were environmentally assessed as follows:

| | |
|---|--|
| Number of suppliers assessed for environmental and social impacts. | 34 (approx. 70 per cent of our total purchases come from these suppliers) |
| Number of suppliers identified as having significant actual and potential negative environmental or social impacts. | 0 |
| Significant actual and potential negative environmental or social impacts identified in the supply chain. | See materiality analysis |
| Percentage of suppliers identified as having significant actual and potential negative environmental or social impacts with which improvements were agreed upon as a result of assessment. | 0 |
| Percentage of suppliers identified as having significant actual and potential negative environmental or social impacts with which relationships were terminated as a result of assessment, and why. | 0 |

Note 8 Whistleblowing

Careium has information on our website about how whistleblowing can be done. It is also included in policies for business ethics, internally and for suppliers. In 2022, the reporting channel has been updated to comply with new legal requirements. Information about the new reporting method has gone out to all employees.

| Whistleblowing | Group | Sweden | Norway | United Kingdom | Germany | Netherlands | Spain |
|---|-------|--------|--------|----------------|---------|-------------|-------|
| Number of reported cases of whistleblowing 2021 | 2 | 0 | 0 | 2 | 0 | 0 | 0 |
| Number of reported cases of whistleblowing 2022 | 2 | 0 | 1 | 1 | 0 | 0 | 0 |

The cases that have been received have been simpler cases that should actually have been received via other channels (an employee case in England and a customer complaint in Norway). The cases were handled in ordinary routines for HR and customer complaints.

Note 9 Responsibility and governing of the sustainability work

The company board of directors is responsible for strategy and overall monitoring of sustainable development within Careium. The CEO is responsible for execution on an overall level, while responsibility for implementation of the details follows the responsibility structure of the line organization. There is a sustainability manager who reports to the CEO and who supports the entire organization and follows up on the implementation of the work.

The group's management team follows up on sustainability (policies, routines, goals and outcomes) through management's review, which is a requirement in the ISO standards we follow. The questions are addressed at several levels in various expert groups and the final follow-up is done by group management. This follow-up is done at different intervals depending on the issue, but at least once a year.

The company board monitors risks and sustainability at board level. If necessary, responsible persons are called to the board to report on the activities. The sustainability report is reviewed and signed by the board as part of the annual report.

When significant risks or other major problems are discovered, there is an escalation procedure, where both group management and the chairman of the board are informed. Escalation is done via e-mail. Three risks were escalated in 2022.

The Group Leadership team maintains competence regarding sustainability issues by participating in the continuous work to fulfill the stakeholders' requirements.

Certifications in quality, environment and information security are used to ensure that the management follows up the sustainability work in a sufficient way, with annual external audits and internal audits several times a year. There are also audits of customer requirements. Non-conformities are handled in the internal system for non-conformity management.

Policies are implemented in the management system for the group, where procedures and instructions specify what applies in various processes. Our most important policies are available externally on the website. Communication takes place internally and externally. Policies and procedures are communicated upon new employment, but regarding e.g. information security and anti-corruption annual courses are held internally.

External complaints about operations are received by each region and handled locally. Internally, complaints can be made to the manager, HR or via the employee survey. There is also a completely anonymous whistleblower portal, see separate section.

Checking of legal requirements is done annually in documented reviews. During 2022, we have not found any violations of legal requirements. We have also not paid fines or penalty fees during the year. Traffic offenses may have occurred, but any fines are normally paid off the employee and is then outside the company's knowledge.

Note 10 Environmental targets

The environmental targets for 2022 that were reported in the previous sustainability report have been partially achieved.

| Target | Profit | Comment |
|---|--------------------|--|
| Sales target according to the budget for remote supervision and e-locks, which helps customers reduce emissions. Applies to Sweden and Norway. | Achieved | The goal has been achieved. |
| Eco-driving courses in Norway for reduced fuel consumption: 50 per cent of staff who drive a car to work will receive training. | Not achieved | Training has not been completed, new target exists for 2023. |
| The vehicle fleet in Norway will be adapted for better environmental performance. | Partially achieved | 50 per cent was achieved. |
| Office relocations in the UK will be chosen taking into account environmental performance, such as energy consumption, opportunities for work commuting without a car and safety in climates with more extreme weather. | Achieved | The office in Blackburn has a good energy rating, green electricity is used and it is close to public transport. The area is not exposed to increased climate risks. |

