ANNUAL REPORT 2017

DEDICARE

Contents

Malin Backlund, licensed nurse, Dedicare Nurse

The year in brief

Quarter 1

Revenue increased by 49% compared with the corresponding period last year

In Q1, Dedicare showed strong growth in both Sweden and Norway. The turnover was the highest in the company's history to date. Profitability was very good with an operating margin of 13%. Margins increased primarily due to agreements with better margins and a renewed line of services. A new framework agreement for nursing staff was signed with the Västra Götaland region. Dedicare Norway's CEO discontinued in their position March 31, 2017.

Quarter 2

Revenue increased by 28% compared with the corresponding period last year

In Q2, Dedicare continued to deliver strong growth and a good operating margin. The turnover increased in both Sweden and Norway, both in healthcare and social work. Profitability for the quarter rose to 12%, compared with the 10% for the corresponding period of 2016.

Quarter 3

Revenue increased by 14% compared with the corresponding period last year

In the third quarter, Dedicare continued to deliver good growth. The growth is attributable to both the Swedish and Norwegian operations. Profitability was, however, somewhat lower compared to the corresponding period of 2017. The smaller margin was primarily due to staff shortages within the company's service categories that necessitated higher wages and fees. In September, Bård Kristiansen took over as CEO of Dedicare Norway. Dedicare announced that the Group's CEO, Stig Engcrantz, was to resign. During the quarter, we signed a new agreement with the City of Stockholm regarding the hiring of social workers.

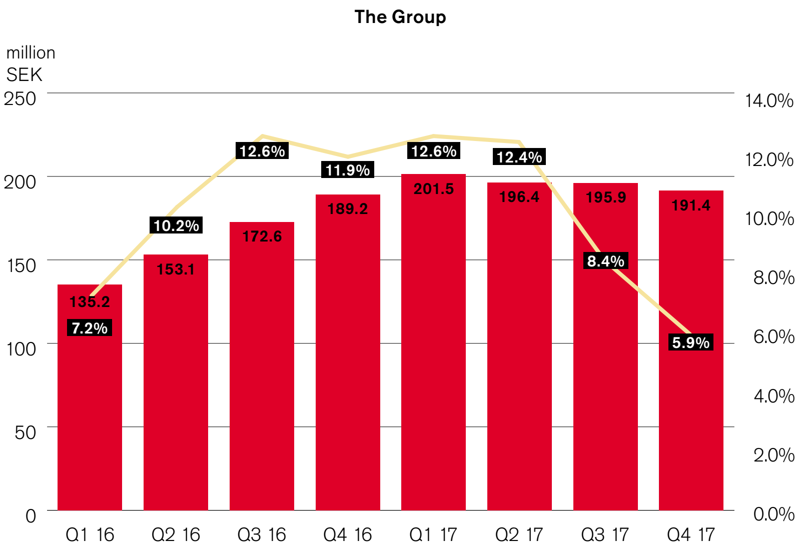
Quarter 4

Revenue increased by 1% compared with the corresponding period last year

In Q4, turnover increased by about 5% in Norway and remained largely unchanged in Sweden compared with the same period last year. The smaller margin is mainly due to the lack of doctors, nurses and social workers as well as increased competition in the market. The inferior result is mainly due to increased competition and staff shortages, which has led to higher salary costs and fees paid to our consultants. In November, Krister Widström took over as new CEO of Dedicare. During Q4, decisions were taken to discontinue operations in the subsidiaries Doctor24 i Skandinavien AB and Nurse24 AB. The activities of these subsidiaries will be integrated into the regular medical and nursing staff in 2018. Furthermore, decisions were taken to terminate operations in the subsidiary Acapedia AB, as growth and profitability did not develop as anticipated.

* Staffing includes doctors, nurses, social workers and teaching professionals.

Revenues and operating margins 2016–2017



A message from the CEO

"Dedicare is one of the largest actors in healthcare staffing in Sweden and Norway today."

In 2017, Dedicare experienced its best year to date. The turnover and earnings are the highest that the Group has delivered on an annual basis.

The Group's turnover amounted to SEK 785 million, a 21% growth compared to 2016. Operating income amounted to SEK 78 million, compared to SEK 70 million for the year 2016. Cash flow improved compared with previous years and the Group continues to hold a strong financial position. The operating margin for the year lessened compared with 2016 and amounted to 9.9% (10.7%).

The smaller margin is mainly due to the lack of doctors, nurses and social workers as well as increased competition in the market that has necessitated higher wages and fees paid to our staff consultants.

Dedicare is one of the largest actors in healthcare staffing in Sweden and Norway today. Dedicare provides private and public healthcare providers with everything from single resources throughout the day to staffing entire departments, units or operational teams on a monthly basis. The Swedish healthcare staffing market has grown by about 15% in recent years. The cost of providing staff only accounts for a small proportion of the total staff costs in the healthcare industry. The total staff costs in healthcare amount to approximately SEK 130 billion per year, while rented staff from staffing agencies only amount to approximately SEK 4.6 billion, or 3.6% of the total. Providing staff creates the necessary competency so that operations can be performed, the wait for needed healthcare can be shortened and healthcare centres can be kept open. This constitutes a very important part of our society in being able to offer equal healthcare regardless of where in our country we reside.

In the Swedish healthcare staffing market today, there are a large number of actors working to find healthcare professionals. Dedicare is an authorized staffing company in the provision of healthcare personnel which, among other things, dictates that the company is required to make pension contributions in accordance with collective agreements. According to statistics from the employment agency Almega, only 39% of healthcare staffing was carried out by their authorized member companies in 2016.

The employment agencies that represent 61% of the market are unauthorized and do not therefore carry any obligation to comply with collective agreements.

These companies may, if they wish, choose to offer their employees higher wages without pension contributions. Refraining from providing pension contributions to healthcare professionals also allows competitors to offer lower prices to customers, thereby increasing competition.

The demand for staff in healthcare and social work is increasing

There has continued to be a shortage of healthcare personnel in 2017. According to statistics, by 2025 there will be major shortages in most occupational categories in municipalities, county councils and private actors.

- Dedicare can provide qualified personnel within healthcare and social work.
- Dedicare can increase accessibility and the cost effectiveness in health care when patients need us most.

The need for healthcare and assistance is expected to increase in the western world, partly because of an ageing population, and partly because we as citizens require ever more rapid access to care.

In addition, in recent years, the refugee flow to Sweden, and to some extent to Norway, has led to increased demand for care, as well as an increased need for social services that Dedicare contributes to.

Popular to work for healthcare staffing agencies

Health care staff who are employed by staffing agencies are the most satisfied employees in the industry according to a staff survey conducted by the employer and trade faderation Bemanningsföretagen. The flexibility and variety that employment agencies offer, combined with a lot of patient contact at workplaces where staff are desperately required, is hard to get from other employers in healthcare.

Dedicare

Our employees feel strongly committed to the mission to contribute to the best possible health and quality of life of those around us by meeting the need for qualified personnel in health and social work. It is important that the customer feels confident in being able to rely on us and that our stakeholders know that we always live up to the expectations that they have. My assessment is that by working together, we will allow Dedicare to grow into one of Europe's leading healthcare staffing agency.

Krister Widström
Group CEO

Dedicare in brief

The company

Dedicare is an authorized staffing company with principal activities in the field of the temporary staffing of doctors, nurses, social workers and teaching professionals. The company operates in Sweden and Norway, has 77 employees in the administration and sales division, and in 2017 provided a total of 555 doctors, nurses, social workers and teaching professionals In Sweden, Dedicare, according to the company's assessment, is the largest staffing agency when it comes to providing social workers, and among the largest providing nurses and doctors. In Norway, Dedicare is one of the two largest staffing companies. Among the customers are all 20 county councils and regions of Sweden, the 4 regional health authorities in Norway, and more than 150 municipalities throughout Sweden and Norway, as well as private companies.

Dedicare's class B share was listed on Nasdaq Stockholm in May 2011.

History

1996: Dedicare is founded and assumes the name CSI Competence Sköterskejouren International AB

2001: Poolia acquires CSI Competence Sköterskejouren International AB, which later becomes Poolia Health

2002: In Norway, Active Nurse is acquired

2003: Poolia Doctor is founded

2007: Poolia Vård and Poolia Doctor both change their names to Dedicare

2009: Dedicare Doctor is founded in Norway

2011: Dedicare is listed on Nasdaq Stockholm

Multi-year overview

The table below summarizes the financial information for the fiscal years 2013-2017.

