



Annual report with sustainability report 2021

Smart technology for safer and better care



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Decision on the distribution of the shares in Careium AB (publ) to Doro's shareholders

The strategy for Doro in recent years has been to separately strengthen the two operations Doro Phones and Doro Care in order to create the best conditions for the operations' continued growth and thus increased value for shareholders.

An Extraordinary General Meeting of Doro resolved on 22 November 2021 to distribute all shares in the wholly owned subsidiary Careium, formerly the Doro Care business area, to Doro's shareholders. The shares in Careium are now listed on First North.

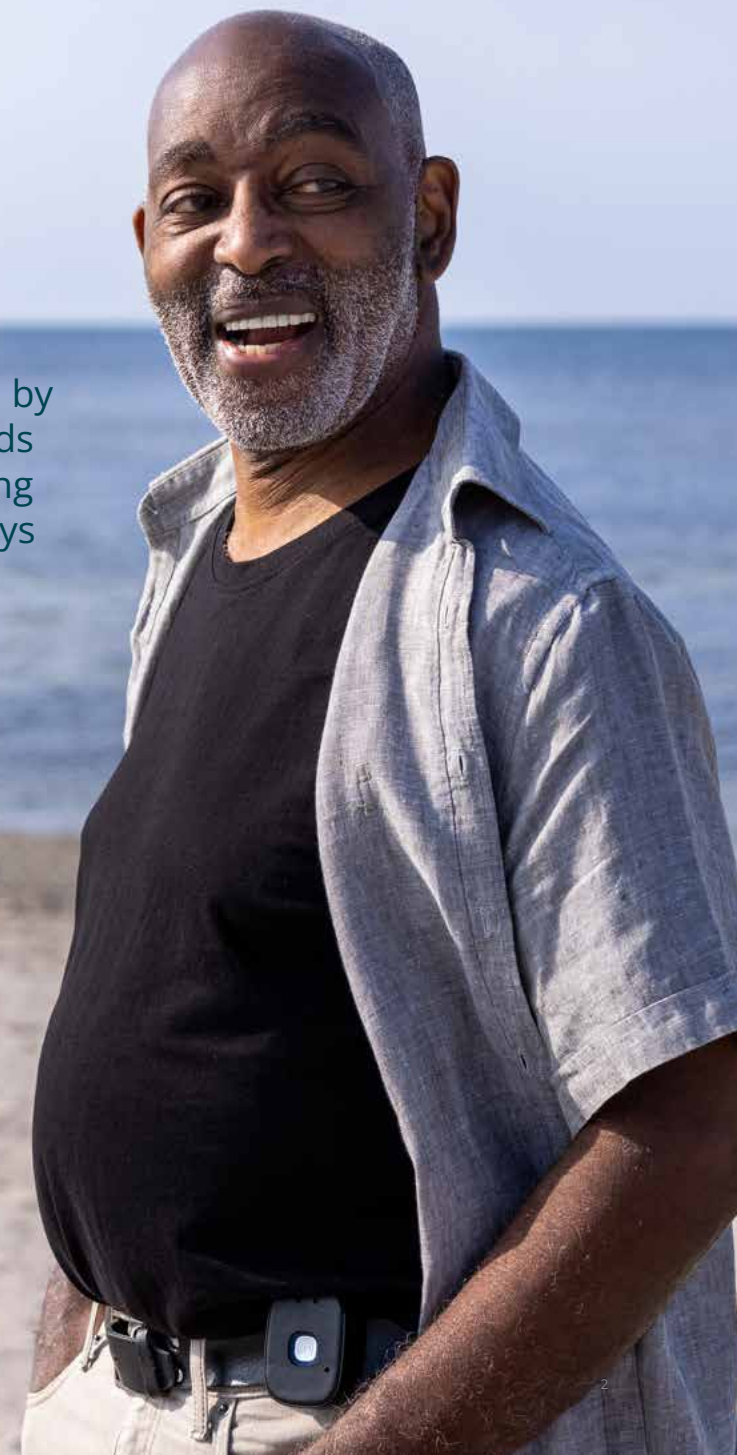
This annual report presents Careium's operations and our financial position in the current structure.

The formal annual report comprises pages 38-46, 50-77 and 88 and has been reviewed by the company's auditors.

Visit www.doro.com for Doro's Annual Report 2021.

All our users should live a richer life and feel safe and cared for.

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



Innovative solutions at the heart of our business

The population is ageing, costs are rising and budgets are falling. At Careium, we believe that the solutions for care in the future lie with technology. Technology that gives more space for human interactions.

From social 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 currently the market leader in technology-enabled care in northern Europe and approximately 400,000 people use our services. The vast majority of these are connected to one of our five alarm centres in Sweden, Norway and the UK. The alarm centres receive more than 25,000 alarms every day.

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



#1

Market leader in technology-enabled care in northern Europe



400,000

seniors use our services



600 million

in annual sales (SEK)



80 %

recurring revenue



21 %

6 year average growth

2021: Continued growth

Last year was an eventful year with challenges as a result of the pandemic and ongoing restructuring, while we have succeeded in broadening our market and customer group.

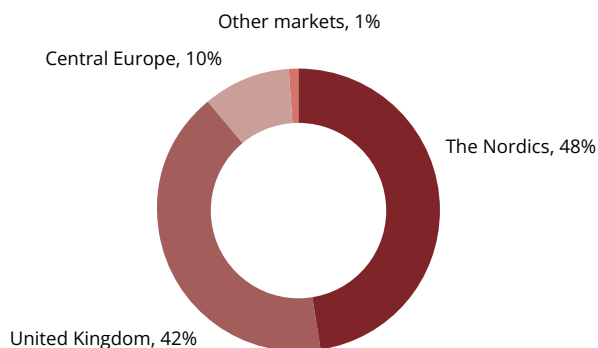
During the year, we built up a strong organization and completed three acquisitions.

Throughout the year, we have succeeded in delivering quality in our field service and alarm centres and achieved the highest sales in Careium's history.

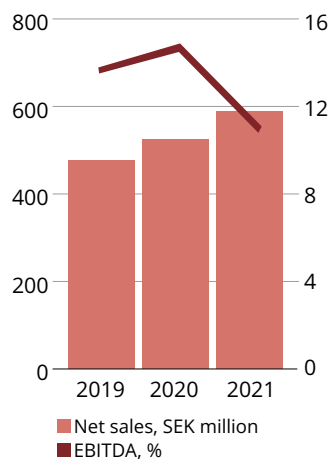
We ended the year by being listed on Nasdaq First North as an independent company and are now accelerating towards the goal of being the leading player in developing and providing welfare technology in Europe.

Annual comparison key figures	2021	2020
Net sales (SEK million)	587.5	524.1
Sales growth %	12.1	9.9
Gross margin %	40.9	41.5
EBITDA (SEK million)	65.2	77.9
EBITDA margin %	11.1	14.9
EBIT (SEK million)	8.6	28.4
EBIT margin %	1.5	5.4
Equity/assets ratio %	52.6	53.9
Number of employees	1,013	973
Connections	390,000	372,000
Free cash flow (SEK million)	-70.9	2.7

Net sales per region % for 2021



Net sales and EBITDA



Highlights of the year

The first half of the year

During the first half of the year, Careium made one acquisition and launched one product. In addition, long-term cooperation was initiated with the Commission on Loneliness.

Acquisition of the UK company FirstCall

At the beginning of February, the company acquired FirstCall 24/7, which together with our other operations in the UK, creates a strong market position.

The Commission on Loneliness is launched

In February, the Commission on Loneliness was launched. The aim of the Commission is to reduce loneliness, especially among older people. The Commission brings together key stakeholders from different parts of society. The chairperson is Amelia Adamo. The initiative is funded by Careium and Doro.



The Board communicates the intention to separately list Careium

At the beginning of the year, the Board also announced its intention to separately list the Doro Care business area (Careium).

The Careium 450 mobile social alarm is launched

The end of the first quarter saw the launching of our new mobile social alarm, Careium 450, which enhances safety not only in the home, but anywhere the user may happen to be.



The second half of the year

During the second half of the year, two further acquisitions were made that were consistent with our strategy to become the European market leader in technology-enabled care. We want to progress this strategy through both organic and acquisition growth.

The Dutch company, Innocom, is acquired

In line with our strategy, we expanded and strengthened our geographical presence through the acquisition of the Dutch company Innocom. The Dutch market is an attractive market with huge potential. Innocom is one of the three leading players in technology-enabled care in the Netherlands and will be a perfect addition to our current operations.

Acquisition of the UK company Helpline

At the end of September, we also carried out a small acquisition in the UK when we acquired the assets in Helpline from Bromford Housing. With the acquisition of Helpline, we are progressing the digital transition forward, as it is becoming increasingly difficult for smaller players such as Helpline to implement the transition themselves.

Careium enters into partnership with Precise Biometrics

In September, Careium and global software supplier Precise Biometrics entered into partnership with the aim of developing innovative technology for older people. The goal is to combine Precise Biometrics' technology solution YOUNiQ with Careium's work developing social alarms and technology-enabled care.



Careium was listed on First North on 10 December 2021

Following a decision at an extraordinary general meeting of Doro on 22 November, Careium AB (publ) ("Careium") announced on 10 December that trading in Careium's shares on Nasdaq First North Growth Market was initiated under the short name "CARE". The listing was part of the distribution of all DORO AB's ("Doro") shares in Careium to Doro's shareholders.

An investment in the future of technology-enabled care

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

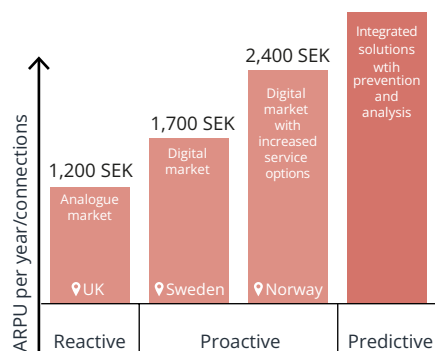
1.

Careium is transforming care of the elderly

We are transforming care of the elderly with the aid of digital technology-enabled care. The current and the next generation of technology-enabled care are becoming increasingly proactive, preventive and predictive.

An increasing number of new services is increasing the average revenue per user through increased value for care providers and the elderly.

Transformation of care of the elderly

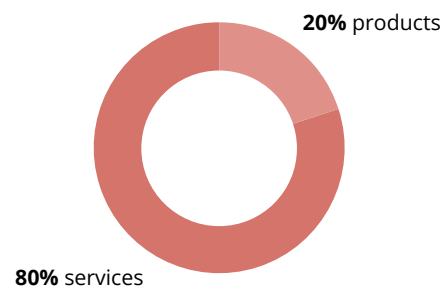


2.

We have 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. Our business model is based on the fact that the service aspect of our offering (software, alarm centres and field staff), which accounts for 80 percent of the business, generates recurring revenue over a long period of time.

Percentage of recurring revenue, %

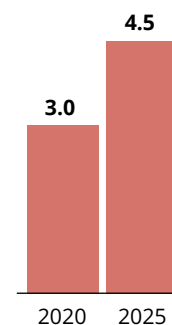


3.

We are 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 21 percent per year over the past six years through both organic growth and strategic acquisitions. Three strategic acquisitions were completed in 2021. It is estimated that the addressable European market for technology-enabled care will grow at an average annual rate of 11-13 percent, corresponding to a market of EUR 4.5 billion by 2025.

The European market for technology-enabled care, Mdkr €



4.

Careium is contributing to sustainable social development.

One of the biggest challenges of our time is taking care of a growing elderly population. The requirement of the elderly 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 2021, the price was SEK 30.15, which corresponds to a decrease of 6.1 percent. Careium's setpoint at the end of the financial year was SEK 733.4 million.

Number of shares and share capital

The number of shares in Careium AB (publ) on 31 December 2021 was 24,326,214, all shares have equal voting rights.

Investor relations

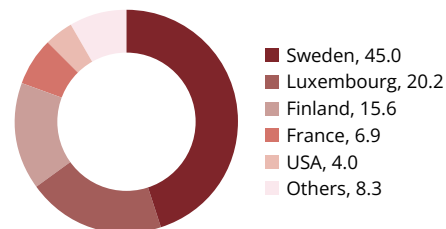
The Doro share is regularly followed by analysts at ABGSC, Redeye and Pareto; for the relevant analyses, see www.introduce.se/foretag/doro and www.redeye.se/bolag/doro. When the company publishes quarterly reports, the CEO give a webcast presentation of the report. The webcast, which is normally at 10:00 on the date of the report, can be reached via the company's website www.careium.com/sv-se/investerare. For those who wish, it is also possible in these presentations to ask questions to the CEO. 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, %

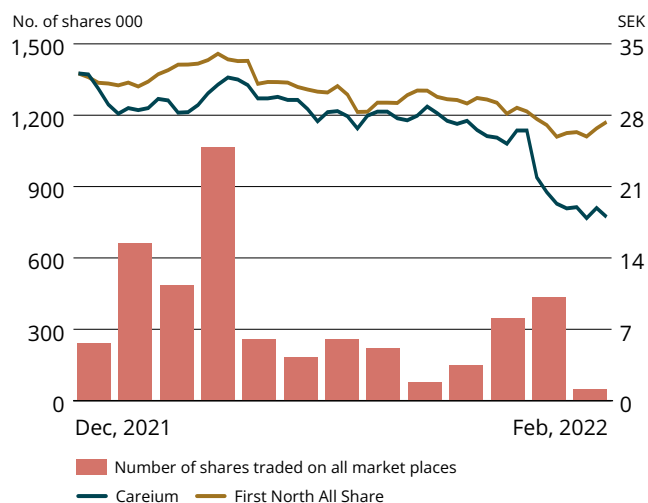


Share distribution in size classes

Shareholding	Number of shareholders	% of all owners
1-500	4,860	77
501-1,000	698	11
1,001-5,000	558	9
5,001-10,000	90	1
10,001-15,000	28	1
15,001-20,000	8	0
Over 20,001	63	1
Total	6,335	100



Share price development and turnover



Data per share

Transaction	2021
Number of shares at year-end, thousands ¹⁾	24,326
Share price at year end, SEK	30.15
Highest paid	37.90
Lowest paid	27.90
Market value at year-end, SEK million	733.4
Quota value, SEK	0.02
Profit for the year, SEK	4.7
Cash flow per share ²⁾	-0.81
Visible equity, SEK	22.67
Dividend, SEK	-
Dividend, share of net profit, %	-
P/E figure ³⁾	158.7
Direct return, % ⁴⁾	-

1) Shares excl. treasury shares

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

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

4) 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 2021	Number of shares	Share of capital and votes, %
Accendo Capital SICAV SIF	4,154,238	17.08
Nordea Fonder	2,785,552	11.45
Rite Internet Ventures Holding AB	2,486,572	10.22
Lazard Freres Banque, W8IMY	1,652,550	6.79
Försäkringsbolaget, Avanza Pension	1,154,645	4.75
Swedbank insurance	700,581	2.88
CBLDN-EQ Nordic Small Cap Fund	617,393	2.54
Nordea Bank ABP	580,332	2.39
Nordnet pensionsförsäkring AB	530,552	2.18
Originat AB	530,000	2.18
Total	15,192,415	62.46
Total number of shares	24,326,214	100.00

Technology helps us shape the welfare of tomorrow

At Careium, our ambition is clear – to be the knowledge leader and market leader for technology-enabled care in Europe. In recent years, we have built up a strong organisation with extensive experience in technology-enabled care, while at the same time we have established a leading position for ourselves in several markets. Our strength that we are continuously developing is our combination of technology and people to deliver value-creating services. As an independent Company, we are ready to accelerate our strategy towards being the leading player in developing and providing technology-enabled care to create tomorrow's welfare for seniors.

Technology-enabled care is the care of the future

Caring for our elderly is one of the biggest challenges facing society, Our elderly should be given an inclusive, safe and meaningful life. At the same time, it is estimated there will be around two tax-paying people per pensioner in Europe 2040, compared to five tax-paying people per pensioner in 1980. In order to be able to overcome society's challenges, where cost pressures and the need for safe monitoring of chronic disease conditions increase, continued digitisation of technology-enabled care is needed. These are some of the main drivers determining why the market for technology-enabled care in Europe is expected to grow by 11–13 percent per year to EUR 4.5 billion by the year 2025. With technology-enabled care, at the same time as we make it easier for society, we can give the senior a safe, active and meaningful everyday life.

Market leader in northern Europe

Careium is today one of the leading players in technology-enabled care in Sweden, Norway, the United Kingdom and the Netherlands. Since the first acquisition of Caretech, we have grown by an average of 21 percent per year to the Careium we are today. Today our services help take care of about 400,000

people. The majority of these are connected to one of our total of five company alarm centres in Sweden, Norway and the United Kingdom, where we handle more than 25,000 incoming alarms daily. Based on this position, we are well placed to continue our growth both organically and through further acquisitions in existing and new markets.

The pandemic continues to affect the market, but the driving forces remain

During the year, we increased our sales by 12 percent to MSEK 587.5 (524.1). The positive sales trend is primarily driven by the Nordic region, where we have made great progress with several new agreements. We have also implemented our first major customer in assisted living (housing where care is given to people with greater need of assistance) in Sweden which is in line with our strategy to broaden our market and customer group. In Norway, demand for our welfare hub, Eliza, increased and a roll-out has gained momentum.

At the same time as strong sales, we have experienced ongoing challenges during the year with price increases for components and costs that arise in order to maintain the quality and service level of service delivery during the current pandemic.