Targets for 2023

The Group's environmental targets for 2023 have been developed by the environmental group and the regions. They have been approved by Group management. These are our most important environmental targets for 2023:

| Target |
|---|
| The number of digital inspection visits carried out and e-locks installed must increase according to internal plans in Sweden and Norway. |
| Energy efficiency of offices is to be done in the UK and Norway, according to plan. |
| The vehicle fleet in Norway must consist of at least 50 per cent electric cars by the end of 2022. |
| Eco-driving training via a digital course must be completed by personnel who drive to work. (Target 95 per cent). |

Link to the UN's Global Sustainable Development Goals

Careium supports Agenda 2030 and the UN's 17 Global Sustainable Development Goals. Careium's main opportunities to support these targets lies within Goals 8, 10 and 12.



Relevant milestones:

10.2: By 2030, enable and promote the inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status, in social, economic and political life.

8.2: To achieve greater economic productivity through diversification, technological upgrading and innovation, including by focusing on sectors with high added value and high labour intensity.

12.2: By 2030, achieve sustainable management and efficient use of natural resources.

Goal 10 is what Careium does for service users:

- Careium's services and products provide the opportunity for greater inclusion in society and a safer and more independent life for seniors and people with disabilities.

Goal 8 is for Careium staff and for care staff:

- Careium strives to be a stable and responsible employer that offers good working conditions and development opportunities.
- Careium's solutions can provide opportunities for security for service users, support for employees in care and resource efficiency in the use of tax revenues.

Goal 12 is for the environment:

- Careium selects the materials in its products for their good environmental performance throughout their life cycle, from raw material to recycling. Products offering a high proportion of reuse have been standard for many years. Careium is also working to reduce the environmental impact of transport and journeys.

Note 11 References to global standards and accounting methods

GRI (Global Reporting Initiative)

GRI background

Careium's sustainability report for 2022 follows GRI's updated standards (GRI: 2021) which are valid from 2023-01-01. There is no sector standard for Careium's operations, so we only report according to the topic standards.

The GRI reporting is based on the areas that have been identified as essential for the company with the help of stakeholder dialogues and environmental monitoring. The list below reproduces references to the GRI information and indicators that Careium reports within the framework of the company's reporting.

This is our second GRI report. The company was started in 2021 and was previously part of Doro.

Prior to this report, a more careful analysis has been made of which of GRI's essential aspects are relevant to report, which resulted in us now no longer reporting aspect 413, but that we have started reporting aspects 206, 302, 308, 414 and 417. Others are unchanged.

Our material sustainability aspects (further explanation can be found in sustainability note Materiality analysis):

| Assessment Significance- possibility | Aspect | GRI topics |
|--|---|---------------|
| High-high | Social impact on customers and society at use of products and services | 416, 417, 418 |
| High-high | Business ethics, when used (positive effect on municipalities' resource management) | 206 |
| High-medium | Social impact in the supply chain (working environment, human rights, etc.) | 414 |
| High-low | Environmental impact in the supply chain | 305, 308 |
| Medium-medium | Environmental impact during transport | 302, 305 |
| Medium-medium | Environmental impact during recycling (life expectancy and reparability) | 306 |
| Medium-medium | Risk of corruption in the supply chain | 205 |
| Medium-medium | Risk of corruption in transport | 205 |
| Medium-medium | Working environment in our own operations | 403, 405 |