Amounts in SEK thousands	**2017**	**2016**	**2015**	**2014**	**2013**
Income statement summarized, continuing operations					
Operating income	785,230	650,104	573,224	498,102	439,028
Operating expenses	–707,775	–580,593	–533,830	–466,811	–424,581
Operating profit/loss	77,455	69,511	39,394	31,291	14,447
Financial income and expense	529	–476	–730	–1,144	1,088
Profit/loss after financial income and expenses	77,984	69,035	38,664	30,147	15,535
Income taxes	–17,906	–16,096	–8,894	–7,088	–4,447
Profit/loss for the year	**60,078**	**52,938**	**29,770**	**23,059**	**11,088**
Balance sheet summarized, continuing operations					
Assets					
Goodwill	6,068	6,435	5,806	6,471	18,524
Other fixed assets	1,967	2,639	3,477	1,940	2,697
Current receivables	131,272	139,510	97,527	90,111	96,257
Cash and cash equivalents	93,723	83,698	83,100	61,217	12,647
Total assets	**233,030**	**232,282**	**189,910**	**159,740**	**130,125**
Equity and liabilities					
Equity	109,460	121,691	101,742	66,088	48,104
Untaxed reserves	10,072	6,839	4,278	2,301	1,369
Current liabilities	113,498	103,752	83,890	91,351	80,652
Total equity and liabilities	**233,030**	**232,282**	**189,910**	**159,740**	**130,125**
Key performance indicators					
Operating margin in %	9.9%	10.7%	6.9%	6.3%	3.3%
Equity/asset ratio in %	47.0%	52.4%	53.6%	41.4%	37.0%
Return on shareholders' equity in %[1]	53.4%	50.4%	34.9%	53.8%	25.2%
Return on total capital in %[1]	34.1%	34.8%	27.2%	21.8%	12.0%
Average number of employees	632	508	479	421	369

1) Alternative key performance indicator not defined in accordance with IFRS

Reconciliation of alternative key performance indicators

	The Group	
	31/12/2017	**31/12/2016**
Return on equity		
Results for the period	60,078	52,938
Average equity	112,492	105,015
	53.4%	50.4%
Return on total capital		
Profit/loss after financial income and expenses	78,469	69,421
Average total capital	229,902	199,556
	34.1%	34.8%

Definitions

Number of employees, average
Total hours worked during the period divided by normal working hours for a full-time employee. The number of employees includes subcontractors.

Operating margin
Operating profit as a percentage of operating income.

Equity/asset ratio
Equity including minority interest as a percentage of total capital.

Return on total capital
Profit after financial income and expense plus financial expenses as a percentage of average total capital.

Return on equity
Profit for the period divided by average shareholders' equity.

Business concept, goals, dividend policy and strategies

BUSINESS CONCEPT

"Dedicare will provide the market with the skills that, temporarily or permanently, meet the need for qualified staff in healthcare, social work and education at the best possible price."

Vision

"Dedicare will contribute in a responsible and sustainable way to benefiting our health, development and quality of life."

Dedicare's central vision is to, by means of both acquisitions and organic growth, develop into one of Europe's leading healthcare staffing agencies. Dedicare currently operates in Sweden and Norway, but has its sights on Europe as its future market, thanks in part to the fact that operations and business ideas are increasingly functioning independently of geographical boundaries. One reason why Dedicare wishes to establish itself in new geographical markets is to reduce the risk of possible political decisions affecting the enterprise.

Financial goals

Growth

Dedicare is striving to grow faster than the market in its existing capacity. This ambition is to be primarily achieved through organic growth, but may in part come about through acquisitions. Dedicare expects to grow further through the establishment of new markets in Europe, primarily through acquisitions.

Operating margin

Dedicare's goal is that the operating margin over the course of a business cycle will exceed 7.0%.

Equity/asset ratio

Dedicare will have a strong capital base and its operations will be primarily financed by equity. The nature of the business involves a limited capital requirement. With this in mind, Dedicare considers that the equity ratio should be at least 30%.

Dividend policy

Dedicare's goal is that the dividend should amount to at least 50% of the net profit during a business cycle.

Strategy

Staffing

Within Staffing, it is vital to be able to provide customers with the right personnel with the necessary skills at an attractive price in a quick manner. Dedicare's strategy can therefore be summarized with the following criteria:

- ***The market's best price:*** Dedicare will always be able to offer the market's best price for the services that it offers. Since the market is largely covered by fixed-price framework agreements and a high price transparency, a cost effective organization with a high productivity and scale of economies is required in order for Dedicare to be able to maintain a competitive advantage over its competitors.

- ***High availability and service:*** Dedicare should be able to provide customers with prompt response and the appointment of personnel. This is possible in part because Dedicare has chosen to focus its activities on the appointment of doctors, nurses, social workers and educators but also because Dedicare's consultants have personal experience within the industries of healthcare, social work or education. This gives Dedicare the ability to quickly understand the customer's requirements and effectively assign a suitable candidate for the assignment in question, giving Dedicare a competitive edge.

Competitive Edge

The factors which, according to Dedicare's assessment, entice customers into choosing the company, and thereby form the basis for the company's ability to grow faster than the market can be summarized as:

- ***Extensive choice*** – Dedicare offers everything from doctors, nurses and social workers right through to teaching professionals, offering an important choice for our customers. The company's database of available staff is comprehensive, enabling effective matching with our customers' needs.

- ***An attractive price*** – Made possible by large volumes and an efficient organization.

- ***Trained and experienced staff*** – Most of Dedicare's consultants are trained nurses, physiotherapists, social workers or teaching professionals, creating an increased understanding of the requirements of both customers and staff alike. Customers have one and the same contact person throughout the entire business relationship.

- ***Speed*** – Dedicare has as a basic principle to be faster than its competitors in being able to offer the customer the required personnel with the necessary skills. As a policy, the company always gives a one hour notice regarding the staffing of an assignment.

- ***Expertise guaranteed*** – The customer always has the right to cancel the assignment at any moment if unsatisfied.

Kicki Keskitalo, pediatric nurse, Dedicare Nurse

Business description

Dedicare is an authorized staffing company with principal activities in the field of assigning temporary doctors, nurses, social workers and teaching professionals. The company is active in Sweden and Norway and has 77 employees in the administration and sales divisions, providing a total of 555 doctors, nurses, social workers and teaching professionals in the year 2017, calculated as per the number of full time employees. Dedicare is among the largest companies in providing nurses, doctors, social workers and teaching professionals in both Sweden and Norway. Among the customers are all 20 of the county councils and regions of Sweden, the 4 regional health authorities in Norway, and more than 150 municipalities throughout Sweden and Norway as well as private companies.

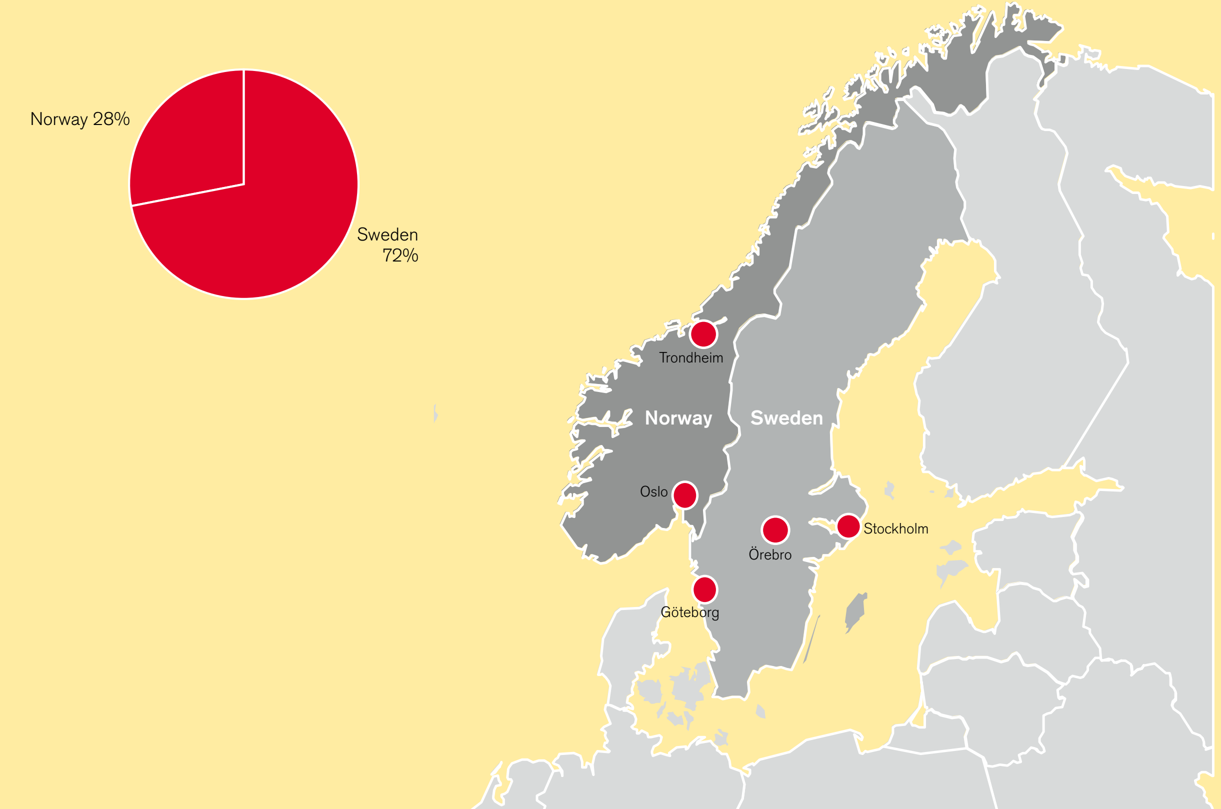
"Dedicare is one of the largest actors in healthcare staffing in Sweden and Norway today."