We are monitoring global developments in order to be flexible and adaptable.

Towards the end of the year, a downturn in profitability was also seen with major challenges in the UK. Significant effort and work is required to complete the integration of our acquisitions and draw out the synergies we know are there. Restructuring of the region has begun, where we will, amongst other things, merge all units in the UK into one legal entity, consolidate our offices and introduce a single system for service delivery. A new management structure is being set up in the region to accelerate and drive development work.

In summary, pandemic-related challenges and the situation in the UK had a negative impact on earnings and operating profit (EBIT) for the year amounted to MSEK 11.5 (29.3), excluding restructuring costs of MSEK 2.9.

However, we see that the challenges during the year have not affected the underlying market trend. What we are experiencing is that the need for safe and effective care is now more important than ever, which we believe will contribute to future growth.

During the year, we also made three acquisitions that further strengthened Careium. In line with our strategy, we expanded and strengthened our geographical presence through the acquisition of the Dutch company Innocom. The Dutch market is an attractive market which we believe has great potential. Innocom is one of three leading companies in technology-enabled care in the Netherlands and is a perfect addition to our current operations. During the autumn we also made a small acquisition in the UK, when we incorporated the assets in Helpline from Bromford Housing.

With the acquisition of Helpline, we are involved in driving the digital transition. Both acquisitions are in line with our strategy to become the European market leader in technology-enabled care, which we are progressing through both organic and acquisition growth.

“ We aim to be the market-leading player in individual living and an established, expanding player in assisted living 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.

Strategies, goals and focus 2021–2025

Our purpose as a company is clear. We are here to help our 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 individual living and an established, expanding player in assisted living 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 drive clear and organic growth by taking a leading position in the digitisation that is emerging in many markets. Careium has also successfully expanded its geographical presence through acquisitions in recent years. 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 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 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 ac-

counts for 80 percent 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.

New customer group, expanding market. Careium is already a well-established, strong player in individual living (those of our users who live in their own homes) in our home markets. We are also gradually developing offerings for what is known as assisted living, 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 societal stakeholder, sustainability is an important argument and our products and services must be reliable. Our sustainability work is a strategic priority.

2021 has been an eventful year, partly due to the challenges as a result of the pandemic, but we have also seen clear signs that interest in and growth in technology-enabled care cannot be stopped. During the year, we have also established the conditions for us as an independent company with the benefits that it brings us going forward. I would like to thank all Careium employees who, every day, do what we do best; helping our users live a richer life. I would also like to thank our partners, customers and owners for believing in and supporting our journey towards becoming the market leader in technology-enabled care in Europe.

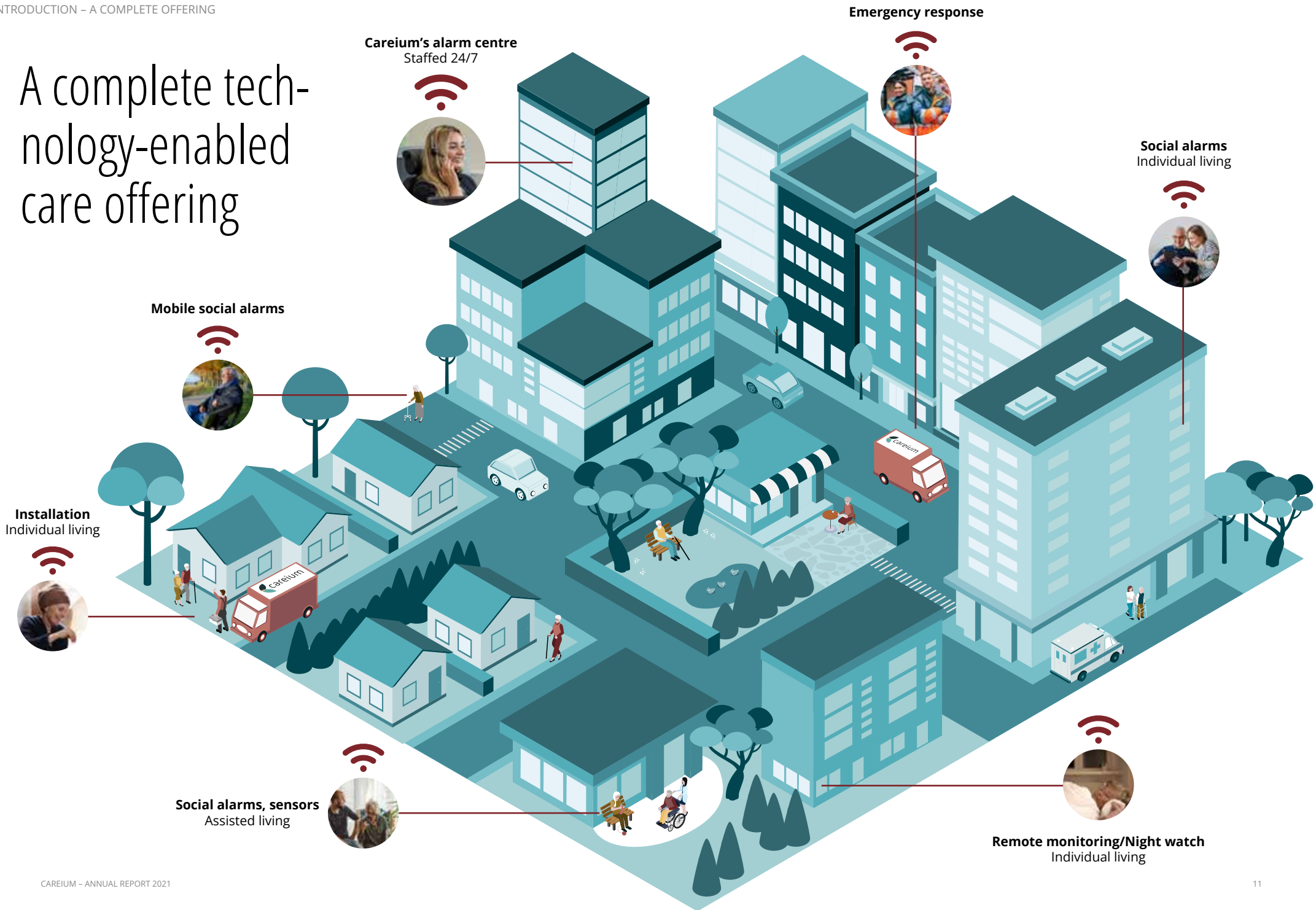
As employees we are all looking forward to the ongoing journey as an independently listed company with profitable growth and value creation.

After the end of the year, the tragic war in Ukraine broke out, we feel with the victims and have together with our employees donated money to those in need in Ukraine. In our assessment, the crisis will not affect Careium but we continue to follow developments closely.

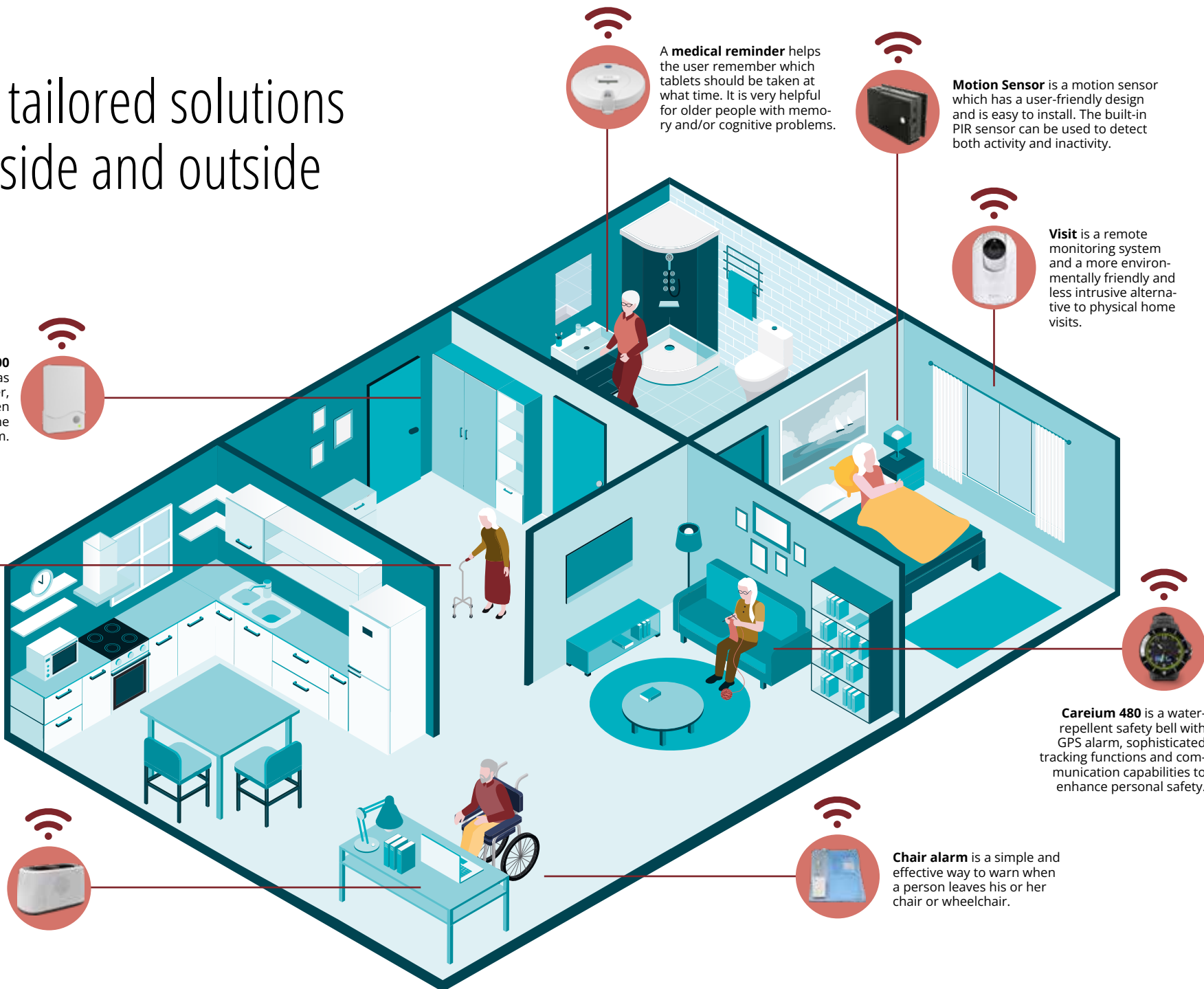
Malmö, March 2022

Carl-Johan Zetterberg Boudrie
President and CEO

A complete technology-enabled care offering



Individually tailored solutions for safety inside and outside the home



mBox 9200
The mBox 9200 can be used as a universal radio transmitter, repeater and as a door alarm. When activated, an alarm is sent to the alarm centre via the social alarm.

A **medical reminder** helps the user remember which tablets should be taken at what time. It is very helpful for older people with memory and/or cognitive problems.

Motion Sensor is a motion sensor which has a user-friendly design and is easy to install. The built-in PIR sensor can be used to detect both activity and inactivity.

Visit is a remote monitoring system and a more environmentally friendly and less intrusive alternative to physical home visits.

Careium 450 is a small and convenient mobile GPS social alarm that not only increases safety in the home, but also reinforces the safety of users wherever they may be.

Careium 480 is a water-repellent safety bell with GPS alarm, sophisticated tracking functions and communication capabilities to enhance personal safety.

Eliza is a unique, innovative welfare hub offering the best possible safety and reliability for users, alarm centres and service providers.

Chair alarm is a simple and effective way to warn when a person leaves his or her chair or wheelchair.

Eliza by Careium – A new perspective on reliability and connectivity

We live longer and the demographic changes put new demands on society and on social care. Development and implementation of well-functioning Technology Enabled Care will be crucial in ensuring the safety and care of our elderly.

Eliza by Careium is a unique, highly versatile smart-care hub elegantly designed to deliver the best possible security and reliability to users, alarm receiving centres and service providers alike. It raises the bar in Technology Enabled Care by taking full advantage of the capabilities afforded through today and tomorrow's digital networks. And its elegant, contemporary design, with aesthetics rivalling those of fashionable consumer devices makes it easier to place in the home environment. In 2020 Eliza was awarded the IF design award in product design.

Eliza takes full advantage of the capabilities provided by 4G and IP digital networks to ensure the highest level of reliability, security and flexibility. The device

uses frequent 'heartbeat' checks to ensure that a reliable connection is always there. In that way, service providers are promptly and automatically alerted of any loss of service, minimising the risk of the service user being out of communication without anyone knowing about it.

Eliza seamlessly integrates with new digital infrastructure and is designed to be compatible with current and future sensors for Technology Enabled Care. The device is an important part of tomorrow's offering of proactive, preventive and predictive solutions.

In addition to reliability and cost-effectiveness, the service provider can also feel assurance through constant access to simple, accurate and fast monitoring and administration of the device via Careium's service platform, which is available 24 hours a day, every day of the week. Thus, the device can be remotely updated via a computer, tablet, or smartphone in the office, in the car or at the user's home.



Careium is transforming care of the elderly

Over the past six years, we have built up significant expertise, introduced a number of innovative digital solutions and grown our business operations into 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 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 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.

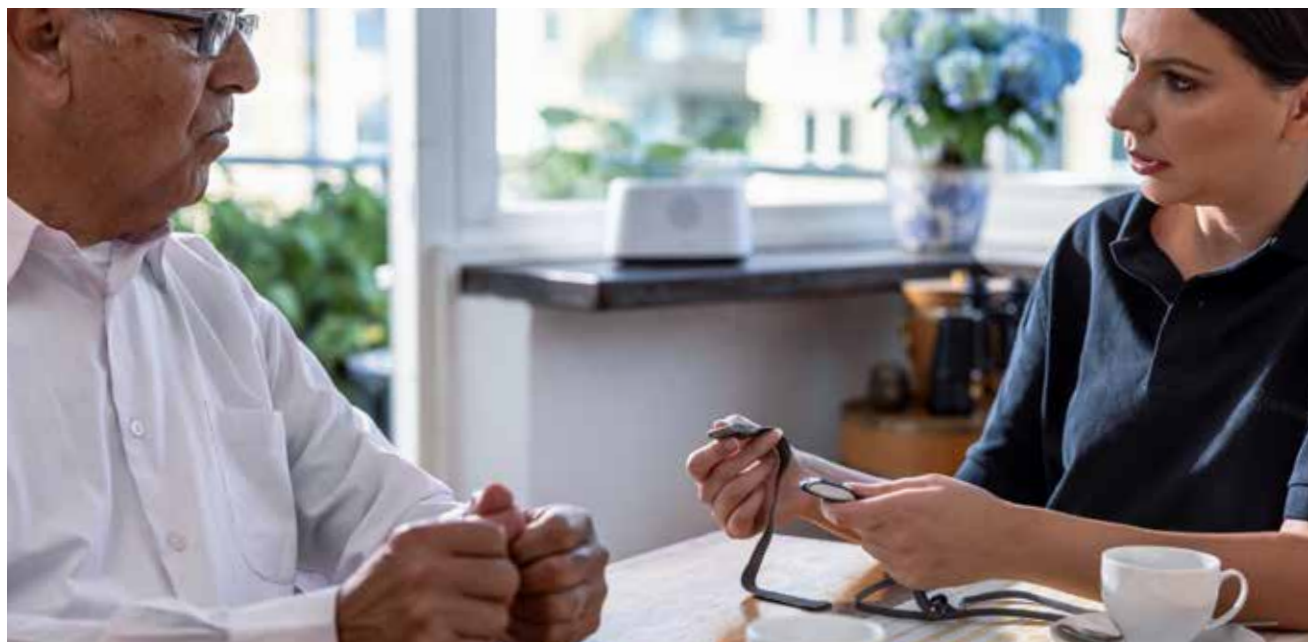
Part of sustainable development

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.

And we are 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

can feel safer and more secure on a walk with a GPS alarm that has 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* (Socialstyrelsen [Swedish National Board of Health and Welfare], Läkemedelsverket [Swedish Medical Products Agency], Folkhälsomyndigheten [Public Health Agency of Sweden] and others).