GRI reference and comment

| GRI standard | Page reference/Comment |
|--|--|
| GRI 2: GENERAL DISCLOSURES (2021) | |
| 2-1 Organizational details | See note 9 |
| 2-2 Entities included in the organization's sustainability reporting | See note 9 |
| 2-3 a-c Reporting period, frequency and publication time | See Directors' report |
| 2-3 d Contact point of sustainability report | Mona Sahlberg, sustainability and compliance manager |
| 2-4 Restatements of information from previous reporting periods | See GRI background |
| 2-5 External assurance | See page 36 |
| 2-6 Activities, value chain and other business relationships | See Directors' Report, Corporate Governance, Materiality analysis, Sustainability Note on The Supply Chain |
| 2-7 Employees | Sustainability Note Employee data |
| 2-8 Workers who are not employees | Sustainability Note Employee data |
| 2-9 Governance structure and composition | See Corporate Governance, Board |
| 2-10 Nomination and selection of the highest governance body | See Corporate Governance |
| 2-11 Chair of the highest governance body | See Corporate Governance |
| 2-12 Role of the highest governance body in overseeing the management of impacts | See sustainability note Responsibility and governing of the sustainability work |
| 2-13 Delegation of responsibility for managing impacts | See sustainability note Responsibility and governing of the sustainability work |
| 2-14 Role of the highest governance body in sustainability reporting | See sustainability note Responsibility and governing of the sustainability work |
| 2-15 Conflicts of interest | See page 8, page 42, and note 25 |

| GRI standard | Page reference/Comment |
|---|---|
| 2-16 Communication of critical concerns | See sustainability note Responsibility and governing of the sustainability work |
| 2-17 Collective knowledge of the highest governance body | See sustainability note Responsibility and governing of the sustainability work |
| 2-18 Evaluation of the performance of the highest governance body | See sustainability note Responsibility and governing of the sustainability work |
| 2-19 Remuneration policies | See Remuneration Report |
| 2-20 Process to determine remuneration | See Remuneration Report |
| 2-21 Annual total compensation ratio | See Remuneration Report page 41 |
| 2-22 Statement on sustainable development strategy | See Message from the CEO |
| 2-23 Policy commitments | See policies page 31, as well as Careiums website, Standards and policies (careium.com) |
| 2-24 Embedding policy commitments | See sustainability note Responsibility and governing of the sustainability work |
| 2-25 Processes to remediate negative impacts | See sustainability note Responsibility and governing of the sustainability work |
| 2-26 Mechanisms for seeking advice and raising concerns | See sustainability note Whistle-blowing |
| 2-27 Compliance with laws and regulations | See sustainability note Responsibility and governing of the sustainability work |
| 2-28 Membership associations | Svensk näringsliv, TechSverige |
| 2-29 Approach to stakeholder engagement | See sustainability note Stakeholders |
| 2-30 Collective bargaining agreements | See sustainability note Stakeholders |
| GRI 3: MATERIAL TOPICS (2021) | |
| 3-1 Process to determine material topics | See sustainability note Materiality analysis |
| 3-2 List of material topics | See sustainability note Materiality analysis |

| GRI standard | Page reference/Comment |
|---|--|
| GRI 205: ANTI-CORRUPTION (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note anti-corruption |
| 205-1 Operations assessed for risks related to corruption | See sustainability note Anti-corruption |
| 205-2 Communication and training about anti-corruption policies and procedures | See sustainability note Anti-corruption |
| 205-3 Confirmed incidents of corruption and actions taken | See sustainability note Anti-corruption |
| GRI 206: ANTI-COMPETITIVE BEHAVIOR (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work, sustainability note anti-corruption |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | See sustainability note Anti-corruption |
| GRI 302: ENERGY (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 302-1 Energy consumption within the organization | See sustainability note Environmental data |
| GRI 305: EMISSIONS (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 305-1 Direct (Scope 1) GHG emissions | See sustainability note Environmental data |
| 305-2 Energy indirect (Scope 2) GHG emissions | See sustainability note Environmental data |
| 305-3 Other indirect (Scope 3) GHG emissions | See sustainability note Environmental data |

| GRI standard | Page reference/Comment |
|--|---|
| GRI 306: WASTE (2020) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 306-1 Waste generation and significant waste-related impacts | See sustainability note Customer Safety |
| 306-2 Management of significant waste-related impacts | See sustainability note Customer Safety |
| 306-3 Waste generated | See sustainability note Customer Safety |
| GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis |
| 308-1 New suppliers that were screened using environmental criteria | See sustainability note The Supply Chain |
| 308-2 Negative environmental impacts in the supply chain and actions taken | See sustainability note The Supply Chain |
| GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018) | |
| 3-3 Management of material topics | Policies page 31 Employees page 32–33 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 403-1–403-7 Management approach disclosures | Employees pages 32–33 Sustainability note Employee data |
| 403-9 Work-related injuries | Sustainability note Employee data |
| GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016) | |
| 3-3 Management of material topics | Policies page 31 Employees page 32–33 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 405-1 Diversity of governance bodies and employees | Sustainability note Employee data |