Staffing

The procurement of staffing is often used by healthcare providers to rectify a lack of staff or access to specialist skills. There are many occasions when healthcare providers choose to make use of Dedicare's staffing services, and may for example include:

- Avoiding costly recruitment processes while at the same time managing to handle rapid changes in the need of primary and/or specialist care professionals
- Coping with and making up for the sick leave and vacations of full-time staff as well as handling particularly busy periods
- To bridge gaps for professionals between jobs
- In case of difficulties in recruiting staff to smaller towns

PRESENCE AND SALES GEOGRAPHICALLY 2017



Staffing is an effective way to handle an underlyinglack of resources in a simple and flexible manner.

Temporary doctors and nurses from staffing companies can relieve a high workload for full-time personnel and provide skills that are otherwise absent at the workplace, especially in sparsely populated areas. The benefits of staffing for our consultants are, among other things, the ability to control exactly where, when and how much they would like to work. Also, the possibilities of changing workplace and/or job specifications increase by joining a staffing database.

With regards to staffing, Dedicare provide doctors, nurses, social workers, medical secretaries, teaching professionals and other personnel in the industries of healthcare, social work and pedagogy. Dedicare operates in both Sweden and Norway. The staffing services offered by Dedicare dictate that a nurse, social worker, doctor or teaching professional will work temporarily for one of Dedicare's customers. In some cases, our consultants may only work temporarily, but it is also possible for them to take assignments on top of their fixed positions with other employers. The assignments may comprise single days or longer periods and may entail the provision of anything from a single doctor up to the staffing of an entire department, unit or operational team.

For customers in need of school and preschool teachers, Dedicare uses the Acapedia brand. At the end of 2017, the decision was taken to discontinue operations in Acapedia AB.

"Nine out of ten employees provided by healthcare staffing are satisfied or very satisfied with their appointment. The biggest reason that doctors and nurses choose to work as consultants is the freedom that they gain over their own time."

Organization

Geographical presence

Dedicare operates in Sweden and Norway. Staffing within healthcare and social work are offered in both Sweden and Norway. Staffing within teaching shall only be offered in Norway from the end of 2017. Dedicare has three offices in Sweden (Stockholm, Gothenburg and Örebro) and two offices in Norway (Trondheim and Oslo).

Sweden

In 2017, Sweden accounted for 72% (72) of the overall revenue. Dedicare's headquarters are located in Stockholm, but the company operates throughout Sweden. The three most significant country councils with respect to turnover are Stockholm county council, Västra Götaland and Örebro. Dedicare currently has customers based in all 20 of Sweden's county councils and regions and in about 150 municipalities. Dedicare also has arrangements with Sweden's largest private healthcare companies such as Capio, Aleris and Praktikertjänst.

Norway

In 2017, Norway accounted for 28% (28) of the overall revenue. The appointment and recruitment of nurses, doctors, social workers and teaching professionals as well as the processing of customers are conducted from the offices in Oslo and Trondheim. Staffing appointments are available throughout Norway. Dedicare currently has customers in all regional health authorities and many municipalities. In terms of turnover, the market is the largest in Oslo, but Trondheim and Northern Norway are also significant markets. These three areas comprise more than half of Norway's population, something that is reflected with regards to the country's healthcare requirements. Dedicare has nurses working by and large throughout the entirety of the country.

Business model

Staffing

Dedicare's business model with regard to staffing has two main intentions: to recruit staff while ensuring that they are competent and qualified, and to identify the needs of healthcare providers. Dedicare carries full employer responsibility, while the on-hand management of the working contract is managed by the customer (i.e. the health service provider).

Dedicare uses a database wherein all of the company's available doctors, nurses, social workers and teaching professionals are registered. In the database, each employee has their own detailed profile that lists their personal experiences, skills and previous assignments. The employees report their personal availability online and receive confirmation via email, fax or SMS when they are called to an assignment. In order to maintain a level of customer/employee continuity, the selection of candidates through the booking system is initially limited to the doctors, nurses, social workers and teaching professionals that have previously been booked on behalf of a specific customer. The matching and the purchasing of our qualified personnel to a specific healthcare provider is managed by Dedicare's consultants. The vast majority of personnel are nurses, physiotherapists or social workers, allowing these individuals to quickly understand the healthcare provider's needs and conditions. In order to procure new assignments, Dedicare actively works to monitor the development of future contracts and actively promotes itself towards private healthcare providers.

The sales process towards public healthcare providers takes place through procurement where competing companies are compared to one another. The price in this comparison is often an important factor, even when considering that particular staff skills, flexibility and support from the staffing company are also important criteria.

The publicly procured assignments normally take place through a framework agreement that lasts two years, with the possibility of a maximum of two years extension. In the majority of cases, customers have a framework agreement with several suppliers.

The majority of the assignments are staffed with personnel from Dedicare's database, which is utilized by Dedicare only when an assignment is actualized by a healthcare provider, and only for the period of time that the assignment is taking place. For doctors, many conduct business through their own companies, which then invoice Dedicare for their services.

"In 2017, the county councils of Sweden made up 39% of Dedicare Sweden's revenues, private care and care companies made up 18% and municipalities made up the final 43%."

Customers

Sweden

Dedicare's customers consist of those companies and organizations that provide services within healthcare and social work. In Sweden, these services are carried out by the country's county councils and municipalities, as well as private healthcare providers and carers. In 2017, municipalities and county councils accounted for 82% (82) of Dedicare's revenue, while private healthcare and private care companies accounted for 18% (18).

The largest customer, Stockholm County Council, accounted for approximately 15% (13) of the total revenues in Sweden for the year 2017. Dedicare has continued to have a low reliance on any one particular customer during the year. This is in part due to the increased provision of social workers to municipalities, but also because of the continued growth of the enterprise in regions where it has previously been relatively small.

Norway

In Norway, Dedicare's customers include the regional health authorities, and procurement agreements are made through their joint purchasing organization, Sykehusinkjøp.

The regional health authorities accounted for approximately 52% (57) of revenues in 2017, while municipalities accounted for 40% (38) and private actors for 8% (5). Dedicare's largest customer is the Southern and Eastern Norway Regional Health Authority (Helse Sør Øst), which accounted for approximately 30% (31) of total revenues in Norway in 2017.

The Market

The market

Dedicare is a leading actor in staffing and is active in both Sweden and Norway.

The staffing market

Sweden

During the course of the last five years, maintaining an overview of the market and the development of the staffing market's contribution to the Swedish healthcare industry has become increasingly important. There are currently upwards of 30 authorized staffing companies that are operating in line with the industry's collective agreement.

In 2017, healthcare staffing accounted for approximately 8% (7) of the total staffing market turnover.

The Swedish healthcare staffing market amounted to approximately SEK 2.2 billion (1.8) in 2017, calculated by taking into account the companies that are members of the trade association Bemanningsföretagen. According to Bemanningsföretagen, the market has grown by an average of roughly 12% each year between 2004 and 2017. Dedicare's assessment is that the size of the market is in fact underestimated due to the presence of a number of larger companies operating on the market without being members of Bemanningsföretagen. It is Dedicare's assessment that the total healthcare staffing market in 2017 amounted to approximately 5.5 billion Swedish crowns.

There are however, no official statistics on how the Swedish staffing market is divided by occupational area, but Dedicare estimates that approximately 55% of the turnover is attributable to medical staffing; approximately 25% to nurses, 15% to social workers and roughly 5% to other occupational categories related to medicine. Both the provision of temporary nurses and doctors have increased in 2017 in comparison to previous years.

The flow of refugees into Sweden has fallen moderately, but demand for social workers and the provision of social work consultants in 2017 has remained high.

In comparison to other occupations in the staffing market as a whole, the healthcare market has performed relatively well through the recession period. The major downturn in 2003–2004 was the result of a politically imposed stop to the use of staffing companies in several of Sweden's county councils. Demand for staffing remained, however, and the market has continued to grow since then.