Continued growth, technical leadership

Careium is an independent, listed company after 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 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 – Trygghetscentralen in Norway

2018

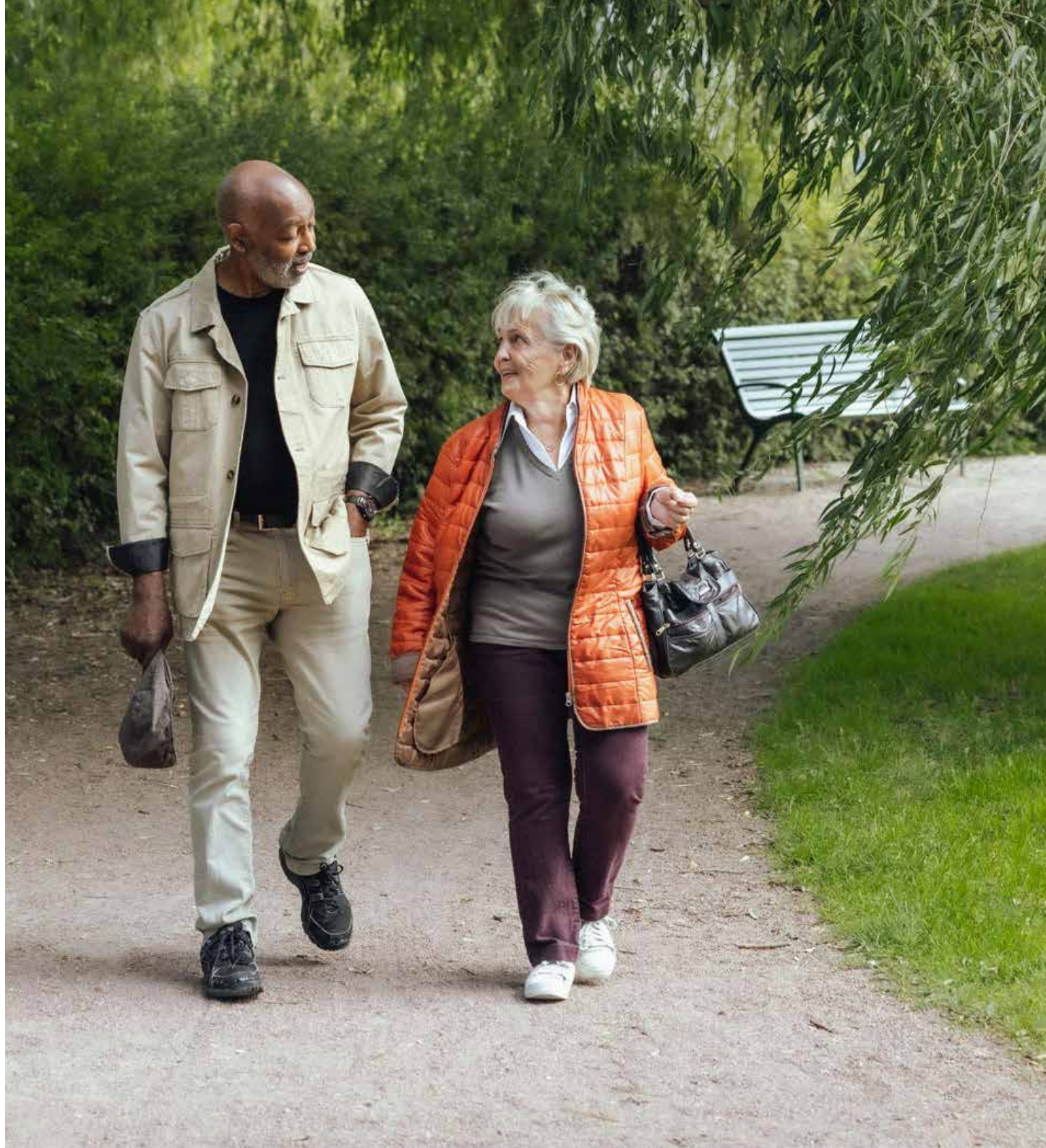
Market expansion – Welbeing in the UK

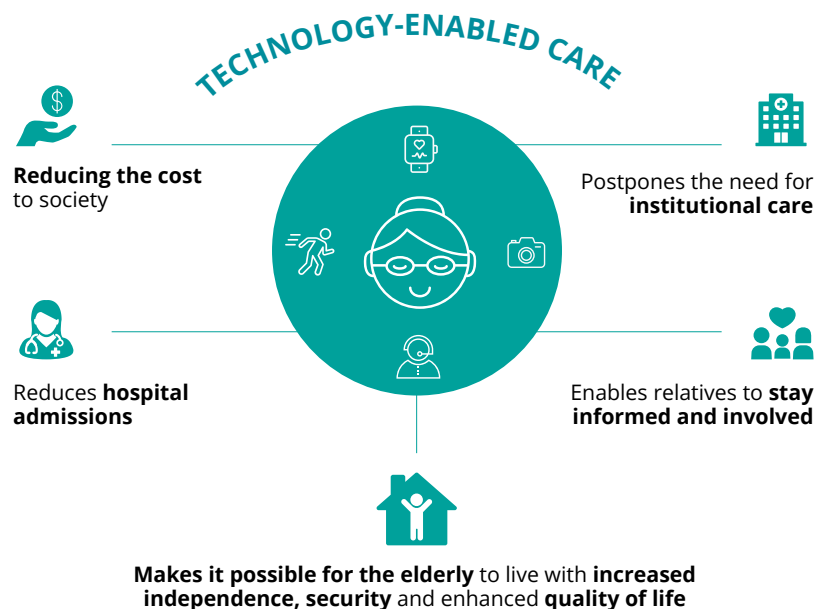
2020

Market expansion – Invicta Telecare in the UK
 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 strongly 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 individual living and an established, expanding player in assisted living 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 the home markets and good knowledge of our export markets. 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. In 2021, we made three strategic acquisitions in the UK and the Netherlands. 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 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.

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 80 percent of the business, generates recurring revenue over a long period of time.

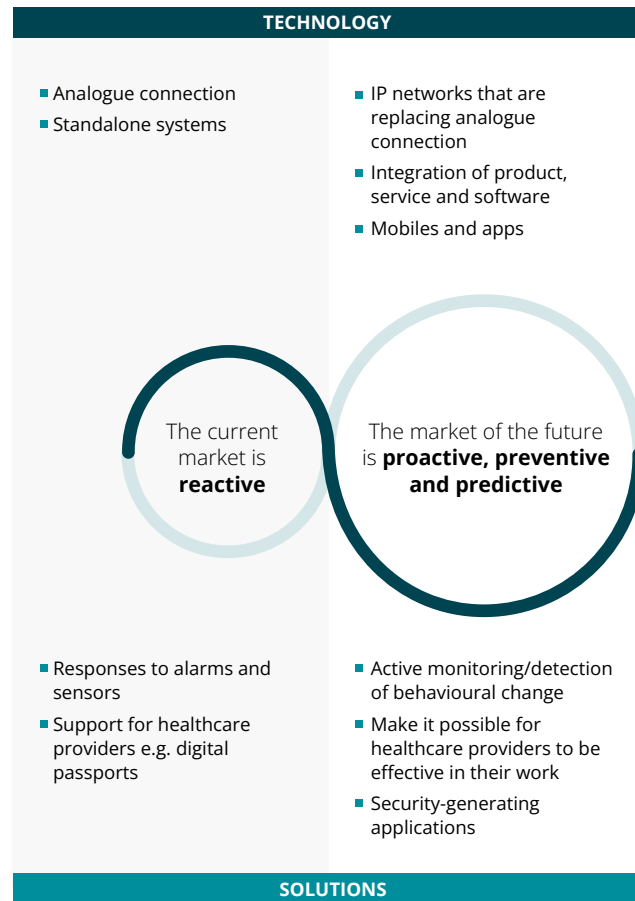
With a further-extended service offering more focused on prevention and prediction, the opportunities for both upselling per-customer and recurring service revenue are significant. It drives both profitability for Careium and, at the same time, provides a more connected service and a greater value for our customers.

New customer group, expanded market

Careium is already a well-established player in individual living (those of our users who live in their own homes) in our home markets. We are also gradually developing offerings for what is known as assisted living, 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.

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.

NEXT-GENERATION SOLUTIONS TRANSFORMING THE MARKET



Mobile social alarms provide freedom and security for the elderly

Today, an estimated 150 000 people suffer from dementia in Sweden (Swedish National Board of Health and Welfare 2017). The disease is a serious reversal and a painful upheaval for both those affected and their nearest and dearest. One of the many consequences is that many people with advanced dementia often wander and are reported missing.

In 2020, the Swedish police reported 25,686 incidents of missing persons (Polisen 2021). 24 percent of those reported missing each year are people with dementia (Soderberg & Wikstrom 2019) and any disappearance has the potential to be life-threatening.

Mobile social alarms such as Careium 480 and Careium 450 pave the way for seniors to live an independent and active life for longer. The alarm also increases the chances of people being quickly found if they get lost.

Arne Andersson is one of many users of a mobile social alarm and he was very satisfied. When he was affected by Alzheimer's, life took a different direction. When out and about, he would suddenly forget how to get back home again; a terrifying experience that made him reluctant to go out alone. But thanks to a

GPS watch, he got his freedom back, his drive returned and he found the courage to go for walks and bike rides on his own.

– The first thing I do when I get up is put my GPS watch on, then we don't need to worry about where I am. I can't find enough words to express how grateful I am, says Arne.

Arne's wife and daughter also experienced less anxiety in their everyday lives thanks to the GPS watch. If Arne got lost or needed help, he could press a button on the watch. This then called his wife's mobile phone and, if she didn't answer, the call was forwarded to his daughter.

A comprehensive research study on the subject calls for a more collaborative and methodical approach to the development and use of GPS systems, alarms and other technical assistive devices. The study shows that further research in the field is needed (Stenberg, Wolmesjö & Leicht 2019). The process of searching for missing persons is an extensive one, involving a wide range of players, systems, technologies and social conditions.

Careium 480



Careium 450



Technology enabled care – a growing market

We are living longer than ever before. More and more seniors are able to live and enjoy life. However, a growing proportion of elderly people also entails 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. And 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

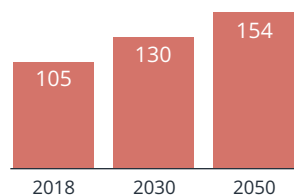
example, Swedish municipalities' costs for care for the elderly are expected to increase by 80 percent in 30 years despite an increased focus on care at home.

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.

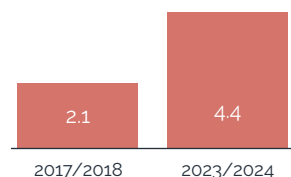
Growing elderly population in Europe

Population aged 65+ years¹



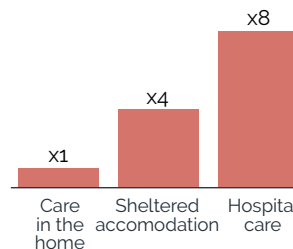
Growing funding gap due to healthcare costs

Estimated funding gap in respect of care in England, £ billions²



Care is frequently more costly in assisted living 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 technology-enabled care is estimated to grow at an average annual rate of more than 10 percent 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 percent of the population aged 65 or older.

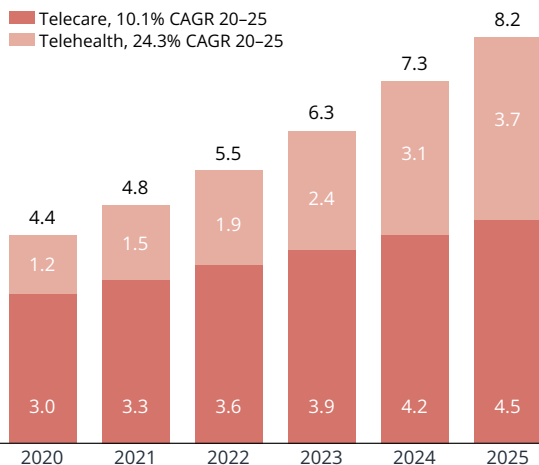
An underlying growth in the proportion of telecare users in many countries is driven partly by the need to keep the elderly out of expensive health care facilities, and partly by general digitisation with increased interest, knowledge and understanding of technology also amongst the elderly population.

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, Ireland, 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 percent to 15 percent. In countries such as Germany and Austria, the proportion using telecare services is only 4 percent, while it is less than 1 percent 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

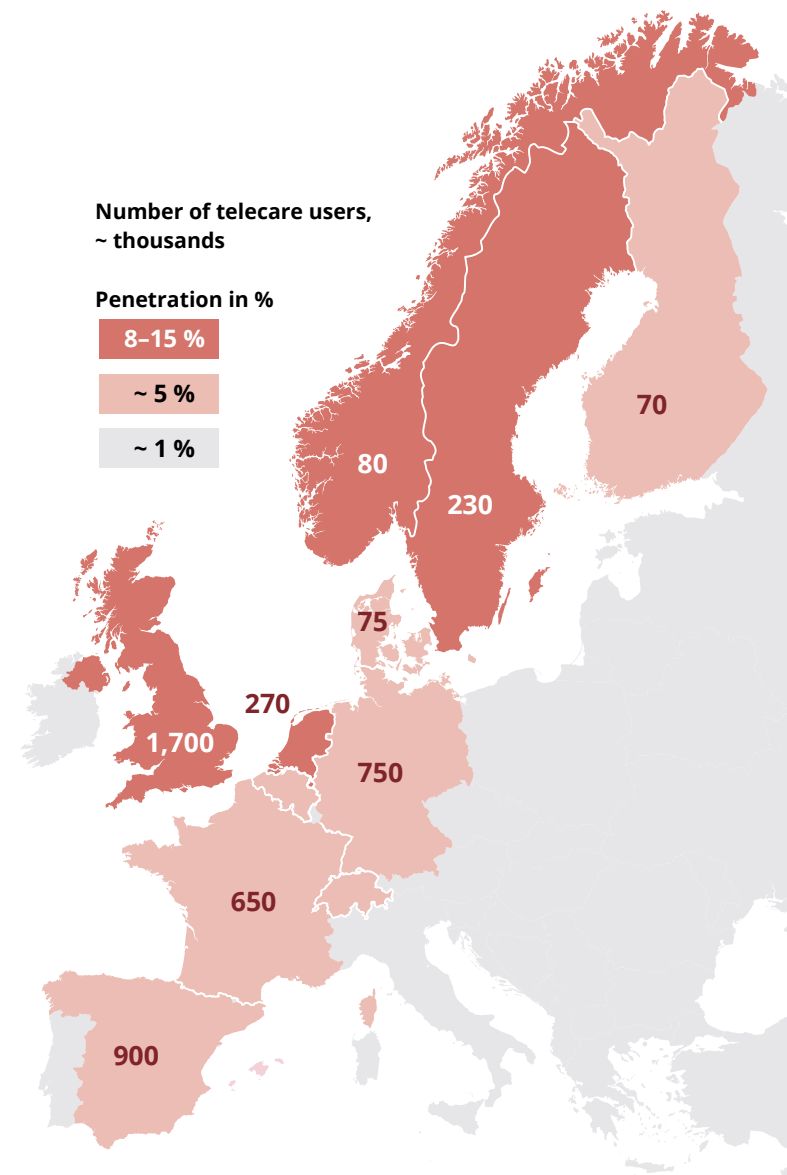
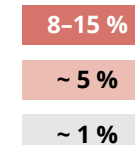
Market outlooks¹, EUR billion



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

Number of telecare users, ~ thousands

Penetration in %



Penetration refers to the proportion of telecare 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 with greater familiarity with technology, will seek new products and services that make everyday life safer and more secure. This also includes offerings that link the senior with relatives.

Careium is also gradually developing offerings for residential care homes and assisted living, where municipal or private carers provide care for seniors who are in greater need of assistance. One success factor is that these care providers already have prior knowledge of us, via social alarm assignments and connected seniors.

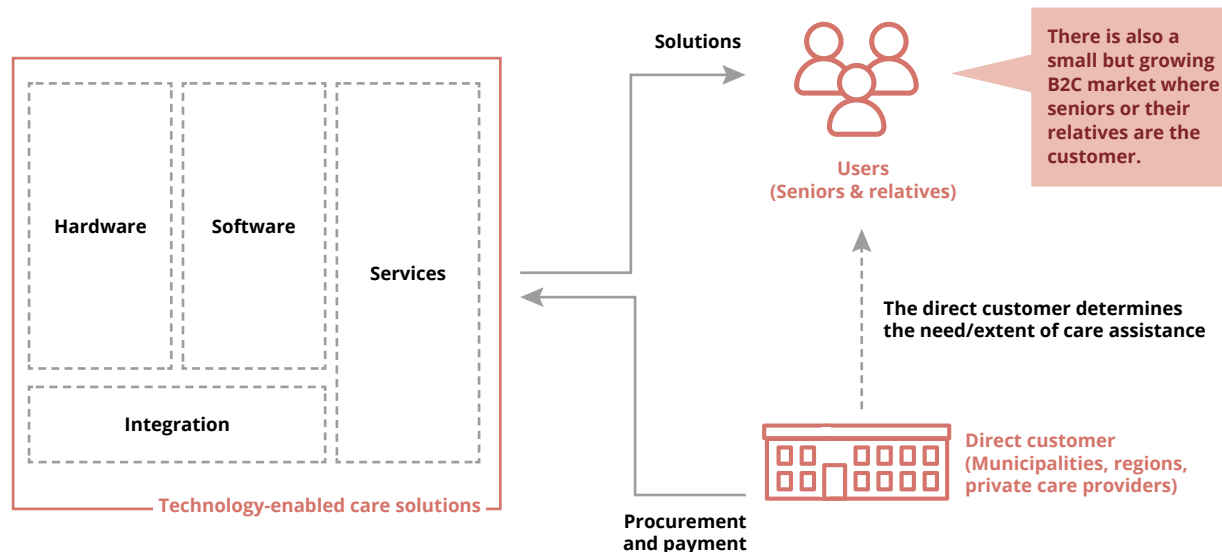
Our solutions are used by seniors but are prescribed by and sold mainly to public sector players.

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 percent, 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 individual living, where the Company handles approximately 40 percent of



the market. Sweden is a market which already switched to digitised solutions a number of years ago, but which is now looking more and more at new alternatives in technology-enabled care, which creates opportunities. There is also potential to expand the offering to assisted living 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 percent 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, to a greater extent, our software platform in Germany, France, Spain and Belgium. We also sees that there are interesting opportunities in the future to become a provider of both hardware and software platform, which creates conditions for closer customer relationships and further sales.

The competitive situation – a 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.