| GRI standard | Page reference/Comment |
|--|--|
| GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 414-1 New suppliers that were screened using social criteria | Sustainability note Supply chain |
| 414-2 Negative social impacts in the supply chain and actions taken | Sustainability note Supply chain |
| GRI 416: CUSTOMER HEALTH AND SAFETY (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 416-1 Assessment of the health and safety impacts of product and service categories | Sustainability note Customer safety |
| GRI 417: MARKETING AND LABELING (2016) | |
| 3-3 Management of material topics | Policies page 31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 417-1 Requirements for product and service information and labeling | Sustainability note Customer safety |
| GRI 418: CUSTOMER PRIVACY (2016) | |
| 3-3 Management of material topics | Policies page 31 Information security page 30–31 See sustainability note Materiality analysis, sustainability note Responsibility and governing of the sustainability work |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | No significant complaints have been received |

TCFD (Task Force on Climate Related Financial Disclosures)

TCFD is used by companies to better identify their climate-related financial risks and opportunities.

| GOVERNANCE | STRATEGY | RISK MANAGEMENT | METRICS & TARGETS |
|--|---|--|--|
| A. The Board's oversight of climate-related risks and opportunities. | A. Climate-related risks and opportunities identified by the organisation. | A. The organisation's processes for identifying climate-related risks. | A. The organisation's metrics for assessing climate-related risks and opportunities. |
| The Board manages climate risks together with other risks, at least 1 time/year. Targets and action plans regarding climate measures are decided together with other targets. | Risks are presented together with other risks. See pages 39–40. Climate risk is handled both by senior management and by the Group's environmental group. | Climate risks are included in the assessment of sustainability risks, which in turn are included in the Group's overall risks. See pages 39–40. | Climate metrics are included in the sustainability report, see sustainability note "Environmental data". |
| B. Management's role in assessing and managing climate-related risks and opportunities. | B. Impact of risks and opportunities on the organisation's businesses, strategy, and financial planning. | B. The organisation's processes for managing climate-related risks. | B. Emissions of Scopes 1, 2 and 3 according to the Greenhouse Gas Protocol. |
| <p>The company's overall risks are assessed by Group management, after various groups have produced data.</p> <p>Group management is responsible for prioritising measures and for allocating resources for risk management.</p> <p>The sustainability manager who reports to the CEO has a special responsibility for informing management about risks and issuing guidance in relation to risk assessment.</p> <p>The Group's steering group for the environment meets 4 times/year and manages risks, targets, etc.</p> | <p>We have identified a great opportunity for municipalities to reduce their climate impact by using digital supervision instead of physical visits at times when this is appropriate. Life-cycle analysis, see Careium's website, and page 35 of this report.</p> <p>For information on measures to increase digital oversight, see page 86.</p> <p>We have also identified the opportunity to increase the service life of the products and taken measures, see page 34.</p> <p>Risks, see pages 39–40.</p> | There are very clear risk management processes in place regarding continuous operation of the alarm centres. Different types of interruptions are practised, e.g. power outages which can be a consequence of extreme weather such as storms and floods. | Emissions within Scopes 1, 2 and 3 are reported in the sustainability note "Environmental data". |
| | C. The resilience of the organisation's strategy taking into consideration different climate-related scenarios. | C. Integration of the above processes in the organisation's overall risk management. | C. Targets for managing climate-related risks and opportunities. |
| | Risk assessment based on the IPCC's climate scenarios has not yet been carried out at a detailed level, but an overall assessment shows that operations will be able to be conducted even at elevated sea levels and in the event of extreme weather. | Management of climate risks and targets is fully integrated with other processes. Our ISO 14001-certified environmental management system includes climate work. | Targets are reported in the sustainability note "Sustainability targets". |

Taxonomy

As a listed company of our size, Careium is covered by the rules for accounting according to the EU's taxonomy regulation, but the financial activities that the company conducts are not covered by the taxonomy's current technical review criteria. Thus, 0 per cent of our turnover is covered by the taxonomy and no part of the business is taxonomy compatible.