> *"In addition to the increasing demand for hospital beds, demand is also expected to increase for specialist doctors and specialist nurses."*

The use of staffing differs across the country and between county councils. In absolute terms, the Stockholm region is the largest market, but measured in terms of turnover per capita, it is northern Sweden who leads. One reason for the regional differences is that the northern county councils have found it more difficult to recruit staff than the metropolitan regions.

Competition and market share

Dedicare's market share in the Swedish staffing market was approximately 25% (25) in 2017, calculated from the companies that are members of Bemanningsföretagen. Based on the company's assessment of a market turnover of 5.5 billion Swedish crowns in 2017, Dedicare's market share in the Swedish market amounted to approximately 10%. The company believes it is the largest in the industry when it comes to the provision of social workers, as well as one of the largest in terms of the provision of both doctors and nurses.

Norway

Market Overview and Development

In 2017, healthcare staffing accounted for approximately 6% of the total staffing market in Norway. The total turnover for healthcare staffing in 2017 is estimated to have amounted to approximately NOK 1.6 billion and has had an annual growth of about 2% each year between 2013 and 2017. During the year 2017, market growth for healthcare staffing has been at roughly 1%.

There are no official statistics on how the Norwegian staffing market is divided by occupational area, but Dedicare's estimation is that about 20% of the turnover is attributable to medical staffing, approximately 60% to nurses, and roughly 20% to other occupational categories related to medicine.

The market in Norway is divided into two sections:

1. All Norwegian hospitals have gathered under a joint framework agreement procured by the purchasing organization Sykehusinnkjøp. The framework agreement for nurses was renegotiated in 2015 and Dedicare has been covered by a new framework agreement with Sykehusinnkjøp since 1st of October, 2015. Dedicare has framework agreements for all disciplines and every region.
2. Outside the large framework agreement with Norwegian hospitals, the municipalities are the second major player. This market is characterized by many framework agreements both large and small. In the market for the municipalities, Dedicare has experienced strong growth since 2009.

Competition and market share

Dedicare's share of the Norwegian staffing market is estimated to land at around 14% in 2017. The market share has increased compared with previous years as Dedicare has grown significantly more than the market.

Competition varies within the framework agreement with Sykehusinnkjøp and in the municipalities. Specialist companies exist who only provide specialist nurses as well as those that provide only doctors. Dedicare is one of the two largest actors in Norway that have operations providing all manner of healthcare staffing.

Market catalysts for staffing

Population trend

A common catalyst for the markets in the Nordic countries is that population trends point out that the proportion of older people (65 years and up) will continue to increase in the future. The number of residents over the age of 79 is set to stagnate for the next five years, only to rise dramatically, mainly between the years 2019–2030. Roughly half of the total number of hospital beds are today occupied by people over the age of 65. As a result, local medical services are expected to be expanded in order to avoid unnecessary hospitalization when treating the elderly.

In addition to increased demand for hospital beds, an increase on the demand for specialist doctors and specialist nurses is also anticipated. These factors will lead to the need for more staff, a need that can at least partially be met by staffing.

Another Grouping that could account for a continued market growth are citizens born in the 1940's who are now retiring. The rising healthcare requirements of this Group are expected to lead to a shortage of staff in general medicine as well as specialist areas, such as psychiatry and geriatrics. A large number of retirees among doctors and nurses are also set to be expected over the next ten-year period.

Increased demand for cost efficiency and flexibility

The population trends combined with medical progress and an increased demand from patients and caregivers are expected to lead to the increase of healthcare costs across the board. In 2015, costs for healthcare in Sweden amounted to 11.0% of GDP compared with 8.2% in 1990.

This developing trend may put pressure on public healthcare services and carers to look for ways to conduct their business in as cost-effective manner as possible. Dedicare believes that an important step toward running cost-effective activities could be the ability of attaining more flexible staffing solutions.

The increased need for healthcare and careers is also expected to increase the private sector's share of the market in the long term (primarily in public funding, but also in private funding for healthcare and careers).

Fewer employees in healthcare

At the same time as pressure is mounting on the availability of hospital beds, nurses and doctors, Sweden's municipalities and county councils anticipate and plan for a fundamentally unchanged amount of employees in the healthcare sector. There are a lack of both nurses and doctors in both Sweden and Norway, and this deficiency is not expected to be resolved in the coming few years. The growing need for staff is made more evident by examining a deficiency index drawn up by the Swedish Public Employment Service, which shows that staff demand within these particular professions is high.

Organization

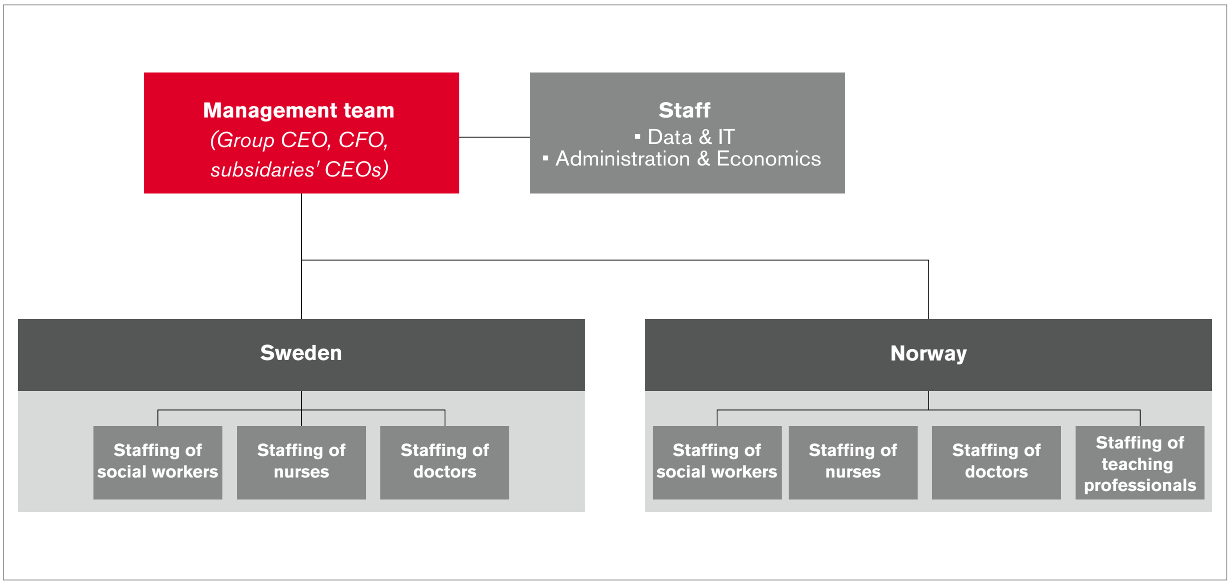
Operational structure

Dedicare is governed by a Chief Executive Officer (CEO), who maintains overall responsibility for the Group. The company has a Chief Financial Officer (CFO) who is responsible for all administrative functions within the Group. The Group has a business segment: Staffing.

Dedicare operates in Sweden and Norway. In Sweden, the operations consist of the staffing of doctors, nurses and social workers. In Norway, the business also consists of the staffing of teaching professionals.

In Sweden, there is an operational manager in charge of staffing doctors, an executive director in charge of staffing nurses, and an executive director for the staffing of social workers. In Norway, the executive director is responsible for the staffing of nurses, doctors, social workers and teaching professionals. These four individuals come together with the CEO and the CFO of Dedicare to form its management team. Subordinate to each executive director, a number of consultants work at their respective local offices.

Dedicare's Operational Structure



Business process management and IT

Well-established business processes are a success factor

Dedicare has been committed to developing and documenting its business processes in accordance with ISO 9001. This is decisive for the company to be able to maintain good quality and efficient operations.

Dedicare's growth requires established and well-documented working methods.

IT

Dedicare's work with staffing is supported by our staffing and sales templates. Dedicare's IT related policy is to only work with well-established standard systems.

Dedicare has outsourced all IT operations and support to an external party.

Share capital and Group structure

Share capital

Dedicare's articles of association stipulate that the share capital shall be at least SEK 4,000,000 and no more than SEK 16,000,000. Dedicare's authorized share capital amounts to SEK 4,527,703 as of December 31st, 2017, divided into 2,011,907 for class A shares and 7,043,499 for class B shares. The nominal value is SEK 0.50 per share and all shares are fully paid. Each class A share entitles one vote, and each class B share entitles 1/5th of a vote.

The company was registered in 1995 and has been a member of the Poolia Group from 2001 until May 2011 when the company's class B share was listed on Nasdaq Stockholm. Prior to listing in March 2011, the company was converted from private to public.