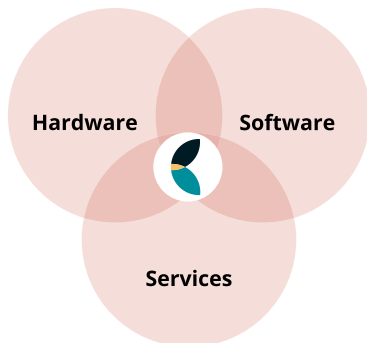
The players can be simply divided based on their offering of hardware, software and services and a combination of these. In terms of telecare, it is primarily companies such as Careium, Tunstall, LeGrand and Telearn that have a more extensive European presence.

On the software side, there are several different players depending on the specialisation. The main players are those who have a combination of an alarm offering 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 digital alarm chain

From social alarms and fall sensors to smoke detectors and secure communication with the alarm centre: we offer a complete digital alarm chain.

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. We can also tailor solutions to meet the needs of both the installer and the individual.

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 provides 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.

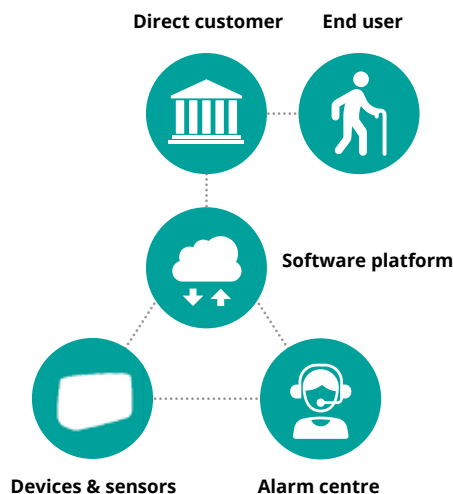
We can also tailor solutions to meet the needs of both the installer and the individual. Careium's combination of innovative technology and committed employees in service delivery provides comparative advantages over most of the competition.

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 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

The current and the next generation of telecare will also be increasingly proactive, preventive 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 further broaden our range and increase growth, we will also work with strategic partners.





Individually tailored solutions for safety in the home

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

Careium's social alarms are a simple way to offer seniors safety in the home. The 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 social alarm, a tracking alarm or both in combination.

A mobile social 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 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 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 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 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 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 to quickly 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.



From analogue to digital in Falkirk, Scotland

In Scotland, the municipality of Falkirk is the first to implement a complete digital alarm chain together with Careium. For this, they received the Scottish Gold Digital Telecare implementation Award.

At present, the municipality helps 4,000 elderly people and those with special needs to live an independent and safe life at home. The service, which has traditionally relied on the analogue telephone network, is now delivered via a wholly digital alarm chain. Falkirk is the first municipality in Scotland to implement this. The alarm chain, which is wholly and completely digital, is being launched four years before the closure of the analogue telephone network in the UK. Pauline Waddell, Team Manager at the Mobile Emergency Care Service (MECS), explains:

- Turn back the clock to 2016 and the announcement that British Telecom would shut down the analogue telephone network in the UK in 2025. For most people, the statement was harmless, but for us alarm bells started ringing. Our life-saving service, Mobile Emergency Care Service (MECS), as well as other similar services in many British municipalities, were dependent on the analogue telephone network. We understood that something had to be done. People's lives depend on a service that is functioning.

- Falkirk deserves all the success they have achieved on their digital transformation journey, says Andrew Pickup, Country Director at Careium. We are very pleased that we have been able to offer ongoing advice, product and technical support, training and partnership to ensure that their solutions conforms to the highest industry standards.

- Since nobody else in Scotland has done what we have done, we are trailblazers, says Pauline Waddell. We have shared our knowledge not only with the Digital Office - which used the lessons we learned and our experiences in its national technology-enabled care manual - but also with other local authorities, both in the UK and Europe. Moving from analogue to digital has been a steep learning curve with many long hours and sleepless nights, but it has been worth it. Once the digital infrastructure is fully embedded, the next step will be to implement new, ground-breaking, cost-effective technology that brings the service into the 21st century, Pauline concludes.



Together, we are creating sustainable development

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

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. Our elderly make up the majority of these people. 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 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.

Around 400,000 social alarms are connected to our five monitoring centres. Every day we receive about 25,000 alarms.



THE COMMISSION ON LONELINESS: NOBODY SHOULD HAVE NO-ONE.

The coronavirus pandemic has hit the elderly particularly hard, but even before the pandemic, 300,000 people in Sweden reported feeling lonely. In the group aged 75 and over, more than ten percent are what is known as socially isolated, which means that they live alone and do not meet relatives, friends or acquaintances more than once a month.

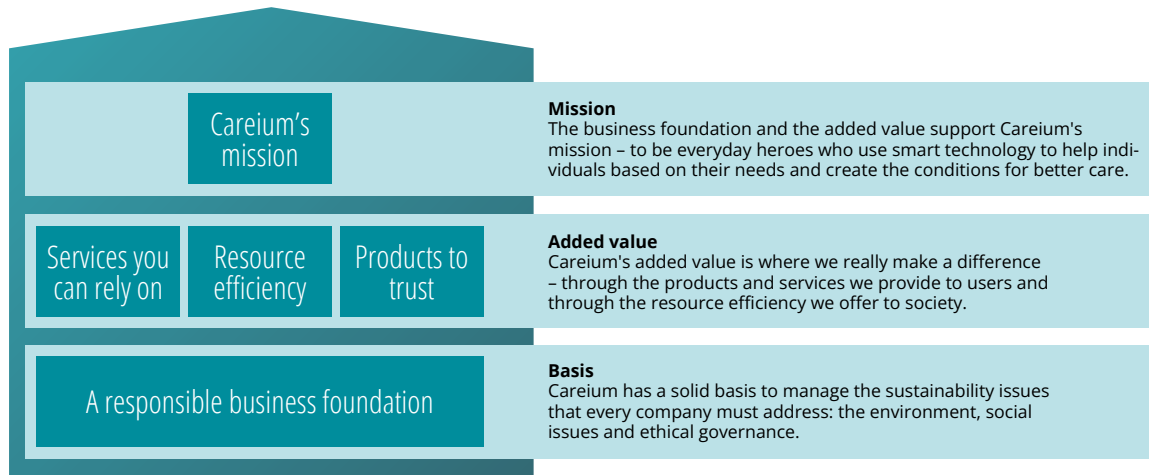
The Commission on Loneliness is a politically unaffiliated initiative that works broadly to combat loneliness among the elderly in Sweden. The Commission is chaired by Amelia Adamo, a fearless and well-known person who is able to raise the issues to a level where, together, we can make a difference. Ingmar Skoog is one of Sweden's most respected researchers regarding the elderly. Lasse Stjernkvist is an experienced politician at a national level. Eva Eriksson is the chair of SPF (the Swedish Association for Senior Citizens), backed by a quarter of a million seniors. Carl-Johan Zetterberg Boudrie and Jörgen Nilsson represent Careium and Doro respectively as initiators and founders of the Commission on Loneliness.

In a six-point manifesto, the Commission has mapped out loneliness, established an initiative bank with important initiatives and is actively working to influence opinion and develop policies and proposals for improvement. The goal is to reduce loneliness among Sweden's elderly in the long term, through tangible campaigns and initiatives.

Read more at www.ensamhetskommisionen.se about how, together, we can make Sweden a little less lonely.



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 generate the greatest sustainability benefit in our materiality analysis (sustainability note 2 page 79).

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



Using smart technology, we are creating sustainable values. Every day.

In 2021, Careium influenced and supported 400,000 connected users who rely on our employees, services and products every day. Solutions that facilitate 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
Users	Seniors 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 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 appraisal, annual. Annual employee satisfaction survey and other surveys.	Job opportunities for 1000 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 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. 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 79.

Products and services you can rely on



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 on health and safety issues. Through technological improvements and innovation, the company focusses on care of the elderly, providing security for 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 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 the push of a button away. To ensure that our systems remain available and customer data is kept safe and confidential, we implement our ISO27001 certification in all our alarm centres. In 2021, work began to include in the certification our newest alarm centre in the north of England.

Our ISO27001 certification underlines our robust information security and demonstrates that we have identified risks and taken preventive measures to protect information to ensure that it is always available when needed (availability), that we can rely on it to be accurate and not manipulated or destroyed (integrity), and that only authorised persons can access it (confidentiality), and so that we can track changes (traceability).

Continuous development of information security

Continuous improvement is a foundation of ISO27001. 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 2021, 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 when working from home
- Improved incident management, follow-up and lessons learned
- Improved risk-based supplier management
- Improved penetration testing
- 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 preparedness 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, occupational health and safety 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 follow-up of the occupational health and safety is carried out by each site manager and by 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
Modern slavery statement	Board of directors	Annually updated 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 are entitled to suspend cooperation.

Products and product development

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

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.

Competent and 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.

1,013

Number of employees at year-end

52 %


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. Recurring staff surveys have been conducted over the past year, taking the temperature on two occasions during the year to initiate more frequent follow-up. The average response rate in 2021 was 65 percent.

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 has been partly characterised by organisational changes and measures to ensure the successful separate listing of Careium. This work has been carried out responsibly in dialogue with the trade unions and in accordance with the law. 2022 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 separately list Careium as an independent company, integrated work has been carried out to identify and establish a common vision and a set of values for Careium.

Our vision is that all 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 care – 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 2021, a leadership program has now been completed and all managers throughout the company have completed the program. The focus of the programme has been on self-management with the motto “Leadership is everyone’s responsibility”. Our leaders have been given a toolbox providing the optimum conditions for success, and are also being challenged to grow stronger in their role. All employees

must have annual staff appraisals with their immediate manager. During the last audit, the proportion of completed appraisals was 87 percent of the Group’s employees.

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.

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. All managers, vendors and persons making purchasing decisions have received a dedicated digital anti-corruption course that 100 percent have completed with approved results.

► For more information, see Sustainability Note 5, Employees on page 83.



Active work for our common environment



Goal 12: Sustainable consumption and production

We work 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

Environmental certification according to ISO 14001 is available for all five alarm centres and most of the other operations (98 percent of staff are 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 sanitized, repair, updating and reuse. 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 replace the car fleet over time with electric cars; at year-end 2021, the proportion of electric cars was 40 percent. The company had also planned courses in economical driving during 2021, but due to the pandemic, these were not possible.

We have a desire to use modes of transport with a low environmental impact, as far as possible using boat transport from Asia and avoiding flights.

Energy consumption in our offices is measured and reported in the sustainability notes. In 2021, two more offices in the UK have switched to fossil-free electricity

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 a couple of streets from the main railway station and in Oslo we are centrally located close to buses and commuter trains. In the UK, office moves are planned in 2022, taking into account the environment and commuting opportunities. 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 81.



Careium's office in Oslo.

Life cycle analysis: Remote monitoring brings human, economic and environmental benefits

Careium has conducted a life-cycle analysis of components in the 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 is looking 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 user per year, which corresponds to approximately one return flight between Sweden and Greece.

LIFE-CYCLE ANALYSIS

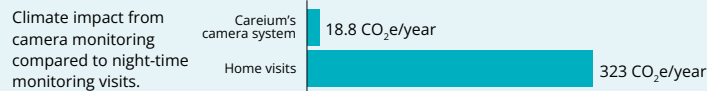
The calculations have been carried out in accordance with ISO 14044:2006 in the unit of carbon dioxide equivalents, CO₂e, a common measure of the overall climate impact in life-cycle analyses.

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

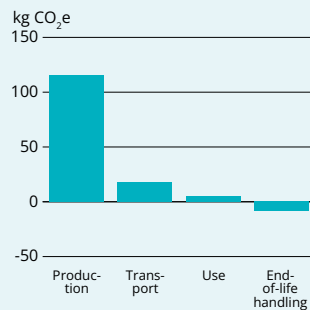
The calculation for traditional monitoring has been carried out on the basis of a report from the National Board of Health and Welfare, using information about how many visits could be avoided with the aid of camera monitoring. Only night-time visits with no action other than monitoring have been included.

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.

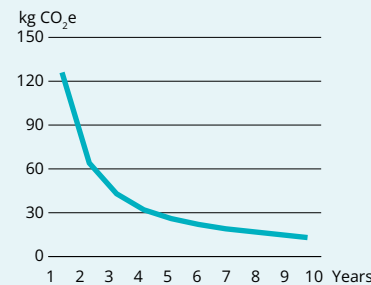
▶ Read more about the entire life-cycle analysis at www.careium.com.



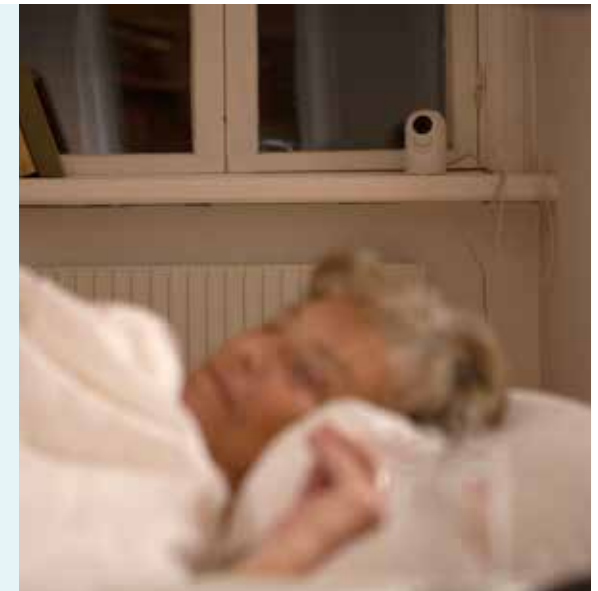
Environmental impact



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, routines and policies, Careium also works on the basis of international frameworks and certification programs. 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.



GRI (Global Reporting Initiative) is an independent standardisation body that helps organisations understand and communicate their impact in relation to sustainability issues. Careium's Sustainability Report for 2021 follows GRI standards level Core. See sustainability notes for detailed information.

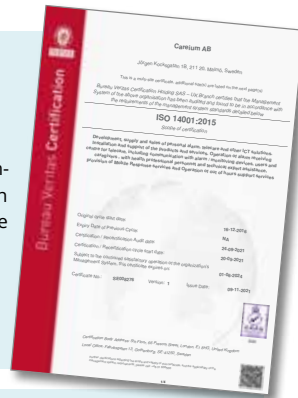


The UN's Sustainable Development Goals

Careium works with the UN's sustainable development goals. Above all, Goal 10 "reducing inequality" is perfect for us as our products and services for older and for disabled people contribute to the ability of 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. We also have local certificates for alarm handling.



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

It is the Board that is responsible for the sustainability report for 2021 on pages 27-36 and 78-87 and for ensuring that it is prepared in accordance with the Swedish 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, 28 March 2022
Öhrlings PriceaterhouseCoopers AB

Johan Rönnbäck
Chartered accountant
Chief Auditor

How telecare became even more important during the pandemic!

Covid-19 has affected us in many ways, including ill health, death, furloughs and financial concerns. It has also led to more of us experiencing loneliness due to lockdowns and restrictions. People who were isolated before the pandemic have become even more cut off from society. Loneliness increases the likelihood of premature death by 26 percent.

Careium's operations in the UK have actively engaged with social responsibility during the pandemic. Cheshire launched a so-called discharge service for Covid-19-related hospital stays, to speed up the process of being discharged from hospital. This helped to ensure the capacity of local hospitals.

In East Sussex, Careium was quick to review the processes. Here, a new unique home delivery service for social alarms was launched, so that an alarm could still be installed quickly and safely.

A municipal alarm centre was able to get quick and flexible help to 3,000 connected users via Careium's alarm centre, ensuring continuity when a large part of the staff were sick with Covid-19.

Careium has also worked with a non-profit housing association to implement a track and trace service where every visitor and resident in the area was asked about symptoms, who they visited, questions about personal protective equipment and given information on how to protect themselves against infection. These measures made it possible to detect any potential spread of Covid-19. If a case was confirmed, the information could be used to control the spread of the virus.

In January 2021, Careium carried out an independent survey of 349 of its customers in the UK. 92 percent replied that they felt safer using telecare and 94 percent felt it provided extra security for friends and family.

35 percent of respondents also said that telecare had been more important to them during the pandemic than it was before.

The comments revealed a recurring theme. The users did not want to burden the care sector as it was already under heavy strain. The ability to contact an alarm centre gave them invaluable peace of mind.

Some comments from the survey

"I've always thought that it is the most important thing I have when I am alone and I've been alone a lot this year."

"I know that if my health is failing, I can get urgent help quickly."

"It really is my lifeline; I know help is there if I need it."

"I have not been out at all during this time due to health problems, so it has been an important form of contact and help."



Directors' Report 2021

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 2021. Comparisons given in parentheses refer to the previous year and are prepared based on the basics presented in Note 1.

The formation of Careium is a transaction under joint control. This type of transaction is not regulated by IFRS, but the Group is required to establish a principle for this. The Group has chosen to apply the principles described in the Basics of Preparation and Accounting Principles, once the consolidated financial statements have been prepared. In short, this means that the units' assets and liabilities have been aggregated and reported based on the book values they represent in Doro AB's consolidated accounts, and that the transactions are reported as if they had taken place at the beginning of the earliest presented period (that is that comparative figures have been included).

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 more than 400,000 seniors in Sweden, Norway, the Netherlands and the United Kingdom. The majority of all these seniors is connected to one of Careium's six alarm centres, in Sweden (two alarm centres), Norway (one alarm centre) and the United Kingdom (three alarm centres), which handle approximately 25,000 alarms 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 percent 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

Information about the Careium share can be found on pages 7–8.