Åpenhetsloven (The Transparency Act)

Norwegian legislation requires companies with major operations in Norway to report on work with human rights and decent working conditions. Careium has published the "Corporate Sustainability Due Diligence Statement" on the website, to meet this requirement.

Signatures

The undersigned guarantees that the consolidated and annual accounts have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and good accounting practice and provides a true and fair view of the Group's and parent company's position and results, and that the Directors' Report provides a fair overview of the parent company's operations, position and turnover, and describes significant risks and uncertainties that the parent company and the companies included in the Group face.

Malmö, 24 March 2023

Lennart Jacobsen
Chair of the Board

Towa Jexmark
Board member

Cecilia Ardström
Board member

Kai Tavakka
Board member

Stefan Berg
Board member

Christian Walén
Board member

Maria Khorsand
CEO

Our audit report has been submitted on 27 March 2023
Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Authorised Public Accountant
Chief Auditor

Auditor's report

To the general meeting of the shareholders of Careium AB (publ), corporate identity number 559121-5875

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Careium AB (publ) for the year 2022 except for the corporate governance statement on pages 41–43 and the remuneration report on pages 46–47. The annual accounts and consolidated accounts of the company are included on pages 37–76 and page 91 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 41–43 and the remuneration report on pages 46–47. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those stand-

ards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–26, 94–96 and the sustainability report on pages 27–36 and 77–90. The Board of Directors and the Managing Directors are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Directors

The Board of Directors and the Managing Directors are

responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Directors are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Directors are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on

Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Directors of Careium AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Directors shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. A further description of our responsibility for the audit of the

administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 41–43 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement 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. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act. Öhrlings PricewaterhouseCoopers AB, PO Box 4009, SE-203 11 Malmö, was appointed auditor of Careium AB (publ) by the general meeting of the shareholders on the 29 April 2022 and has been the company's auditor since the 11 March 2021.

Malmö 27 March 2023

Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Authorized Public Accountant

Definitions

Number of shares at the end of the period

Number of shares on the balance sheet date, excluding treasury shares.

Number of shares at the end of the period after dilution effect

The number of shares at the end of the period adjusted for the dilution effect of warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at the share price at the end of the period.

Return on average capital employed

Operating profit divided by the quarterly average capital employed, excluding cash and bank balances.

Return on average equity

Profit after financial items and tax, divided by average equity.

Share price at end of period, SEK

The closing price on the balance sheet date.

Market capitalisation, SEK m

Share price at the end of the period times the number of shares at the end of the period.

Equity per share

Equity on the balance sheet date divided by the number of shares on the balance sheet date.

Equity per share after dilution

Equity on the balance sheet date divided by the number of shares at the end of the period after dilution effect.

Average number of shares

Number of shares at the end of the month divided by number of months.

Average number of shares after dilution effect

The average number of shares adjusted for the dilution effect of warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at the average share price for the period.

Cash flow rate

Cash flow from operating activities divided by EBIT.

Capital turnover rate

Net sales for the year divided by average balance sheet total.

Cash flow

Cash flow from operating activities

Cash flow per share

Cash flow from operating activities divided by the average number of shares.

Net margin

Profit after financial items as a percentage of sales for the year.

Net debt to equity ratio

Interest-bearing liabilities minus cash as a percentage of equity.

Interest coverage ratio

Profit after net financial items plus interest expenses divided by financial expenses.

Operating margin, EBIT

Operating profit (after depreciation) as a percentage of sales for the year.

Operating margin, EBITDA

Profit before depreciation as a percentage of sales for the year.

Equity/assets ratio

Equity as a percentage of balance sheet total.

Reported equity per share

Equity divided by the number of shares at the end of the year.

Capital employed

Total assets reduced by non-interest-bearing liabilities and cash and bank balances.

Kintsugi

"An object can still have meaning and life after breaking."

Kintsugi means "to join with gold". It is the traditional Japanese art of putting broken pottery back together by joining the pieces with gold-dusted lacquer. The broken object is not something that should be hidden. Instead of erasing the object's existence, the art form aims to highlight these scars.





Careium

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