The table below shows changes in the number of shares and share capital since the company's new formation in 1995.

Group Structure

Dedicare, corporate identity number 556516-1501, is a Swedish public limited company registered in 1995. The Board of Directors is based in Stockholm.

Dedicare AB currently has eight wholly owned subsidiaries, six of which are currently operating. Essentially, all activities in Sweden are conducted by the parent company. The parent company has a commission agreement with the subsidiary Dedicare Doctor AB, where the parent company is the co-operative and the subsidiary carries business in its own name on behalf of the parent company.

Development of share capital

Year	Transaction	Change in the number of shares	Total number of shares	Class A shares	Class B shares	Difference in share capital	Total share capital
October 1995	Formation	–	5,000	–	–	–	50,000
November 1998	Capitalization	–	5,000	–	–	50,000	100,000
March 2011	Split 1:40	195,000	200,000	–	–	–	100,000
March 2011	Capitalization	8,717,706	8,917,706	–	–	4,358,853	4,458,853
March 2011	Division of class A and class B shares	–	8,917,706	2,011,907	6,905,799	–	4,458,853
April 2015	The issuing of new class B shares for incentive program	72,900	8,990,606	2,011,907	6,978,699	36,450	4,495,303
March 2017	The issuing of new class B shares for incentive program	64,800	9,055,406	2,011,907	7,043,499	32,400	4,527,703

Per Wiberg, licensed nurse, Dedicare Nurse.

Financial information 2017

Administrative Report

Dedicare AB (publ) 556516-1501

Business description

Dedicare is an authorized staffing company with principal activities in the field of the temporary staffing of doctors, nurses, social workers and teaching professionals. The company operates in Sweden and Norway, has 77 employees in the administration and sales division, and in 2017 provided a total of 555 doctors, nurses, social workers and teaching professionals. In Sweden, Dedicare is, according to the company's assessment, the largest company when it comes to the provision of social workers and among the largest concerning the provision of doctors and nurses. In Norway, Dedicare is one of the largest staffing companies for the provision of nurses. Among the customers are all of the 20 county councils in Sweden and the 4 regional health authorities in Norway, and more than 150 municipalities in Sweden and Norway, as well as private companies.

Dedicare's class B share was listed on Nasdaq Stockholm in May 2011.

Significant developments during the year

In 2017, Dedicare experienced its best year to date. The turnover and earnings are the highest that the Group has delivered on an annual basis. During the year revenue increased by 21%. Dedicare grew by 21% in both Norway and Sweden. The Swedish market has developed positively during the year and Dedicare Sweden has a market share that is in line with the previous year. In Sweden, it is primarily in the field of the provision of social workers and doctors that the business has grown. The margins declined during the year, mainly due to increased competition and the need for increased salaries for our staffing consultants.

In Norway, revenues increased and operating income improved compared with the previous year. Dedicare Norway had a market share that was larger than the corresponding period last year in 2017.

Bård Kristiansen was appointed as the new CEO of Dedicare Norway and took office on September 1, 2017.

In November 2017, Stig Engcrantz resigned as Group CEO and Krister Widström took over as the new Group CEO.

During the fourth quarter, Dedicare decided to discontinue operations in the subsidiaries Doctor24 i Skandinavien AB and Nurse24 AB. The activities of these subsidiaries will be integrated into the regular medical and nursing staff in 2018.

In the same quarter, decisions were taken to discontinue operations in the subsidiary Acapedia AB because growth and profitability did not develop according to our expectations.

Revenues for the three above subsidiaries amounted to MSEK 27.6 in 2017 and operating profit was MSEK 0.5.

The operations are not declared separately as discontinued operations as they do not constitute significant operations. The settlement has not resulted in any provisions as the Group has not declared any goodwill associated with these operations.

Profit and financial position

Revenue

The Group's revenue for the period increased by 20.8% to MSEK 785.2 (650.1). Revenue increased in both Sweden and Norway. Staffing Sweden's revenues for the period increased by 20.7% to SEK 566.1 million (468.9). Staffing Norway's revenue for the period increased by 20.9% to SEK 219.1 million (181.2).

In Sweden, income from the provision of doctors and social workers increased, while revenues attributable to the provision of nurses decreased compared with 2016. In Norway, the increased income is mainly attributable to the provision of nurses.

Performance

The Group's operating profit for the period amounted to MSEK 77.5 (69.5), and the operating margin was 9.9% (10.7). Staffing Sweden's operating profit for the period decreased to MSEK 53.5 (56.1). Staffing Norway's operating profit for the period increased to MSEK 24.0 (13.4).

Financial position

The Group's cash and cash equivalents come the 31st of December, 2017 amounted to SEK 93.7 million (83.7). Of the Group's cash and cash equivalents by the 31st of December, 2017, SEK 8.4 million was reserved as a guarantee for commitments to the Norwegian operations. Cash flow from operating activities amounted to MSEK 82.2 (35.2). The equity ratio come the 31st of December, 2017 was 47.0% (52.4). The company has an overdraft of MSEK 20.0 (20.0) which, at the end of the period, was unused.

Investments

The Group's investments in permanent assets amounted to MSEK 0.3 (0.6) during the year.

Employees

The average number of employees as calculated as full-time employees was 632 (508). The number of employees includes subcontractors.

Environmental information

Dedicare does not engage in any activity that requires a permit or notification under the Swedish Environmental Code. One of the company's core values is "to be the good company", and a responsibility for the environment is part and parcel of this attitude. The company is environmentally certified according to ISO 14001:2004.

Guidelines for remuneration to senior executives (Note 5)

At the Annual General Meeting in 2017, decisions were taken concerning guidelines for the remuneration to senior executives. The company's senior executives are, as of 2017, the Group's management team consisting of the CEO of the parent company, the Group CFO and the subsidiaries' executive directors. The board of directors have proposed, in the lead up to the 2018 Annual General Meeting, for there to be no changes to the principles for the remuneration to senior executives.

Rationale

Dedicare will offer market conditions that enable the company to recruit and retain competent staff.

Remuneration to senior executives shall consist of a fixed monthly salary, variable remuneration, pension and other customary benefits. The remuneration is based on individual involvement and achievement in relation to pre-defined goals, both individual goals and mutual goals shared by the entire company. Evaluation of the individual performance is kept under constant review.

Salary model for the CEO

The CEO has a salary model based upon a fixed monthly salary plus an additional variable remuneration which may amount to between 0% and 80% of the fixed salary. A limit is set at 80% and as such more than this amount cannot be paid.

Variable remuneration agreement for other senior executives

The other senior executives have a salary model based upon a fixed monthly salary plus an additional variable remuneration which may amount to between 0% and 40% of the fixed salary. For variable remuneration, a variable remuneration agreement is determined based on the expected performance within the individual's area of responsibility and the Group's revenue and/or profitability during the previous calendar year. The salary for senior executives shall be in line with the market rate. The fixed salary is usually subject to an audit once annually. Sick pay, holiday pay and pensions are calculated on the actual salary outcome. Decisions made on any stock and share related incentive programs directed to senior executives shall be decided at the Annual General Meeting.

Other remuneration and employment conditions

The CEO has pension benefits that correspond to the premium level in the ITP (industrial and trade supplementary pension) pension plan. Other senior executives are covered by defined contribution plans that correspond to the premium level for the ITP plan. Retirement age for all senior executives is 65 years. The CEO must give six months' notice of termination and must be given twelve months from the company's side.

Other senior executives have the right to six months' notice of termination from the company and must give six months' notice themselves. Monthly salaries shall be paid during the entire notice period, but with possible deductions for other pay received during the notice period.

No agreements have been made for further severance pay for senior executives.

Deviation from the guidelines

The board of directors is entitled to abstain from the above guidelines if the board of directors believes that there are special circumstances in a particular case that justify this.

Share-based incentive programs

At the Annual General Meeting on April 22, 2014, a share-related incentive program was approved for senior executives. As of March 30, 2017, 64,800 redeemable warrants have been exercised and the company's share capital has thus increased with SEK 32,400. For more information, see Note 6.

The parent company

The parent company is engaged in overall Group management, administration, finance and IT management. The parent company holds a commission agreement with the subsidiary Dedicare Doctor AB, which means that the results of the subsidiary's operations are reported and declared together with the parent company. Revenues during the period amounted to MSEK 538.5 (447.7) and profit after financial items to MSEK 74.2 (67.2). Most of the Swedish staffing activities are carried out as part of the parent company.

Shares

Dedicare's class B share was introduced at Nasdaq Stockholm on May 4, 2011. Share capital amounted to SEK 4,527,703 as of 31 December, 2017, divided into 9,055,406 shares, of which 2,011,907 were class A shares and 7,043,499 were class B shares, with a quota value of 50 öre (SEK 0.5). Each share carries an equal weight in regard to the company's assets and profits. Each class A share entitles one vote, and each class B share entitles 1/5th of a vote.