Significant events during the financial year

- Profit per share amounted to SEK 0.19 (0.79).
- Careium acquired FirstCall 24/7 in February 2021 (see Note 18).
- Careium acquired the assets of Helpline from the housing association Bromford in September 2021.
- Careium acquired Innocom in September 2021 (see Note 18.)
- The aim of the Loneliness Commission is to reduce loneliness, especially among older people.
- During the year, the mobile social alarm Careium 450 was launched.

- Careium will be listed on First North on 10 December 2021, which was decided at an Extraordinary General Meeting in Doro on 22 November. The listing was part of the distribution of all DORO AB's ("Doro") shares in Careium to Doro's shareholders.

Net sales and profit/loss

Doro's income amounted to SEK 587.5 million (524.1) during the year, an increase of 12.1 per cent compared to 2020. EBITDA amounted to SEK 464.0 million (418.7), an increase of 10.8 percent. EBITDA amounted to SEK 123.5 million (105.4), an increase of 17.2 percent. Sales have increased in all markets with strong organic growth in the Nordic region. In Central Europe, sales are mainly driven by the new acquisition Innocom in the Netherlands.

EBIT amounted to SEK 8.6 million (28.4), giving an EBIT margin of 1.5 per cent (5.4). The deterioration in margins can be explained by increased costs as a result of the spin-off from Doro and costs associated with the transformation of the UK. Profit for the year amounted to SEK 4.7 million (18.8). Net financial items amounted to SEK 0.6 million (-2.1).

Cash flow, investments and financial positions

Cash flow from current activities amounted to SEK -19.8 million (43.8). The Group's net cash flow, which amounted to SEK 107.5 million (-16.9) during the year, was affected by company acquisitions of SEK -112.6 million (-38.2) and investments of SEK -51.1 million (-41.1). The investments are primarily related to product development. No dividend was paid. At year-end, Careium had an interest-bearing liability of SEK 292.3 million (181.3) and cash and cash equivalents of SEK 142.5 million (32.2). The equity/assets ratio decreased to 52.6 per cent (53.9) at the end of the period.

Board of Directors

The Board consists of the chair of the Board, Lennart Jacobsen, Towa Jexmark and Cecilia Ardström. CEO Carl-Johan Zetterberg Boudrie also participates in Board meetings. 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 2022. 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 in 2021 mainly means that salaries and other remuneration conditions for the management shall be at market levels. In addition to fixed base salaries, management may also receive variable remuneration and bonuses, which must have a predetermined ceiling and be based on the achievement of 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 follow 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. Doro sometimes also buys technology from various external companies.

For 2021, the group's costs for development work amounted to SEK 28.8 million (21.9).

Investments

Investments are made in design, mould tools, certification processes, control equipment, inventory, leased alarm units, computers and software systems. Investments amounted to SEK 51.1 million (41.1). 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

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.

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 40-41.

Sustainability

Careium's Sustainability Report, in accordance with the requirements of the Annual Accounts Act, can be found on pages 27-36.

Dividend and financial goals

The Board has decided not to propose any dividend for 2021.

Parent company

Careium AB had sales of SEK 1.0 million (0.0). Profit after financial items was SEK 3.1 million (0.0). Careium AB is responsible for the financing of the subsidiaries. Equity amounted to SEK 413,7 million (0,5).

Annual General Meeting.

The Annual General Meeting will be held on 29 April 2022 by postal ballot.

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	360,500,000
Profit for the year	2,651,292
	363,151,292

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

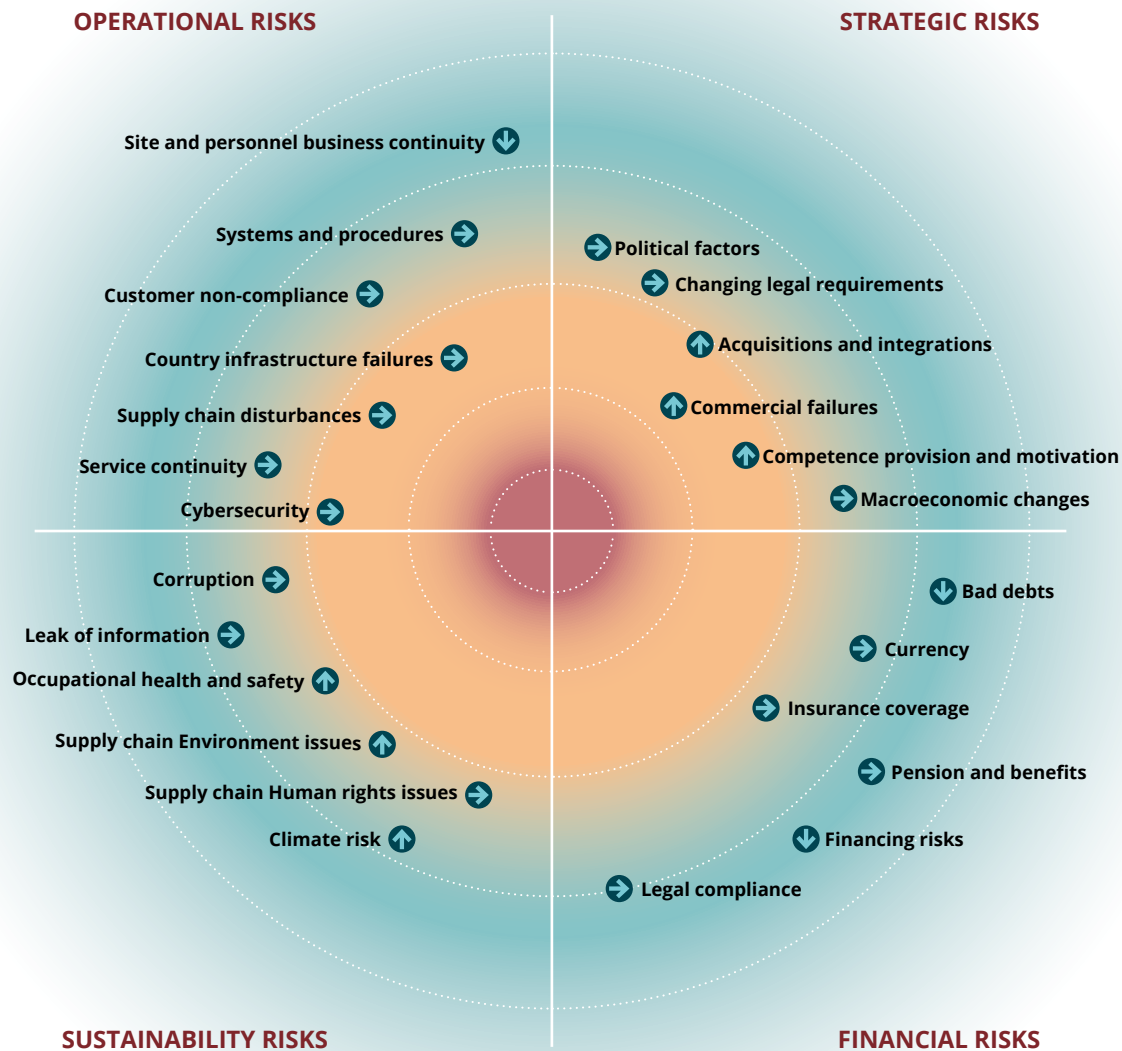
After the end of the period, the war broke out in Ukraine, we do not see any significant impact on Careium's operations but are closely following developments.

Overview of risks

Careium has a general risk assessment model adaptable for different types of risk assessments, through clear criteria for evaluation of probability and consequence. Risks are assessed at several levels, by different groups. The risks are issued with colours based on their severity, and are mitigated over time. Red risks should normally not be allowed to exist for long, green risks do not need to be addressed, and in the case of yellow risks it is up to the risk owner to determine whether action should be taken. All risks have an owner. The risk owner 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 2020:

↑ Up
 → Unchanged
 ↓ Down



Risk management 2021

STRATEGIC RISKS

Commercial failures include failing 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 development project and topped up with new risks over time during the course of project. The risks are managed and reduced during the project, and are taken into account to a great extent when deciding whether to allow the project to proceed to the next stage.

Acquisitions and integrations are handled by the senior management and the board of directors. As Careium has a clear strategy for acquisitions and has acquired and integrated several companies during 2021, it is important to make the right decisions and to succeed in integrating these companies effectively.

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

Changing legal requirements includes risks associated with missing legal requirements for products and services. New laws are continually being added on the company's markets.

Macroeconomic changes occur and are dealt with in due course; this has been particularly clear in connection with the pandemic.

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

Cybersecurity 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 sensitive 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. Although stringent measures are implemented to safeguard the services, this risk is relatively high as the consequences of failure would be very serious. As a result, 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.

Infrastructure in the respective country, such as electricity, the Internet and national telecommunications networks, is required for the operation and social alarms. 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.

Supply chain disturbances are something that happens regularly. This is managed by using a number of different suppliers and through good communication and planning to deal with component shortages. Losing a supplier, or instances where components are no longer available, are risks that have increased slightly during the pandemic. Checks and communications have been strengthened during the pandemic to counteract these risks.

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

Systems and procedures are particularly sensitive now because Careium has just been separated from Doro. We have worked hard to create proprietary systems and routines, but the division of competence and systems may be associated with risks.

Customer compliance is about fulfilling all customer requirements in terms of availability, safety, sustainability, etc.

FINANCIAL RISKS

Financial risks, see note 23, pages 73–74.

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 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 risk in respect of human rights and the environment 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' demand for control of the entire supply chain is constantly increasing, which also increases risk.

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. Digital training has been implemented for all 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 2021.

Climate risks relating to limiting climate change are mainly associated with the fact that Careium's products are manufactured in Asia and then shipped to the market in Europe, with a climate impact from both production and transport. 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 risks relating to adaptation to climate change 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 are not located in sites severely impacted by 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

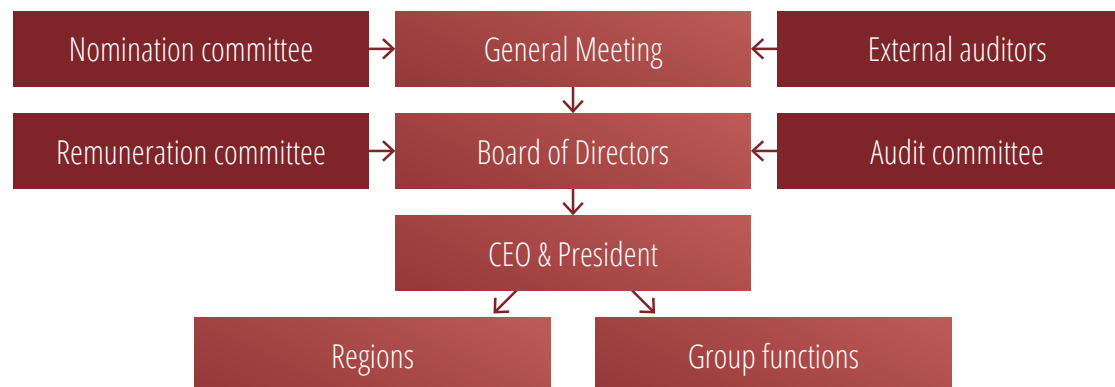
Careium is a Swedish public limited company. The company's governance is based on the Articles of Association, the Swedish Companies Act, the Annual Accounts Act, First North's regulations and other applicable regulations. Careium is governed through several bodies. At the General Meeting, the shareholders 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 Euroclear Sweden AB's shareholder register as of 31 December 2021, Careium had 6,335 shareholders. Of the total number of shares, foreign shareholders accounted for 55.0 per cent. The number of shares in Careium at 31 December 2021 was 24,326,214 and at the same date Careium's market capitalisation was SEK 733 million. Doro'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 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 share 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 Extraordinary General Meeting of Careium on 17 November 2021, 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 three (3) members representing the Company's largest shareholders by voting power. The Chairman of the Board of Directors of the Company shall be an adjunct to the Nomination Committee.

Prior to the 2022 Annual General Meeting, the Nomination Committee consists of Mark Shay, Chairman of Accendo Capital, Erik Durhan of Nordea Fonder and Peter Lindell of Rite Internet Ventures. Lennart Jacobsen, chair of Careium AB, has been coopted 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 chairman and members of the Board,
- the remuneration of the Board of Directors with a breakdown between the Chairman 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 has established a Remuneration Committee and an Audit Committee. The Audit Committee consists of Cecilia Ardström (Chair) 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

Doro'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:

- Chair Lennart Jacobsen received SEK 58,300 for the chairship of Careium's Board.
- Towa Jexmark received SEK 23,300 for her work on the Board. Cecilia Ardström received SEK 27,500 for her work on the board.

In total, the remuneration for board and committee work amounted to SEK 109 (0) thousand, 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 11 March 2021, the auditing company Öhrlings PricewaterhouseCoopers AB was appointed as Careium's auditors for the period up to the end of the 2022 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 2.9 M (1.6).

The CEO and senior executives

The Company's CEO, Carl-Johan Zetterberg Boudrie, is subordinate to the Board and is 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.

Remuneration to group management

Guidelines to senior executives, applied in 2021, were adopted by the Annual General Meeting of Careium's former parent company, Doro AB, in April 2021. 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 predetermined 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 present CEO received a salary of SEK 277 thousand for his work during 2021. In accordance with the employment contract in force, the CEO and the company have a mutual period of notice of twelve months. During the period of notice, the CEO is entitled to full salary and other employment benefits. Salaries to the other members of the group management amounted to SEK 1,041 thousand. All members of the group management team, including the CEO, are offered a 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 11 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 Chairman 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 40–41. 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 2022

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 Qliro AB and Playground Group AB. President and Board member of Invesi Investment AB. Board member of Aktiebolaget Svensk Exportkredit, Swedbank Robur Fonder AB and Oryx Holding AB.

Shareholding in Careium (including holdings of related parties) after the dividend: 26,500 shares.

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



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 7 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 5 countries.

Other ongoing assignments: Head of Innovation at Ramsy Gds.

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

Independent: Independent in relation to Careium, its company 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, Länsförsäkrings- och 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: 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 related parties) after the dividend: 1,565 shares.

Independent: Independent in relation to Careium, its company 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



Carl-Johan Zetterberg Boudrie
CEO since 2021
Born: 1978

Education: Master of Science in Electrical Engineering from the Royal Institute of Technology and Master of Science in Business Administration from Stockholm University.

Experience: Carl has previous experience from assignments as CEO for DORO AB and CFO for Lekolar, Vice President Business Development at Beijer Electronics, and management consultant at Capgemini Consulting.

Other ongoing assignments: Chairman of the Board of Careium Sweden AB, Careium Norge AS, Greencoat House Limited with subsidiary/subsidiaries, Careium D-A-CH GmbH, Calan Consulting AB and Stallkvarten AB. CEO of DORO AB. President and Board member of Careium Services AB.

Shareholding in Careium (including holdings of related parties) after the dividend: 20,060 shares.



Johan Helgertz
Head of Portfolio and Marketing 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) after the dividend: 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: Chairman of the Board of Innocom, Victrix SocSan, Greencoat House Ltd with subsidiary/subsidiaries Velloma AB.

Shareholding in Careium (including holdings of related parties) after the dividend: 1,500 shares.



Annika Ramsing
CHRO since 2021
Born: 1972

Education: Bachelor's degree in behavioural science at 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 TwentyFourSeven-Group AB, HR Manager for 3DK, HRBP for Grontmij AB.

Other ongoing assignments: -

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



Jonas Norberg
CTO since 2021
Born: 1972

Education: Master of Science in Electrical Engineering from Lund University.

Experience: Jonas' most recent experience is as CTO at DORO AB and he has previous experience as Director at Axis Communications AB, Site Manager and Senior Director at BlackBerry Sweden, COO at TAT The Astonishing Tribe.

Other ongoing assignments: -

Shareholding in Careium (including holdings of related parties) after the dividend: -



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) after the dividend: 4,000 shares.



Martin Puumalainen
Regional Manager Sweden since 2021
Born: 1969

Education: Master's degree in Law at 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) after the dividend: -



Arvid Bakken
Regional Manager Norway since 2021.
Born: 1972

Education: Registered nurse from Lovisenberg Diaconal College. Ambulance driver from Falkenskolan.

Experience: Arvid has previously served as Sales Manager, Operations Manager and Team Leader at Doro Care Norway and is a former nurse.

Other ongoing assignments: -

Shareholding in Careium (including holdings of related parties) after the dividend: -



Peter Shirley
Regional Manager International since 2021
Born: 1958

Education: Business studies at the University of Sheffield.

Experience: Peter has previously served as sales manager at Attendo Systems Ltd and as sales and marketing manager at Possum Controls Ltd-Group. In addition, Peter has worked as sales and operations manager at Telealarm Care Ltd.

Other ongoing assignments: -

Shareholding in Careium (including holdings of related parties) after the dividend: 10,000 shares.



Jan Verasdonck
Regional Manager the Netherlands since 2021
Born: 1957

Education: Qualified electrical engineer.

Experience: Jan has over 30 years experience working as an electrical engineer. Jan founded the company Inncom Bureau voor Bedijfscommunicatie BV in which he also held the position of CEO.

Other ongoing assignments: -

Shareholding in Careium (including holdings of related parties) after the dividend: -

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 an Extraordinary General Meeting of Careium's former parent company, Doro AB, in November 2021, were applied in 2021. 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 64–65 in the 2021 annual report. Information about the work of the remuneration committee during 2021 can be found in the corporate governance report on pages 43–44 of the 2021 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 64–65 of the 2021 Annual Report.

The CEO summarises the company's overall performance in his report on pages 9–10 of the 2021 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 managing director and the deputy managing director. 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 may be noted that CEO Carl-Johan Zetterberg Boudrie still holds this position, and that no Deputy CEO has been registered.

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 the achievement of predetermined targets, and the variable remuneration must have a predetermined ceiling. The outcome must be linked to measurable targets (qualitative, quantitative,

Table 1 - Total remuneration to the CEO in 2021 (SEK thousand)*

CEO	Fixed remuneration	Variable remuneration	Other benefits	Pension costs	Total compensation	Share of fixed or variable remuneration**
Carl-Johan Zetterberg Boudrie	193.5	0	10.6	72.9	277	100/0

* The table shows compensation that amounts to the year 2021, from 1 December 2021.

** Pension costs (column 4), which relate in their entirety to Basic salary and are defined contribution, have been recognised in full as fixed remuneration

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 percent 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 percent. 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."''''

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 direc-

tors. 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."''

Malmö, March 2022

Careium AB (publ)
The Board

Manned alarm centres and e-locks are improving efficiency in the Netherlands

A care company in the north of the Netherlands contacted Careium's newly acquired company Innocom to find a new and more efficient solution for handling incoming alarms from its connected users.

At that time, the company had around 700 users using one alarm system. However, all alarms were sent to multiple different local care teams that did not have a common alarm centre. If someone in the care team needed to visit a user, they first had to go to the office to get a key. After the visit, they had to go back to the office to return the key. This was a lengthy process with the risk of both misunderstandings and time wasting – time that could be put to better use with more personal contact with users.

– We installed a new alarm system linked to a common, continuously manned alarm centre, says Yvonne Warmerdam at Innocom. We also fitted electronic locks on all users' doors. The result was a much more efficient operation.

The alarm centre was able to sort the incoming alarm calls and only a small portion of the calls needed to be followed up by the care company – much fewer than before. If assistance was needed, nurses were able to visit users directly without delay and easily open the door with their mobile phones. The introduction of effective technology-enabled care enables better use of resources and thus more time for users.



Financial information

Income statement – The Group

SEK million	Note	2021	2020
Net sales	2, 3	587.5	524.1
Cost of goods and services sold		-347.2	-306.8
Gross profit		240.3	217.3
Sales, distribution and marketing expenses		-109.8	-86.4
Research and development expenses		-24.2	-18.0
Administration expenses		-111.0	-88.1
Other income and expenses	2	13.3	3.6
Operating profit	4, 5, 29	8.6	28.4
Profit from financial items			
Financial income	6	2.8	0.3
Financial expenses	6	-2.2	-2.4
Profit after financial items		9.2	26.3
Income tax	17	-4.5	-7.5
PROFIT FOR THE YEAR		4.7	18.8
Attributable to:			
The Parent Company's Shareholders		4.5	18.8
Key figures			
Average number of shares (thousands)	11	24,032	23,890
Average number of shares by dilution effect (thousands)		24,032	23,890
Earnings per share before dilution, SEK		0.19	0.79
Earnings per share after dilution, SEK		0.19	0.79

Statement of comprehensive income – The Group

SEK million	2021	2020
PROFIT FOR THE YEAR	4.7	18.8
Items that may later be transferred to the income statement:		
Translation differences	14.6	-18.1
Other comprehensive income	14.6	-18.1
Total result	19.3	0.7
Attributable to:		
The Parent Company's Shareholders	19.1	0.7

Balance sheet - The Group

SEK million	Note	2021	2020
ASSETS			
Fixed assets			
Goodwill	7	407.8	339.5
Customer register and distribution agreement	7	40.4	34.1
Trademarks	7	0.7	1.1
Capitalized expenditure for development work	7	99.5	75.9
Right-to-use assets	4	40.5	47.7
Equipment, tools and rental equipment	8	55.1	49.2
Long-term receivables	4	9.7	3.8
Deferred tax asset	17	1.8	2.7
Total fixed assets		655.5	554.0
Current Assets			
Inventory	19	39.7	32.3
Accounts receivable	23	168.9	64.1
Other receivables	4, 10	11.8	5.6
Prepaid expenses and accrued income	10	33.3	29.1
Cash and cash equivalents	12, 23	142.5	32.2
Total current assets		396.2	163.3
TOTAL ASSETS		1,051.7	717.3

SEK million	Note	2021	2020
SHAREHOLDER´S EQUITY			
Share capital	11	0.5	0.0
Reserves		5.5	-9.1
Profit/loss brought forward		495.3	395.6
Hybrid capital		50.2	0.0
Total shareholders´ equity		551.5	386.5
LONG-TERM LIABILITIES			
Interest-Bearing Liabilities			
Provision for pensions	21	0.0	40.3
Liabilities to credit institutions	24	250.9	1.4
Leasing liabilities	4	27.9	33.8
Liabilities to Group companies		0.0	91.9
Total Interest-Bearing Liabilities		278.8	167.4
Non-Interest-Bearing Liabilities			
Other provisions	22	0.7	4.1
Other long-term liabilities	18	36.2	40.9
Deferred tax liabilities	17	2.9	0.0
Total Non-Interest-Bearing Liabilities		39.8	45.0
CURRENT LIABILITIES			
Interest-Bearing Liabilities			
Leasing liabilities	4	13.5	13.9
Total Interest-Bearing Liabilities		13.5	13.9
Non-Interest-Bearing Liabilities			
Provision for guarantees	20	1.4	0.2
Accounts payable		78.9	31.2
Liabilities to Group companies		0.0	15.7
Other liabilities		30.9	16.3
Current tax liabilities		2.1	0.2
Accrued expenses and prepaid income	13	54.8	40.9
Total Non-Interest-Bearing Liabilities		168.1	104.5
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES		1,051.7	717.3

Report on changes in shareholders equity – The Group

SEK million	Share capital	Reserves ¹⁾	Profit brought forward	Hybrid capital	Total shareholders' equity
Shareholders' Equity 31 December 2019	0.0	9.0	374.6	0.0	383.6
Profit for the year			18.8		18.8
Other comprehensive income		-18.1			-18.1
Comprehensive income	0.0	-18.1	18.8	0.0	0.7
Other transactions with shareholders			2.2		2.2
Total Transactions with Shareholders	0.0	0.0	2.2		2.2
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

1) Specification of reserves

	2021	2020
Accumulated translation differences at the beginning of the year	-9.1	9.0
This year's translation differences	14.6	-18.1
Accumulated Translation Differences at the End of the Year	5.5	-9.1
Total Reserves at the End of the Year	5.5	-9.1

Statement of cash flow – The Group

SEK million	Note	2021	2020
CURRENT ACTIVITIES			
Operating Profit		8.6	28.4
Adjustments for Items not Included in the Cash Flow			
Changes in provisions	20, 21, 22	-14.1	-0.4
Depreciation and impairments	7, 8, 29	56.5	48.6
Total Items not Affecting Cash Flow		51.0	48.2
Interest received		2.8	0.3
Paid interest		-2.3	-2.4
Taxes paid for the year	17	-5.3	-12.0
Cash flow from operating activities before changes in working capital		-4.8	62.5
Changes in Working Capital			
Change in inventory	19	-4.9	9.3
Change in operating receivables		-109.3	-0.8
Change in non-interest-bearing liabilities		48.2	-27.2
Cash Flow from Current Activities		-19.8	43.8

SEK million	Note	2021	2020
INVESTMENT ACTIVITIES			
Acquisitions of subsidiaries	18	-112.6	-38.2
Acquisition of intangible assets	7	-33.3	-24.5
Acquisition of tangible fixed assets	8	-17.8	-16.6
Cash Flow from Investing Activities		-163.7	-79.3
FINANCING ACTIVITIES			
Transactions with Group companies		99.1	-8.3
Repayment of loans	27	-180.4	-11.6
Loans	27	372.3	38.5
Cash Flow from Financing Activities		291.0	18.6
This Year's Cash Flow		107.5	-16.9
Cash and cash equivalents at the beginning of the year		32.2	53.9
Exchange rate difference in cash and cash equivalents		2.7	-4.8
Cash and Cash Equivalents at the End of the Year		142.5	32.2

Income statement – Parent company

SEK million	Note	2020/2021 (18 months)	2019/2020
Net sales	2.3	1.0	0.0
Cost of goods and services sold		0.0	0.0
Gross profit		1.0	0.0
Sales, distribution and marketing expenses		0.0	0.0
Research and development expenses		0.0	0.0
Administration expenses		-1.6	0.0
Other income and expenses	2	0.1	0.0
Operating Profit	4, 5, 29	-0.5	0.0
Profit from Financial Items			
Financial income	6	4.0	0.0
Financial costs	6	-0.4	0.0
Profit after Financial Items		3.1	0.0
Income tax	17	-0.4	0.0
PROFIT FOR THE YEAR		2.7	0.0

Statement of comprehensive income – Parent company

SEK million	2020/2021 (18 months)	2019/2020
PROFIT FOR THE YEAR	2.7	0.0
Other comprehensive income	0.0	0.0
Comprehensive income	2.7	0.0

Balance sheet - Parent company

SEK million	Note	31/12/2021	30/06/2020
ASSETS			
Fixed assets			
Shares in Group Companies	9, 25	310.1	0.0
Receivables from Group companies	17	312.4	0.0
Total fixed assets		622.5	0.0
Current assets			
Accounts receivable	23	2.0	0.0
Receivables from Group companies		1.7	0.0
Other receivables	4, 10	0.0	0.5
Prepaid expenses and accrued income	10	1.5	0.0
Cash and cash equivalents	12, 23	85.5	0.0
Total current assets		90.7	0.5
TOTAL ASSETS		713.2	0.5

SEK million	Note	31/12/2021	30/06/2020
SHAREHOLDERS' EQUITY			
Share capital	11	0.5	0.5
Hybrid capital		50.0	0.0
Profit/loss brought forward		363.2	0.0
Total shareholders' equity		413.7	0.5
LONG-TERM LIABILITIES			
Interest-Bearing Liabilities			
Liabilities to credit institutions	24	250.0	0.0
Total Interest-Bearing Liabilities		250.0	0.0
Non-Interest-Bearing Liabilities			
Other long-term liabilities	18	36.2	0.0
Total Non-Interest-Bearing Liabilities		36.2	0.0
CURRENT LIABILITIES			
Non-Interest-Bearing Liabilities			
Accounts payable		1.7	0.0
Liabilities to Group companies		8.1	0.0
Other liabilities		0.6	0.0
Current tax liabilities		0.5	0.0
Accrued expenses and prepaid income	13	2.4	0.0
Total Non-Interest-Bearing Liabilities		13.3	0.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		713.2	0.5

Report on changes in equity - Parent company

SEK million	Share capital	Hybrid capital	Profit brought forward	Total equity
Equity 30 June 2019	0.5	0.0	0.0	0.5
Profit for the year			0.0	0.0
Other comprehensive income			0.0	0.0
Comprehensive income	0.0	0.0	0.0	0.0
Other transactions with shareholders				0.0
Total Transactions with Shareholders	0.0	0.0	0.0	0.0
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
Shareholder contribution			360.5	360.5
Total Transactions with Shareholders	0.0	50.0	360.5	410.5
Equity 31 December 2021	0.5	50.0	363.2	413.7

Statement of cash flow – Parent company

SEK million	Note	2020/2021 (18 months)	2019/2020
CURRENT ACTIVITIES			
Operating Profit		-0.5	0.0
Total Items not Affecting Cash Flow		-0.5	0.0
Interest received		4.0	0.0
Interest paid		-0.4	0.0
Taxes paid for the year	17	0.1	0.0
Cash flow from current activities before changes in working capital		3.2	0.0
Changes in Working Capital			
Change in operating receivables		-4.7	0.0
Change in non-interest-bearing liabilities		2.9	0.0
Cash Flow from Current Activities		1.4	0.0
INVESTMENT ACTIVITIES			
Cash Flow from investment Activities		0.0	0.0
FINANCING ACTIVITIES			
Repayment of loans	27	-165.9	0.0
Loans	27	250.0	0.0
Cash Flow from Financing Activities		84.1	0.0
This Year's Cash Flow		85.5	0.0
Cash and cash equivalents at the beginning of the year		0.0	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	85.5	0.0

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 38–39.

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. Board fees have been paid as from November 2021, which is why comparative figures are not reported for 2020.

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 2020 and 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 for 2020 and 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 and thus reflects the share structure that will exist in Careium.

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 for 2020 and prior to separation.

Accounting and Valuation Principles

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

New Accounting Principles for 2021

The IASB has issued several amended accounting standards that came into force on 1 January 2021. None of these have significantly affected the financial statements.

New Accounting Principles for 2022 and Later

A number of new standards and interpretations will enter into force for financial years beginning on or after 1 January 2022 and have not been applied in the preparation of this financial statement. These new standards and interpretations are not expected to have a material impact on the Group's financial statements in the current or future periods, nor on future transactions.

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	
	2021	2020	2021	2020
EUR	10.15	10.46	10.26	10.05
NOK	0.99	0.98	1.03	0.96
GBP	11.79	11.81	12.22	11.19
USD	8.59	9.16	9.04	8.20

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.

In addition, during 2020, there were a number of employees in the Group's subsidiaries in the United Kingdom who had a defined benefit pension plan. A defined benefit pension plan is a pension plan that is not defined contribution. Characteristic of defined benefit plans is that they state an amount for the pension benefit an employee receives after retirement, usually based on one or more factors such as age, length of service and salary. All commitments for which provisions are made are valued by an actuary to determine the amount of the provision. The liability reported in the balance sheet regarding defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period.

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 prod-

ucts 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	1-3 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 agree-

ments 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 (FIFU) 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.

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.

During the year, the company has changed its accounting policies from BFAR 2016:10 to RFR 2. The change of accounting policies has not had a material impact on the company's financial statements.

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

Group	2021	2020
Sales of products	123.5	105.4
Sales of services	464.0	418.7
Net sales	587.5	524.1
Nordics	281.8	265.1
United Kingdom and Ireland	243.9	226.1
Central Europe	56.2	27.8
Other markets	5.7	5.1
Net sales	587.5	524.1
of which Sweden	188.9	166.7
Other operating expenses and income		
Government assistance received	1.8	2.9
Other incomes	11.5	0.7
Other expenses	0.0	0.0
	13.3	3.6

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 1.7 million (0) relates to subsidiaries. Invoicing from subsidiaries to parent companies amounted to SEK 0 million (0). Invoicing between subsidiaries amounted to 49.6 (31.2).

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	2021	2020
Premises	37.0	44.0
Equipment	0.0	0.0
Vehicle	2.4	2.2
Other	1.1	1.5
Total	40.5	47.7

	Group	
Leasing liabilities	2021	2020
Short-term	13.5	13.9
Long-term	27.0	33.8
Total	40.5	47.7

New right-to-use assets during 2021 amounted to SEK 6.9 M (23.7).

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

	Group	
Depreciation of Right-to-use assets	2021	2020
Premises	-11.8	-10.2
Equipment	-1.0	-0.8
Vehicle	-1.2	-1.0
Other	0.0	0.0
Total	-14.0	-12.0
Interest expenses (included in financial expenses)	-1.4	-1.5
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)	-3.9	-2.2

The total cash flow regarding leasing agreements during 2021 was SEK 19.3 M (15.7).

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	2021	2020
Within 1 year	6.8	5.3
Within 2 to 5 years	9.7	3.8
Later than 5 years	0.0	0.0
Total	16.5	9.1

Note 5 Employees

Average Number of Employees	2021	Of which men	2020	Of which men
Sweden	168	77	157	66
Norway	59	31	81	55
United Kingdom	528	143	532	131
Germany	7	3	4	3
Spain	11	8	10	7
Netherlands	15	7	-	-
Total	788	269	784	262

Salaries and Other Remuneration

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

	2021	2020
Salaries and benefits	224.5	221.5
	224.5	221.5
Social expenses	29.9	35.5
	29.9	35.5
Pension costs	11.5	12.8
<i>of which premium based</i>	7.7	8.2
	11.5	12.8

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

	2021		2020	
	Board and CEO	Other Employees	Board and CEO	Other Employees
Sweden	0.3	37.1	0.0	61.1
Norway	0.0	44.9	0.0	46.8
United Kingdom	0.0	127.1	0.0	108.6
France	0.0	0.0	0.0	3.2
Germany	0.0	3.4	0.0	0.0
Netherlands	0.0	4.8	0.0	0.0
Spain	0.0	7.0	0.0	1.8
Total	0.3	224.3	0.0	221.5

Gender distribution, senior executives	2021, number		2020, number	
	Women, %	Women, %	Women, %	Women, %
Board of Directors	3	67	-	-
Group management	10	10	-	-

Remuneration to senior executives (SEK thousand)

The Board 2021	Fee	Pension	Other benefits	Total
Chairman of the Board	58	0	0	58
Other board members	51	0	0	51
Total	109	0	0	109

The Board took office on 10 December 2021 and the remuneration is payable from that date. Chairman of the Board Lennart Jacobsen received SEK 58,000. Cecilia Ardström received SEK 28,000 and Towa Jexmark SEK 23,000.