There are no restrictions present in the articles of association regarding the negotiability of shares. There are also no agreements between shareholders that limit the negotiability of the shares.

Share price development

The highest listing during the year was SEK 152.00 and the lowest was SEK 72.75. At the end of the year the price was SEK 97.00.

Stock market trading

Dedicare's class B shares are listed on Nasdaq Stockholm AB under the name DEDI. A stock item comprises 1 share and the quota value is 50 öre (SEK 0.5).

Dividend policy

Dedicare's goal is that the dividend should amount to at least 50% of the net profit during a business cycle.

Major shareholders

The five largest shareholders in Dedicare AB as of 31st of December, 2017 are:

Ägare	Antal aktier	Röster i %
Örås, Björn	3,552,629	67.83
AMF Aktiefond Småbolag	836,643	4.89
Healthinvest Microcap Fund	588,411	3.44
Swedbank Robur Småbolagsfond	450,784	2.64
Swedbank Robur Microcap	347,232	1.87

Risks and uncertainties

Risk factors in brief

An investment in shares is always associated with risk taking. A large number of factors, both under and outside of Dedicare's control, may adversely affect the price of the company's share.

Summarized below, in no particular order and with no ambition to create a full list, are some of the risk factors and conditions that are considered of particular significance for Dedicare's future development. Other risks that are not known to the company or which the company currently considers to be insignificant may still have a significant impact on Dedicare's operations, financial position or performance.

Market related risks

Regulated operations

Healthcare in Sweden and Norway is subject to extensive public regulation. In principle, all of Dedicare's activities are conducted within the framework of these regulations. This fundamentally means that the business could become influenced by new or amended government decisions and/or regulations, as well as from other elected bodies or other authorities.

Such decisions may impede the company from being able to engage in its activities in the necessary way, and may also adversely affect the conditions for achieving profitability and growth.

Political risks

In the autumn of 2014 and the spring of 2015, the idea of making profitable gains from welfare was discussed vigorously in Sweden during what was called the "welfare inquiry". In the latter part of 2015, a government majority opposed the most far-reaching proposals in the welfare inquiry. Nevertheless, a consensus was reached across political divisions on the need for increased quality standards and clearer economic accounting for welfare companies.

For Dedicare, this presents both opportunities and risks. Opportunities given that we have long been requesting higher demands from the county councils, and because a period of concern can lead to reduced competition among our competitors for the possibility of growth. Risks when considering that this may create an increase in administrative costs.

Public funding and governance

Healthcare in Sweden and Norway is essentially funded by public funds. The majority of Dedicare's sales are made to the public sector. Dedicare's private customers are also largely active in publicly funded healthcare. This public funding dictates that reductions, savings, rationalizations and similar measures at the state, regional or municipal level could have a significantly adverse effect on Dedicare's operations.

Dedicare's activities could furthermore be greatly influenced by the political management of the healthcare industry. The question of utilizing staffing services within the healthcare industry has periodically been discussed and rethought politically. For example, Stockholm County Council came together with some other country councils to, in 2003, force a stop altogether for the purchasing of services from staffing companies within healthcare. This decision led to a decline of more than 50% in the entire staffing market the following year, according to statistics from Bemanningsföretagen. Similar decisions and discussions have taken place at several political levels and from various bodies. Since the majority of Dedicare's sales are made to public sector clients, any political or operational decision making that may involve a more restrictive outlook regarding the purchasing from staffing companies could adversely affect Dedicare's operations and ability to grow.

Labour legislation

The staff employed by Dedicare in the staffing of assignments are, in line with the operation, not permanently employed by Dedicare. The company's leasing enterprise is instead dependent on the fact that the conditions of employment and applicable collective agreements in the countries in which the Group operates enable the individuals to be employed under the terms and conditions of Dedicare's assignments. If regulations were to be altered in a manner that would complicate the Group's ability to operate effectively, the Group's earnings and ability to grow could be adversely affected. According to the EU Temporary Agency Work Directive (2008/104/EC), prohibitions or restrictions on the use of temporary agency work shall be justified only on grounds of general interest. The directive should be implemented in the Member States, and thus in Sweden, as of 2011.

New industry

Staffing in healthcare, social work and education is a relatively new industry in both Sweden and Norway. This carries a risk that there may be actors present who lack the organization and structure required to deliver high quality services. Sole actors such as these could act in a manner that adversely affects the general perception of staffing companies in healthcare, social work and education. This may, in turn, adversely affect the conditions for Dedicare's operations.

Competition

The company is active in a competitive market. Today there are upwards of 30 authorized staffing companies in Sweden. There are also a number of competitors in Norway. The company's competitors consist of local, regional, national and international actors. The industry is still relatively young, and as such there is a risk that new actors will materialize, or that existing actors will supplement their offerings in a manner that further raises market competition. The investments required to begin operations in the field of staffing within healthcare, social work or education are relatively small compared to many other industries. Increased competition could have a negative effect on the Group's sales, profitability and growth.

Operational risks

Dependent on major customers

Dedicare has a few specific customers that account for a large part of the company's total sales. The Group's largest customer, Helse Sør Øst, accounted for 8% of the Group's total revenues and 30% of the total revenues in Norway. The largest customer in the Swedish market, Stockholm County Council, accounted for 15% (13) of total revenues in Sweden in 2017. County councils and municipalities often procure staffing services for all their units and businesses in a single procurement process. The same applies to the public sector in Norway. These public procurement procedures are strictly regulated by law and, as a rule, a number of priority providers are selected in a particular order, with which framework agreements are subsequently drawn up with. The agreements are usually valid for two years with the possibility of an extension for a further two years.

Should Dedicare fail to obtain contracts with its larger individual customers, or lose out due to their priority order, each case could have a temporary but significant negative impact on the company's sales and profitability.

In addition, it is not uncommon for the request of a legal review to be made by a completed procurement, and a judicial court ascertain thereafter that the procurement must be rectified or repeated. There is no guarantee that Dedicare would be awarded the decision when the contract is renegotiated, something that would adversely affect the company's sales and profitability.

Personnel shortages and wage increases

Dedicare's staffing assignments are carried out by temporary employees who are hired or employed for each individual assignment. There is a general lack of doctors, nurses, social workers and teaching professionals in Sweden and Norway, and several staffing companies are competing to attract the same Groupings of personnel. The lack of staff could make it difficult for Dedicare to undertake and commission assignments, which in the long run may adversely affect the company's ability to grow. The lack of staff could also drive up staff wages, further affecting the company's profitability. It is uncertain whether the company would be fully able to offset such cost increases during the terms of its existing customer agreements.

Contractual penalties

The framework agreements with customers in the public sector in Sweden and Norway generally impose Dedicare's obligation to pay penalties and, in some cases, additional costs affecting the entity that purchased the order if Dedicare are unable to fulfill an acceptable assignment and deliver contracted personnel.

Income Taxes

Dedicare considers that it operates in accordance with applicable tax rules. However, it cannot be ruled out that tax authorities may question Dedicare's current or previous management of taxes and fees. If this were to occur and the tax authorities were deemed to be correct in their assessments, the company could suffer additional taxes and charges.

When entering into contracts with personnel providing services through their own consultancy companies, there is a risk that Dedicare will be liable for tax and social security contributions if the consultant does not fulfill its obligations in that regard. In the Norwegian operations, a large proportion of the doctors and nurses come from other Nordic countries. Dedicare believes that it follows the laws and regulations for foreign staff, but there is a risk that the tax authorities believe that these doctors and nurses should pay taxes and social security contributions in another country. This may, in some cases, entail higher social charges for Dedicare.

Medical malpractice and criticism

When performing healthcare services, there is always the risk that mistakes can be made by the medical practitioner. If healthcare professionals provided by Dedicare should commit serious mistakes, there is a risk that such shortcomings or reported shortcomings may adversely affect the company's reputation. This could in turn have a negative impact on the company's operations, sales and profitability.

Acquisition

Dedicare's growth strategy includes the acquisition of other companies. There are, however, no guarantees that Dedicare will be able to find attractive acquisition candidates or, if acquisition is made, that Dedicare can effectively integrate its acquired entities. If acquisitions are made and the anticipated corporate synergy is not realized, or if Dedicare fails to succeed in implementing integration efforts effectively, the business, results and financial position may be adversely affected.

Financial risks

Foreign exchange risk

Dedicare's reporting currency is the Swedish crown. A significant part of the Group's revenue, approximately 28% for the year 2017, is generated in Norway. However, a significant portion of wage costs in the Norwegian operations are paid in Swedish crowns, which results in a transaction expense. Furthermore, Dedicare is exposed to the currency risk arising from the translation of foreign subsidiaries' balance sheets and income statements (translation exposure). Currently, the most important currency that Dedicare is exposed to is the Norwegian crown, both for sales and purchases.