Senior executives 2021	Salary	Bonus and variable remuneration	Pension	Other benefits	Total
Carl-Johan Zetterberg Boudrie	193	0	73	11	277
Other senior executives	749	0	268	24	1,041
Total	942	0	341	35	1,317

The amounts above include salaries and remuneration to employed senior executives. In 2021, the management team consisted of 8 people from December 1st 2021.

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 2021: 0 (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 0.3 M (0.0).

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	
	2021	2020	2021	2020
Income				
Interest income, external	0.2	0.3	0.0	0.0
Interest income, internal	0.0	0.0	0.4	0.0
Exchange rate gains	2.6	0.0	2.6	0.0
Dividend from subsidiaries	0.0	0.0	1.0	0.0
Other	0.0	0.0	0.0	0.0
Total	2.8	0.3	4.0	0.0
Costs				
Interest expenses, external	-2.1	-2.2	-0.2	0.0
Exchange rate losses	0.2	0.0	-0.2	0.0
Other	-0.3	-0.2	0.0	0.0
Total	-2.2	-2.4	-0.4	0.0
Net financial items	0.6	-2.1	3.6	0.0

Note 7 Intangible Fixed Assets

The Group/Goodwill	Group		Parent company	
	2021	2020	2021	2020
Incoming Acquisition Value	339.5	288.2	0.0	0.0
Acquisition	56.1	65.1	0.0	0.0
Translation difference	12.2	-13.8	0.0	0.0
Closing Accumulated Acquisition Value	407.8	339.5	0.0	0.0
Group/Customer Register and Distribution Agreements	2021	2020	2021	2020
Incoming Acquisition Value	74.1	62.1	0.0	0.0
Acquisition	14.4	14.1	0.0	0.0
Investment	1.4	0.0	0.0	0.0
Translation difference	5.1	-2.1	0.0	0.0
Closing Accumulated Acquisition Value	95.0	74.1	0.0	0.0
Depreciation	-40.0	-29.8	0.0	0.0
This year's depreciations	-12.5	-8.9	0.0	0.0
Translation difference	-2.1	-1.3	0.0	0.0
Closing Depreciation	-54.6	-40.0	0.0	0.0
Outgoing Residual Value	40.4	34.1	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 percentage point: In its impairment testing, Careium has used a discount rate of 13.2 per cent (13.1) before tax. A change in the discount rate before tax to 14.2 per cent does not entail a need for impairment.

The Group/Brands	Group		Parent company	
	2021	2020	2021	2020
Incoming Acquisition Value	3.0	3.2	0.0	0.0
Acquisition	0.0	0.0	0.0	0.0
Translation difference	0.2	-0.2	0.0	0.0
Closing Accumulated Acquisition Value	3.2	3.0	0.0	0.0
Depreciation	-1.9	-1.5	0.0	0.0
This year's depreciations	-0.5	-0.5	0.0	0.0
Translation difference	-0.1	0.1	0.0	0.0
Closing Depreciation	-2.5	-1.9	0.0	0.0
Outgoing Residual Value	0.7	1.1	0.0	0.0
The Group/Capitalised Expenses for Development Work/IT, SEK million	2021	2020	2021	2020
Incoming Acquisition Value	106.5	53.2	0.0	0.0
This year's acquisitions	34.3	24.5	0.0	0.0
Acquisition	0.0	30.1	0.0	0.0
Translation difference	0.7	-1.3	0.0	0.0
Closing Accumulated Acquisition Value	141.5	106.5	0.0	0.0
Depreciation	-30.6	-24.4	0.0	0.0
This year's depreciations	-8.8	-6.2	0.0	0.0
Sales/Disposals/Impairments	-2.6	0.0	0.0	0.0
Closing Depreciation	-42.0	-30.6	0.0	0.0
Outgoing Residual Value	99.5	75.9	0.0	0.0

Note 8 Tangible Fixed Assets

Equipment, Tools and Rented Equipment, SEK million	Group		Parent company	
	2021	2020	2021	2020
Incoming Acquisition Value	99.0	89.4	0.0	0.0
This year's acquisitions	17.8	16.6	0.0	0.0
Acquisition	16.5	2.1	0.0	0.0
Sales/Disposals	-2.0	0.0	0.0	0.0
Translation difference	7.4	-9.1	0.0	0.0
Closing Acquisition Value	138.7	99.0	0.0	0.0
Depreciation	-49.8	-31.7	0.0	0.0
This year's depreciations	-20.7	-21.4	0.0	0.0
Acquisition	-10.6	0.0	0.0	0.0
Sales/Disposals	0.5	0.0	0.0	0.0
Translation difference	-3.0	3.3	0.0	0.0
Closing Depreciation	-83.6	-49.8	0.0	0.0
Outgoing Residual Value	55.1	49.2	0.0	0.0

Note 9 Shares in Group Companies

Subsidiaries	Number of shares	Share, %	Book value 2021
Careium Sweden AB	2,500	100	0.3
- Careium Services AB			
Careium D-A-CH	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 SL	36,363	100	56.9
Innocom Bureau voor Bedrijfscommunicatie ¹⁾	18,000	100	79.7
Caretech Sales UK Limited ²⁾	1	100	0.0
			310.1

1) Innocom Bureau voor Bedrijfscommunicatie was acquired in 2021 and is 100 per cent owned by Careium AB.

2) Caretech Sales UK Limited was liquidated in 2021.

	2021
Opening Balance	0.0
Acquisition	319.4
Revaluation of additional purchase price	-9.3
Closing Balance	310.1

Subsidiaries – Company ID Number	Registered Offices
Careium Sweden AB - 556569-9740	Malmö, Sweden
Careium Services AB - 559304-5957	Malmö, Sweden
Careium D-A-CH - HRB 6783	Taunus, Germany
Careium Norge AS - 999238424	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, The Netherlands

Note 10 Other current receivables and Prepaid expenses and accrued income

Other receivables	Group		Parent company	
	2021	2020	2021	2020
Financial leasing receivable	6.9	5.3	0.0	0.0
Other receivables	4.9	0.3	0.0	0.5
Total	11.8	5.6	0.0	0.5

Prepayments and accrued income	Group		Parent company	
	2021	2020	2021	2020
Prepaid Rents	1.5	3.1	0.0	0.0
Prepaid insurance premiums	2.0	1.3	1.3	0.0
Prepaid exhibition costs	0.0	0.5	0.0	0.0
Prepaid IT costs	0.1	0.5	0.0	0.0
Contract assets	21.8	21.7	0.0	0.0
Other prepaid expenses	7.9	2.0	0.2	0.0
Total	33.3	29.1	1.5	0.0

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.

Careium AB was not part of the Group in 2020, the company was acquired in March 2021, therefore the Group does not recognise any share capital for the reference year.

Dividend

The Board of directors proposes that no dividend is paid for 2021.

Note 12 Overdraft facilities

	Group		Parent company	
	2021	2020	2021	2020
Approved credit	0.0	0.0	0.0	0.0
<i>Of which utilised credit</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>

Note 13 Accrued expenses and prepaid income

	Group		Parent company	
	2021	2020	2021	2020
Holiday pay liability	14.9	15.3	1.2	0.0
Social fees	6.9	6.7	0.4	0.0
Other personnel liabilities	4.2	2.5	0.0	0.0
Contract liabilities	6.6	9.8	0.0	0.0
Other accrued expenses	22.2	6.6	0.8	0.0
Total	54.8	40.9	2.4	0.0

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	
	2021	2020	2021	2020
Shares in subsidiaries	37.6	0.0	31.6	0.0

Note 15 Contingent liabilities

The Group and the parent company have no contingent liabilities.

Note 16 Auditors

Öhrlings PricewaterhouseCoopers AB (PwC), with Johan Rönnbäck as the principal auditor, was elected as auditor on 11 March 2021 for the period until the end of the Annual General Meeting 2022. PwC has been appointed as auditor of all major entities except Careium Norge AS.

	Group		Parent company	
	2021	2020	2021	2020
Fees and Cost Reimbursements				
PwC				
Audit assignment	2.7	1.3	0.4	0.0
<i>of which to PricewaterhouseCoopers AB</i>	1.0	0.2	0.4	0.0
Audit outside the assignment	0.0	0.0	0.0	0.0
<i>of which to PricewaterhouseCoopers AB</i>	0.0	0.0	0.0	0.0
Tax advice	0.0	0.0	0.0	0.0
<i>of which to PricewaterhouseCoopers AB</i>	0.0	0.0	0.0	0.0
Other services	1.8	0.0	0.0	0.0
<i>of which to PricewaterhouseCoopers AB</i>	0.2	0.0	0.0	0.0
Other				
Audit assignment	0.2	0.2	0.0	0.0
Audit outside the assignment	0.0	0.0	0.0	0.0
Tax advice	0.0	0.1	0.0	0.0
Other services	0.0	0.0	0.0	0.0
Total	4.7	1.6	0.4	0.0

Note 17 Taxes

Tax on Profit for the Year	2021	2020
Current tax	-4.2	-11.0
Deferred tax	-0.3	3.5
Total Tax on the Profit for the Year	-4.5	-7.5

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

Taxes	2021	2020
Reported profit before tax	9.2	26.3
Tax 20.6 % (21.4)	-1.9	-5.6
Non-deductible expenses	-0.7	-0.1
Non-taxable income	2.1	0.0
Utilisation of previously unrecognized tax loss carryforwards	0.2	0.2
Change valuation loss carryforward	0.0	-0.4
Change valuation of temporary differences	-1.6	0.0
Tax expense/tax revenue in previous years	-1.6	-0.5
Adjustment for tax rates in foreign Group companies	-1.0	-1.1
Reported Tax	-4.5	-7.5

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	2021	2020
Unutilised loss carryforwards	11.3	1.8
Temporary differences, provisions	0.0	8.5
Temporary differences, other	-12.4	-7.6
Total reported deferred tax receivables/tax liabilities	-1.1	2.7

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 11 million (5) can be utilised without a time limit. The remaining loss carryforwards are in Spain and Norway.

Losses carry forward fall due as follows	2021	2020
Without limit	11.0	5.0
Total	11.0	5.0

Gross Change of Deferred Taxes	2021	2020
Opening balance	2.7	4.5
Tax attributable to the income statement	2.0	3.5
Tax attributable to components in other comprehensive income	1.2	-0.2
Acquisition/merger	-7.0	-5.1
Closing balance	-1.1	2.7

Note 18 Acquisition

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	2021	2020
Opening gross stock	36.0	43.4
Acquisition	2.1	1.2
Change in gross stock	4.1	-8.1
Internal profit in stock	0.0	0.0
Translation difference	0.7	-0.5
Closing gross stock	42.9	36.0
Opening write-downs of stock	-3.7	-2.8
Acquisition	0.0	-0.2
Change in write-downs of stock	0.7	-0.7
Translation difference	-0.2	0.0
Closing write-downs of stock*	-3.2	-3.7
Net stock in the balance sheet	39.7	32.3

* Acquisition value for the inventory that write-downs of stock of SEK 3.2 M (3.7) related amounts to SEK 3.7 M (7.7).

Note 20 Provision for guarantees

	Group		Parent company	
	2021	2020	2021	2020
Opening Balance	0.2	0.0	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	1.2	0.2	0.0	0.0
Translation difference	0.0	0.0	0.0	0.0
Closing Balance	1.4	0.2	0.0	0.0

Note 21 Provision for Pensions

	Group		Parent company	
	2021	2020	2021	2020
Opening Balance	40.3	44.1	0.0	0.0
Acquisition	0.0	0.0	0.0	0.0
Amounts released	-43.8	0.0	0.0	0.0
New provisions	0.0	0.0	0.0	0.0
Translation difference	3.5	-3.8	0.0	0.0
Closing Balance	0.0	40.3	0.0	0.0

The acquisition of Centra Pulse and Connect on 2 September 2019 included a defined benefit pension plan. The transfer agreement with the seller stipulates that participation in this pension plan is intended to end in 2020. In addition to the established value of the pension provision stated in the transfer agreement and which is reported as a pension provision in the financial statements, there is an agreement with the seller that the seller will pay any excess amount to end the participation in the pension plan up to a ceiling amount. As the pension provision is valued at the amount that will be paid when the participation in the pension plan ends, no assumptions for actuarial calculations are reported. In 2021, the pension liability has been settled according to the plan.

Note 22 Other Provisions

	The Group		Parent company	
	2021	2020	2021	2020
Opening Balance	4.1	3.7	0.0	0.0
Amounts released	-3.9	-2.4	0.0	0.0
New provisions	0.5	2.7	0.0	0.0
Translation difference	0.0	0.0	0.0	0.0
Closing Balance	0.7	4.1	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 2021, no short-term financial investments were made. Accounts receivable amounted to SEK 168.9 million (64.1) and leasing receivables to SEK 16.5 million (9.1). 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.

In 2021, 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	2021	2020
Not due	56.1	46.0
Due < 60 days	11.1	7.1
Due > 60 days	109.4	18.0
Total Accounts Receivable	176.6	71.1
Expected bad debt losses	-7.8	-7.0
Accounts receivable in the financial statements	168.9	64.1

Bad Accounts Receivable	Group	
	2021	2020
Opening Balance	-7.0	-8.0
Through acquisitions	-0.1	-0.4
Expected bad debt losses	-1.7	-2.7
Confirmed bad debt losses	0.1	4.0
Translation difference	-0.4	0.1
Amounts reversed	1.3	0.0
Closing Balance	-7.8	-7.0

Other receivables

Other receivables including financial lease receivables are not yet due.

Liquidity Risk

At the end of 2021, the Group had SEK 292.3 million (181.3) in interest-bearing liabilities, including SEK 41.4 million (47.7) 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 2021 was SEK 142.5 million (32.2).

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.

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 20 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	2021	2020
NOK	29.1	30.0
EUR	219.3	25.0
GBP	78.1	196.0
Total	326.5	252.0

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 2021 has been 1.55 per cent. Should the SEK interest rate rise by 1 percentage point, Careium's net financial items would deteriorate by approx SEK 2.5 M based on indebtedness on 31/12/2021.

Term analysis for derivatives and financial liabilities as per December 31, 2021

The Group, SEK million	Currency	0-3 months	3 months - 1 year	1-3 years	3 years or more	Total
Bank loans	SEK				250.0	250.0
Bank loans	EUR				0.9	0.9
Leasing liabilities	Mixed		13.5	27.9		41.4
Accounts payable	Mixed	78.9				78.9
Total		78.9	13.5	27.9	250.9	371.2

Hybrid loans

Careium has issued a hybrid loan of 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 settlement of the loan. In accordance with the terms of the loan, it is accounted for as equity in Careium. The hybrid loan has an interest rate of 5.5 per cent.

Note 24 Liabilities to credit institutions

	Group		Parent company	
Long-term	2021	2020	2021	2020
Bank loans	250.9	1.4	250.0	0.0
Short-term				
Bank loans	0.0	0.0	0.0	0.0
Total liabilities to credit institutions	250.9	1.4	250.0	0.0

The bank loans have an interest rate of 1.25–1.55 + STIBOR (but a minimum of 1.25%). The parent company's liabilities to credit institutions are in Swedish kronor. The main covenants for the loan are the Net Debt/EBITDA and interest coverage ratio limits, the requirements are met for 2021.

	Group		Parent company	
Maturity dates of long-term liabilities	2021	2020	2021	2020
1-2 years	0.0	0.0	0.0	0.0
2-5 years	250.9	1.4	250.0	0.0
More than 5 years	0.0	0.0	0.0	0.0
Total	250.9	1.4	250.0	0.0

Note 25 Related-Party Transaction

With the exception of transactions with the former parent company Doro AB, no related-party transactions have occurred during the year. The transactions relate to the acquisition of assets and liabilities belonging to the Care business, a shareholder contribution received, a new share issue and the issuance of hybrid loans in order to prepare Careium for the separate listing.

Note 26 Significant events after year-end

After the end of the period, the war in Ukraine broke out. We do not see any significant impact on Careium's operations but are closely monitoring developments.

Note 27 Changes in debt

	Other assets	Debt attributable to financing activities				Total
	Cash and cash equivalents/overdraft 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	13.9	33.8	0.0	93.3	108.8
Cash flow	-107.6	-14.0			205.9	84.3
Exchange rate differences	-2.7					-2.7
Additional/expiring rights of use		13.6	-5.9			7.7
Total non-cash items					-48.3	-48.3
Net liabilities as of 31 December 2021	-142.5	13.5	27.9	0.0	250.9	149.8

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

	2021	2020
Capital employed		
Total assets	1,051.7	717.3
Non-interest-bearing liabilities	185.2	104.5
Cash and cash equivalents	142.5	32.2
Reported capital employed	724.0	508.6
Leverage ratio		
Interest-bearing liabilities	278.8	167.4
Equity	551.5	386.5
Reported leverage ratio	0.51	0.43
Capital turnover rate		
Net sales	587.5	524.1
Average total assets	884.5	678.0
Reported capital turnover rate	0.7	0.8

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 subscribers	Number of subscription customers linked to the alarm centre.	This measure shows the volume of customers in the service business.
Adjusted EBIT	Operating result excluding restructuring costs.	Shows the operating result of the underlying activities.