Exchange rate fluctuations may have a negative effect on Dedicare's financial position and performance. Currency risks are not hedged.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that a customer or a counterparty in a transaction is unable to fulfill its commitment and consequently incurs loss for the company. The company is exposed to credit and counterparty risk, for example, when surplus liquidity is invested in financial assets, but also through conventional customer relations. A counterparty or customer being unable to fulfill its commitment could carry the effect of the loss of a client or capital position for the company, which would adversely affect Dedicare's earnings and financial position.

Liquidity risk

Liquidity risk refers to the risk that Dedicare could face difficulty in making the money to meet the commitments associated with financial assets. Dedicare's funds are currently placed in an account or in short-term deposits with banks. No refinancing is currently necessary.

Expected future development

Dedicare expects that future demand for the services offered by the company will continue to be vast. Policy decisions that may affect public housing remains an uncertainty factor for the Group.

Corporate governance report

The corporate governance report can be found on page 62 of the annual report.

Proposal for the appropriation of profit

The board finds that Dedicare's financial position is good and that the proposed appropriation of profit below does not prevent the company or the Group from fulfilling its obligations in the short and long term, nor does it prevent the company or the Group from fulfilling its required investments.

The Group's cash and cash equivalents totaled MSEK 93.7 on December 31st, 2017 and the Group is expected to generate a positive cash flow in 2018.

Dedicare's board of directors of proposes a dividend of SEK 5.00 per share (8.00), corresponding to MSEK 45.3 (72.4) which will be distributed to the shareholders. The Group's distribution policy outlines that the annual dividend during a business cycle should represent at least 50% of the net profit. The proposed dividend represents 75% of the net profit and can be motivated by the Group's strong financial position and the confidence in the Group's future development. Dedicare's equity ratio based on the proposed dividend would rise to 34.2%. The proposed dividend is therefore justified in view of the requirements of the Swedish Companies Act 17: 3, second and third paragraphs.

Disposal means as per the Annual General Meeting (SEK)

Profit carried forward	12,136,211
Profit/loss for the year	48,222,402
	60,358,613

The board proposes that the profit be allocated as follows (SEK)

Distributed to the shareholders	45,277,030
To be carried forward	15,081,583
	60,358,613

For the parent company and the Group's performance as well as their overall position, please refer to the following tables and additional information. All amounts are expressed in thousands of Swedish crowns, unless otherwise stated.

The Group's statement over comprehensive income

Thousand SEK	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
Operating revenue			
Revenue	1	785,230	650,104
		785,230	**650,104**
Operating expenses			
Staffing expenses	5	–490,626	–409,510
Purchased services		–154,947	–116,405
Depreciation and amortization of tangible and intangible assets	14, 15	–891	–1,189
Other external expenses	2, 3, 4	–61,311	–53,489
Operating profit		**77,455**	**69,511**
Income from financial investments			
Other interest revenue and similar profit/loss income and expenses	8	1,044	220
Interest expenses and similar profit/loss income and expenses	9	–515	–696
Profit after financial income and expenses		**77,984**	**69,035**
Income tax on the year's earnings	11	–17,906	–16,096
Profit for the year		**60,078**	**52,938**
Other comprehensive income			
Income and expenses that may be reclassified			
Currency differences		–1,363	2,973
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**58,715**	**55,911**
Net income of the year attributable to:			
The parent company's shareholders		60,078	52,938
Basic earnings per share, SEK	12	6.64	5.89
Diluted earnings per share, SEK		6.64	5.86
Total comprehensive income attributable to:			
The parent company's shareholders		58,715	55,911

Statement of financial position

Thousand SEK	Note	31-12-2017	31-12-2016
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	13	6,068	6,435
Other intangible assets	14	669	996
		6,737	7,431
Tangible Fixed Assets			
Equipment, tools and installations	15	1,298	1,587
		1,298	1,587
Financial fixed assets			
Deferred tax assets	11	134	6
		134	6
Total fixed assets		**8,169**	**9,024**
Current assets			
Account receivables	17	71,729	74,681
Other receivables		385	335
Prepaid expenses and accrued income	18	59,024	64,544
		131,138	139,560
Cash and cash equivalents	23	93,723	83,698
Total current assets		**224,861**	**223,258**
TOTAL ASSETS		**233,030**	**232,282**
EQUITY AND LIABILITIES			
Shareholder equity			
Share capital	19	4,528	4,495
Other contributed capital		1,458	–
Reserve/provisions		–6,056	–4,693
Retained earnings		109,530	121,889
Total equity		**109,460**	**121,691**
Deferred tax liabilities	11	10,072	6,706
Total long-term liabilities		**10,072**	**6,706**
Current liabilities			
Supplier liabilities		4,315	4,422
Current tax liabilities		9,033	8,486
Other current liabilities	20	17,172	16,694
Accrued expenses and prepaid income	21	82,978	74,283
Total current liabilities		**113,498**	**103,885**
TOTAL EQUITY AND LIABILITIES		**233,030**	**232,282**

Consolidated cash flow statement

Thousand SEK	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
Operating activities			
Operating profit/loss		77,455	69,511
Non-cash adjustments	22	1,581	2,868
		79,036	**72,379**
Received interest		213	220
Interest paid		–515	–570
Paid income tax		–14,121	–10,279
Cash flow from operating activities before the changes to working capital		**64,613**	**61,750**
Cash flow from changes to working capital			
Decrease(+)/increase(–) in trade receivables		2,951	–20,503
Decrease(+)/increase(–) in receivables		5,421	–21,569
Decrease(–)/increase(+) in accounts payable		27	234
Decrease(–)/increase(+) in current liabilities		9,153	15,260
Cash flow from operating activities		**82,165**	**35,172**
Investment activities			
Acquisition of intangible fixed assets	14	–	–99
Acquisition of tangible fixed assets	15	–328	–522
Cash flow from investment activities		**–328**	**–621**
Financing activities			
Warrants paid		1,458	–
Dividend paid		–72,437	–35,962
Cash flow from financing activities		**–70,979**	**–35,962**
Cash flow for the year		**10,858**	**–1,411**
Cash and cash equivalents at the beginning of the year		**83,698**	**83,100**
Currency difference associated with cash and cash equivalents		–833	2,009
Cash and cash equivalents at the end of the year	23	**93,723**	**83,698**
Available cash and cash equivalents net after deduction of blocked bank funds		**93,723**	**74,831**

Changes in the Group's equity

Thousand SEK	Attributable to the parent company's shareholders Share capital	Translation reserve	Profit carried forward	Total equity
Opening balance as of 1st of January, 2016	4,495	–7,666	104,913	101,742
Comprehensive income				
Profit/loss for the year	–	–	52,938	52,938
Other comprehensive income				
Income and expenses that may be reclassified				
Currency differences	–	2,973	–	2,973
Total other comprehensive income	–	2,973	–	2,973
Total comprehensive income	**–**	**2,973**	**52,938**	**55,911**
Transactions with shareholders				
Dividends	–	–	–35,962	–35,962
Total transactions with shareholders	**–**	**–**	**–35,962**	**–35,962**
Closing balance as of 31st of December, 2016	**4,495**	**–4,693**	**121,889**	**121,691**

Thousand SEK	Attributable to the parent company's shareholders Share capital	Other endowment capital	Translation reserve	Profit carried forward	Total equity
Opening balance as of 1st of January, 2017	4,495	–	–4,693	121,889	121,691
Comprehensive income					
Profit for the year	–	–	–	60,078	60,078
Other comprehensive income					
Income and expenses that may be reclassified					
Currency differences	–	–	–1,363	–	–1,363
Total other comprehensive income	–	–	–1,363	–	-1,363
Total comprehensive income	**–**	**–**	**–1,363**	**60,078**	**58,715**
Transactions with shareholders					
Dividends	–	–	–	–72,437	–72,437
Utilization of warrants	32	1,458	–	–	1,490
Total transactions with shareholders	32	1,458	**–**	**–72,437**	**–70,947**
Closing balance as of 31st of December, 2017	**4,528**	**1,458**	**–6,056**	**109,530**	**109,460**