Note 29 Subdivision of income statement by cost type

The Group, SEK million	2021	2020
Operating Income		
Net sales	587.5	524.1
Other operating income	25.6	8.9
Operating Expenses		
Merchandise	-113.8	-99.7
Other external expenses	-105.5	-82.6
Personnel costs	-329.0	-273.3
Depreciation and impairments of tangible fixed assets	-34.7	-33.8
Depreciation and impairments of intangible assets	-21.8	-15.7
Other operating expenses	-0.1	0.5
Operating Profit	8.6	28.4
Profit from Financial Items		
Interest income and similar income items	2.8	0.3
Interest expenses and similar income items	-2.2	-2.4
Profit after Financial Items	0.6	26.3
Tax on Profit for the Year	-4.5	-7.5
Profit for the year	4.7	18.8

Parent company, SEK million	2021	2020
Operating Income		
Net sales	1.0	0.0
Other operating income	0.1	0.0
Operating Expenses		
Merchandise	0.0	0.0
Other external expenses	-1.2	0.0
Personnel costs	-0.4	0.0
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	-0.5	0.0
Profit from Financial Items		
Interest income and similar income items	0.0	0.0
Interest expenses and similar income items	-0.4	0.0
Profit after Financial Items	3.1	0.0
Tax on Profit for the Year	-0.4	0.0
Profit for the year	2.7	0.0

Note 30 Proposed allocation of the company's profit

The Board has decided not to propose any dividend for 2021.

Profit brought forward	360.5
Profit for the year	2.7
	363.2

Sustainability notes

Note 1 Stakeholders

Careium's stakeholders have been identified by Group management. This has been done through discussion and is updated annually. When the companies were separated in December 2021, a major review was carried out and the stakeholders only relating to Doro have been removed from Careium's stakeholder list. 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.

Note 2 Materiality analysis

The materiality analysis has been 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.

	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	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 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.	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 service life and repairability. Products are labelled to facilitate recycling.
Careium governance	Supplier selection. Product specification. Business ethics	Supplier selection. CO ₂ -measurement.	ISO 14001. Measurement and control of environmental impact.	Product development.	Product development.

SOCIAL IMPACT	Work environment and human rights. Conflict minerals. Provision in the supply chain.	Work environment and human rights. Provision.	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 service life 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.	Low Careium's own operations take place in countries with low social risks.	High Ageing population is a challenge in the countries in which Careium operates. Positive impact on users, relatives and municipalities.	Low Relatively minor 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 weekends 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 service life and repairability.
Careium governance	Supplier selection. Product specification. ESG policy for suppliers.	Supplier selection.	Business ethics Surveying and control of work environment.	ISO 27001, ISO 9001. The Loneliness Commission.	Product development.
ECONOMY AND GOVERNANCE, IMPACT	Risk of corruption. Provision in the supply chain.	Risk of corruption. Provision.	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 service life provide economical sustainability.
Significance	Medium The biggest risks in relation to corruption lie in the manufacturing chain.	Medium Relatively small customer at each supplier.	High Management/staff control the business and have the opportunity to influence all parts.	High Ageing population is a challenge in the countries in which Careium operates. Positive impact on 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.	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. Economics and governance can be explained as ethical control of the company, which 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 users and society.

There are many other interesting sustainability issues that we sometimes get asked about. Here are some of them, with answers as to why we do not discuss in detail in the sustainability report.

Question	Reason
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)	2021 Careium only	2020* Careium only	2020 Doro incl. Careium	2019 Doro incl. Careium
Direct greenhouse gas emissions, Scope 1	301	227	305	400
Indirect greenhouse gas emissions, Scope 2	76	23	68	200
Emissions from transport of goods, Scope 3 (see below for explanation)	102	150	2,990	3,116

*The 2019 and 2020 annual reports refer to Doro incl. Careium. Careium was spun off as a separate company in December 2021. For comparison, a figure has been calculated indicating how large a share of the emissions in 2020 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	Energy consumption for Careium's premises is responsible for our Scope 2 emissions. 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 a smaller office (1 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. Emissions in 2019 were calculated on the basis of a national average for CO ₂ e/kWh, both for district heating and electricity. In 2020 and onwards, emission figures from suppliers have been used, which has resulted in a reduction, since fossil-free or environmentally profiled electricity is used to a great extent. The figures from 2020 are more accurate due to an improved calculation method.
Emissions from the transport of goods, Scope 3	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. More detailed figures can be found in the table below (The table below shows both WTW and TTW, but in the table for greenhouse gases above, TTW is used). The freight forwarders have only been able to give total figures for Doro + Careium for 2021, but documentation at Doro/Careium shows that only 5 per cent of the products are Careium's, which is why 5 percent of the total figure is reported here
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, emissions from the manufacture of products and the products' energy use by our customers.

Emission figures from freight forwarders 2021 Scope 3, transport of goods

Mode of transport	Tonne CO ₂ e, WTW	Tonne CO ₂ e, TTW
Flying	120	102
Shipping	2	2
Total	122	104

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

Power consumption

	Group	Sweden	Norway	United Kingdom	Germany	Netherlands	Spain
Passenger transport, company-owned cars (Scope 1), MWh	2,074	171	347	1,138	54	257	108
Electricity consumption, office, MWh* (total, including electricity for heating)	867	215	156	440	1	55	1
Heating with district heating, MWh*	460	384	76	0	0	0	0
Cooling with district cooling, MWh	0	0	0	0	0	0	0
Consumption of steam	0	0	0	0	0	0	0
Heating with own combustion, MWh	120	0	0	30	9	81	0
Fossil-free electricity is used in the number of offices/total number of offices	6/13	3/3	1/1	2/6	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.

Environmental facts office

	Group	Sweden	Norway	United Kingdom	Germany	Netherlands	Spain
Office space, m ²	8,858	3,164	1,600	3,010	75	900	109
Water consumption, m ³ *	3,230	1,730	148	1,243	25	84	25
Electrical waste, including batteries, kg	9,771	2,325	3,560	2,343	55	1,487	1

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

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 6 of our alarm centres are certified according to ISO 9001 (quality) and all but the most recently acquired according to 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.

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.

Note 5 Employee data

Staff details 2021	Group	Region Sweden	Region Norway	Region UK (Great Britain)	Region Netherlands	Region International	Common group functions
Number of employees, Head count, at year-end (full-time and part-time)	1,013	166	107	613	49	11	67
Proportion of women of total number of employees, at year-end, %	66	61	48	76	40	27	34
Proportion of staff under 30 years of age, %	29	55	38	25	19	0	12
Proportion of staff 30–50 years of age, %	40	31	39	38	35	45	39
Proportion of staff over 50 years of age, %	31	14	23	37	46	55	49
Proportion of women in managerial positions, at year-end, %	52						
Proportion of staff who have had appraisal interviews	88						
Part-time work (proportion working part-time), at year-end, %	30						
Collective agreements in place		Yes	Yes	No	No	No	Yes

Occupational health and safety

Careium has a 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	Group	Sweden	Norway	United Kingdom	Germany	Netherlands	Spain
Occupational health and safety procedures are documented in the local language		Yes	Yes	Yes	Yes	No	Yes
Safety inspections are held at least annually		Yes	Yes	Yes	No	Yes	Yes
Number of reported occupational injuries and incidents	21	1	0	20	0	0	0
Sick leave due to occupational injuries and incidents, hours	388	12	0	376	0	0	0
Number of reported cases of discrimination	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 highest rated risk is that when dealing with Asian suppliers, purchasers exceed company limits when representing the company.

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

All managers (except team leaders), sales staff and purchasing decision-makers have received a digital course on anti-corruption in 2021. Out of 59 people who received the course, 59 people (100%) have completed it, including the final test.

No cases of corruption have been detected in 2021. 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 usually go to a European warehouse and from there to the customer.

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

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.

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

Note 9 Sustainability goals

The climate targets for 2021 that were reported in the previous sustainability report have been partially achieved.

Goal	Profit	Comment
Two offices in the UK will switch to fossil-free electricity.	Achieved	Implemented in Eastbourne and Lancashire.
Eco-driving courses will be offered to 70 percent of field staff within Care in Sweden, Norway and the United Kingdom.	Not achieved	Pandemic restrictions on driving schools and internal priorities have made this impossible to implement.
The vehicle fleet within Care will be replaced by more environmentally friendly cars. The targets for 2020, UK: 40 per cent hybrid cars, and Norway: 60 percent electric cars.	Partially achieved	In the UK, the goal has been achieved. In Norway, 40 percent electric cars was achieved in 2021.
Sales target according to the budget for remote supervision, which helps customers reduce emissions.	Not achieved	The sales target has not been achieved.

Targets for 2022

The Group's environmental targets for 2022 have been developed by the environmental group and the regions. They have been approved by Group management. These are some of our environmental targets for 2022:

Goal
Sales target according to the budget for remote supervision and e-locks, which helps customers reduce emissions. Applies to Sweden and Norway.
Eco-driving courses Norway for reduced fuel consumption: 50 per cent of staff who drive a car to work will receive training.
The vehicle fleet in Norway will be adapted for better environmental performance.
Office relocations in the UK will be chosen taking into account environmental performance, such as energy consumption, opportunities for commuting without a car and safety in climates with more extreme weather.

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 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 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 10 References to global standards and accounting methods

GRI (Global Reporting Initiative)

Careium's Sustainability Report for 2021 follows GRI standards level Core. The reporting based on GRI is based on the areas that have been identified as important to the company with the help of stakeholder dialogues and external monitoring. The list below reproduces references to the GRI information and metrics that Careium reports within the framework of the company's reporting.

GRI standard	Page reference/Comment
ORGANISATIONAL PROFILE (2016)	
102-1 Name of the organisation	See page 1.
102-2 Activities, brands, products and services	See pages 23–24.
102-3 Location of headquarters	See last page.
102-4 Location of operations	See Note 9
102-5 Ownership and legal form	See pages 7–8.
102-6 Markets served	See pages 19–20.
102-7 Scale of the organisation	i. Employees, see sustainability note Employee data, page 83. ii. Operations, Note 9, pages 67–68. iii. Sales, page 52. iv. Capital, page 52. v. Quantity, page 3.
102-8 Information on employees and other workers	Sustainability note Employee data.
102-9 Supply chain	Sustainability note Supplier oversight.
102-10 Significant changes to the organization and its supply chain	This is our first GRI report. The company is newly formed.
102-11 Precautionary Principle or approach	The precautionary principle is observed during product development and when deciding on new operations.
102-12 External initiatives	The Loneliness Commission is described on page 27.
102-13 Membership of association	–
STRATEGY AND ANALYSIS (2016)	
102-14 Statement from senior decision-maker	Message from the CEO pages 9–10.
ETHICS AND INTEGRITY (2016)	
102-16 Values, principles, standards, and norms of behavior	Business ethics policy is available on Careium's website, see Standards and policies (careium.com).

This is our first GRI report. The company was founded in 2021 and was previously part of Doro. Unless otherwise stated, the report refers to Careium's operations throughout 2021; the part of Doro that became Careium has been included in this sustainability report.

GRI standard	Page reference/Comment
GOVERNANCE (2016)	
102-18 Governance structure	See pages 42–46.
STAKEHOLDER COMMITMENT (2016)	
102-40 List of stakeholder groups	Sustainability note Stakeholders.
102-41 Collective bargaining agreements	Sustainability note Employee data.
102-42 Identifying and selecting stakeholders	Sustainability note Stakeholders.
102-43 Approach to stakeholder engagement	Sustainability note Stakeholders.
102-44 Key topics and concern raised	Sustainability note Stakeholders.
ACCOUNTING PROFILE (2016)	
102-45 Entities included in the consolidated financial statements	See income statement and note 28.
102-46 Defining report content and topic Boundaries	Sustainability note Materiality analysis.
102-47 List of material topics	Sustainability note Materiality analysis.
102-48 Restatements of information	Sustainability report according to GRI has not been prepared before.
102-49 Changes in reporting	Sustainability report according to GRI has not been prepared before.
102-50 Reporting period	01/01/2021 to 31/12/2021.
102-51 Date of most recent report	Sustainability report according to GRI has not been prepared before.
102-52 Reporting cycle	Annual.
102-53 Contact point for questions regarding the report	Mona Sahlberg, Sustainability and compliance manager.
102-54 Claims of reporting in accordance with the GRI Standards	Core level is followed.
102-55 GRI content index	Reported in this table.
102-56 External assurance	Has not been carried out.

GRI standard	Page reference/Comment
GRI 205: ANTI-CORRUPTION (2016)	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	Sustainability note Anti-corruption.
205-1 Operations assessed for risks related to corruption	Sustainability note Anti-corruption.
205-2 Communication and training about anti-corruption policies and procedures	Sustainability note Anti-corruption.
205-3 Confirmed incidents of corruption and actions taken	Sustainability note Anti-corruption.
GRI 302: ENERGY (2016)	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	Sustainability notes Environmental data and Environmental targets.
302-1 Energy consumption within the organization	Sustainability note Environmental data.
GRI 305: EMISSIONS (2016)	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	Sustainability notes Environmental data and Sustainability goals.
305-1 Direct (Scope 1) GHG emissions	Sustainability note Environmental data.
305-2 Energy indirect (Scope 2) GHG emissions	Sustainability note Environmental data.
305-3 Other indirect (Scope 3) GHG emissions	Sustainability note Environmental data.
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	Sustainability note Occupational health and safety.
403-1 - 403-7 Governance	Sustainability note Occupational health and safety.
403-9 Work-related injuries	Sustainability note Occupational health and safety.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	See pages 32–34.
405-1 Diversity of governance bodies and employees	Sustainability note Employee data.
GRI 413: LOCAL COMMUNITIES	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	See page 26.
413-1 Commitment in local communities	The Loneliness Commission is described on page 27.

GRI standard	Page reference/Comment
GRI 416: CUSTOMER HEALTH AND SAFETY	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	Sustainability note Customer safety.
416-1 Assessment of the health and safety impacts of product and service categories	Sustainability note Customer safety.
GRI 418: CUSTOMER PRIVACY	
103-1, Materiality	Sustainability note Materiality analysis.
103-2, 103-3 Control and follow-up	See pages 30–31.
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No significant complaints have been received.

EU taxonomy

Careium is subject to the accounting rules of EU taxonomy, but no part of the business is considered environmentally sustainable under current technical audit criteria.

As a service company, we have a low environmental impact and low impact sectors are not yet included in the criteria.

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 AND TARGETS
<p>A. The Board's oversight of climate-related risks and opportunities.</p> <p>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.</p>	<p>A. Climate-related risks and opportunities identified by the organisation.</p> <p>Risks are presented together with other risks. See pages 40–41. Climate risk is handled both by senior management and by the Group's environmental group.</p>	<p>A. The organisation's processes for identifying climate-related risks.</p> <p>Climate risks are included in the assessment of sustainability risks, which in turn are included in the Group's overall risks.</p>	<p>A. The organisation's metrics for assessing climate-related risks and opportunities.</p> <p>Climate metrics are included in the sustainability report, see sustainability note "Environmental data".</p>
<p>B. Management's role in assessing and managing climate-related risks and opportunities.</p> <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>B. Impact of risks and opportunities on the organisation's businesses, strategy, and financial planning.</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 pages 6, 21.</p> <p>We have also identified the opportunity to increase the service life of the products and taken measures, see page 33.</p>	<p>B. The organisation's processes for managing climate-related risks.</p> <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.</p>	<p>B. Emissions of Scopes 1, 2 and 3 according to the Greenhouse Gas Protocol.</p> <p>Emissions within Scopes 1, 2 and 3 are reported in the sustainability note "Environmental data"</p>
	<p>C. The resilience of the organisation's strategy taking into consideration different climate-related scenarios.</p> <p>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.</p>	<p>C. Integration of the above processes in the organisation's overall risk management.</p> <p>Management of climate risks and targets is fully integrated with other processes. Our ISO 14001-certified environmental management system includes climate work.</p>	<p>C. Targets for managing climate-related risks and opportunities.</p> <p>Targets are reported in the sustainability note "Sustainability targets".</p> <p>One of the environmental targets for 2022 is that planned relocations of offices should take into account environmental aspects (such as electricity consumption and commuting opportunities using public transport) and sites should be chosen where the risk of being affected by extreme weather is low.</p>

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, 25 March 2022

Lennart Jacobsen
Chair of the Board

Towa Jexmark
Board member

Cecilia Ardström
Board member

Carl-Johan Zetterberg Boudrie
CEO

Our audit report has been submitted on 28 March 2022
Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Authorised Public Accountant
Chief Auditor

Auditor's report

Unofficial translation

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 for the financial year 1 July 2020 to 31 December 2021 and the consolidated accounts for 2021 of Careium AB (publ) except for the corporate governance statement on pages 42–44. The annual accounts and consolidated accounts of the company are included on pages 38–88 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 2021 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 2021 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 42–44. 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 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. 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 matter

The audit of the annual accounts for the parent company for financial year 1 July 2019 to 31 December 2020 was performed by another auditor who submitted an auditor's report dated 1 July 2020, with unmodified opinions in the Report on the annual accounts.

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 1–37. The Board of Directors and the Managing Director 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 Director's and the Managing Director

The Board of Directors and the Managing Director 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 Director 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 Director 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 Director 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 Director's and the Managing Director of Careium AB (publ) for the financial year 1 July 2020 to 31 December 2021 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 Director's and the Managing Director 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 Director's and the Managing Director

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' 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 Director 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 Director 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 42–44 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.

Öhrlings PricewaterhouseCoopers AB, box 4009, 203 11 Malmö, was appointed auditor of Careium AB (publ) by the general meeting of the shareholders on the 11 March 2021 and has been the company's auditor since the 11 March 2021.

Malmö 28 March 2022

Öhrlings PricewaterhouseCoopers AB

Johan Rönnbäck
Authorised Public Accountant
Chief Auditor

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.





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