The parent company's income statement

Thousand SEK	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
Operating income			
Net turnover	1	538,492	447,704
		538,492	**447,704**
Operating expenses			
Staffing expenses	5	–321,905	–269,685
Purchased services		–138,061	–97,527
Depreciation and amortisation of tangible and intangible assets	14, 15	–662	–983
Other external expenses	2, 3, 4	–24,842	–22,435
Operating profit/loss		**53,022**	**57,074**
Income from financial investments			
Income from shares in subsidaries	7	15,464	17,879
Other interest revenue and similar profit/loss income and expenses	8	7,071	199
Interest expenses and similar profit/loss income and expenses	9	–1,325	–7,986
Profit/loss after financial income and expenses		**74,232**	**67,166**
Appropriations	10	–16,509	–14,536
Income tax on the year's earnings	11	–9,501	–7,855
Profit/loss for the year		**48,222**	**44,775**
Other comprehensive income			
Income and expenses that may be reclassified			
Translation differences		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**48,222**	**44,775**

The parent company's balance sheet

Thousand SEK	Note	31-12-2017	31-12-2016
ASSETS			
Fixed assets			
Intangible fixed assets			
Other intangible fixed assets	14	663	964
		663	964
Tangible Fixed Assets			
Equipment, tools and installations	15	883	1,158
		883	1,158
Financial fixed assets			
Shares in subsidiaries	16	19,576	19,576
Deferred tax claims	11	81	6
		19,657	19,583
Total fixed assets		**21,203**	**21,705**
Current assets			
Accounts receivable	17	51,816	53,978
Other receivables		203	68
Prepaid expenses and accrued income	18	39,540	44,136
		91,559	**98,182**
Cash and bank	23	88,242	70,416
Total current assets		**179,801**	**168,598**
Total assets		**201,004**	**190,303**

The parent company's balance sheet (cont.)

Thousand SEK	Note	31-12-2017	31-12-2016
EQUITY AND LIABILITIES			
Shareholder equity			
Restricted equity			
Share capital	19	4,528	4,495
Reserve fund		20	20
		4,548	4,515
Unrestricted equity			
Share premium account		1,458	–
Retained earnings		10,678	38,340
Profit/loss for the year		48,222	44,775
		60,358	**83,115**
Total equity		**64,906**	**87,630**
Untaxed reserves	10	44,990	30,481
Current liabilities			
Supplier liabilities		3,180	2,887
Current tax liabilities		3,826	2,559
Liabilities to subsidiaries		21,414	11,417
Other current liabilities	20	12,285	12,123
Accrued expenses and prepaid income	21	50,402	43,206
		91,108	**72,192**
Total equity and liabilities		**201,004**	**190,303**

Cash flow analysis of the parent company

Thousand SEK	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
Operating activities			
Operating profit/loss		53,022	57,074
Non-cash adjustments	22	6,201	–6,507
		59,223	**50,567**
Received interest		213	199
Interest paid		–75	–241
Paid income tax		–8,234	–9,440
Cash flow from operating activities before changes in working capital		**51,127**	**41,085**
Cash flow from changes to working capital			
Decrease(+)/increase(–) in trade receivables		2,162	–15,473
Decrease(+)/increase(–) in receivables		4,461	–11,502
Decrease(–)/increase(+) in accounts payable		293	231
Decrease(–)/increase (+) in current liabilities		17,355	–380
Cash flow from operating activities		**75,398**	**13,961**
Investment activities			
Acquisition of intangible fixed assets	14	–	–99
Acquisition of tangible fixed assets	15	–87	–225
Acquisitions of subsidiaries	16	–	–100
Received dividend from subsidiary	7	15,495	17,918
Paid Group contributions	10	–2,000	–3,500
Cash flow from investment activities		**13,408**	**13,994**
Financing activities			
Warrants paid		1,458	–
Dividends paid		–72,437	–35,962
Cash flow from financing activities		**–70,979**	**–35,962**
Cash flow for the year		**17,827**	**–8,007**
Cash and cash equivalents at the beginning of the year		**70,416**	**78,422**
Cash and cash equivalents at the end of the year	23	**88,242**	**70,416**
Available cash and cash equivalents net after deduction of blocked bank funds		**88,242**	**70,416**

Changes in the parent company's equity

Thousand SEK	Share capital	Reserve fund	Profit carried forward	The year's profit/loss	Total equity
Opening balance as of 1st of January, 2016	**4,495**	**20**	**20,984**	**53,318**	**78,817**
Profit allocation according to the decisions made at the Annual General Meeting			53,318	−53,318	–
Comprehensive income					
Profit/loss for the year				44,775	44,775
Other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**44,775**	**44,775**
Transactions with shareholders					
Stock dividends	–	–	−35,962	–	−35,962
Total transactions with shareholders	**–**	**–**	**−35,962**	**–**	**−35,962**
Closing balance as of 31st of December, 2016	**4,495**	**20**	**38,340**	**44,775**	**87,630**

Thousand SEK	Share capital	Reserve fund	Share premium account	Profit carried forward	The year's profit/loss	Total equity
Opening balance as of 1st of January, 2017	**4,495**	**20**	**–**	**38,340**	**44,775**	**87,630**
Profit allocation according to the decisions made at the Annual General Meeting				44,775	−44,775	–
Comprehensive income						
Profit/loss for the year					48,222	48,222
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**–**	**48,222**	**48,222**
Transactions with shareholders						
Utilization of warrants	32	–	1,458	–	–	1,490
Stock dividends	–	–	–	−72,437	–	−72,437
Total transactions with shareholders	32	**–**	**1,458**	**−72,437**	**–**	**−70,947**
Closing balance as of 31st of December, 2017	**4,528**	**20**	**1,458**	**10,678**	**48,222**	**64,906**

Notes

Explanatory notes

General Information

The consolidated financial statements and annual accounts of Dedicare AB (publ) for the fiscal year 2017 were approved by the board and the CEO and ready for issue on March 20, 2018. The parent company Dedicare AB (publ) is based in Stockholm with the address Sankt Eriksgatan 44 5th floor, 112 34 Stockholm, Sweden. Dedicare AB's (publ) class B share has been listed on Nasdaq in Stockholm since May 2011. The consolidated financial statements and the annual accounts are finalized by the parent company's Annual General Meeting on April 24, 2018.

Dedicare is an authorized staffing company with principal activities in the field of the temporary staffing of doctors, nurses, social workers and teaching professionals. The company is active in Sweden and Norway.

The composition of the Group is outlined in note 16.

Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) including interpretations from the International Financial Reporting Interpretations Committee (IFRIC) as they have been adopted by the EU for application within the EU. In addition, the Group complies with the governmental annual report stipulations (Årsredovisningslagen) and the Swedish Financial Reporting Recommendation RFR 1 supplementary accounting rules for Groups.

New and amended IFRS standards and interpretations 2017

New or amended standards and interpretations have not had any material impact on the Group's financial statements in 2017.

New or amended IFRS standards and interpretations

IFRS 9 Financial Instruments contains new principles for how financial assets are to be classified and valued.

The decisive factor in to which valuation category a financial asset belongs to is partly determined by the company's purpose of holding the particular asset (i.e. the company's "business model") and partly by the financial asset's contractual cash flows.

The new standard also contains new rules for the impairment testing of financial assets, which means that the former model "losses incurred" is replaced by the new model "expected credit losses".

Furthermore, the quantitative requirement for efficiency is no longer required. IFRS 9 applies to the fiscal year beginning January 1, 2018.

IFRS 15 Revenue from agreements with customers shall replace IAS 18 Revenue and IAS 11 Contracts. IFRS 15 provides a revenue recognition model for almost all revenue arising from agreements with customers, with the exception of leases, financial instruments and insurance contracts. The basic principle of revenue recognition according to IFRS 15 is that a company should report an income in the manner that reflects the transfer of the promised product or service to the customer, to the amount that the company expects to receive in exchange for the goods or services. An income is displayed when the customer receives control over the item or service. A great deal more guidance can be found in IFRS 15 for specific areas, and disclosure requirements are extensive. IFRS 15 is applicable for fiscal years beginning January 1, 2018 or later, with earlier applicability permissible.

The company's management team has evaluated the expected effects of the transition to IFRS 15 and IFRS 9, which will come into effect on January 1, 2018. IFRS 15 Revenue from agreements with customers replaces existing standards related to revenue record keeping. We have identified possible differences between current accounting principles and IFRS 15. Based on what has emerged, follow-ups and analysis have been conducted based on the five-step model in IFRS 15. Management's assessment is that the effects of the introduction of IFRS 15 will not significantly affect Dedicare's financial reporting, but will bring into effect increased disclosure requirements. From 2018, Dedicare will report any administrative fees to our customers as a reduced revenue rather than as a cost. Administrative expenses to customers amounted to 0.3% of the Group's revenue in 2017, an amount which is not considered to be significant to the Group's financial reporting. No other effects have been noted during the transition. IFRS 9 Financial Instruments replaces existing standards related to financial instruments. No significant effects that have or will affect the Group's financial reporting have been noted as of the transition. The new standards have not been applied prematurely.

IFRS 16 Leases was issued on January 13, 2017, replacing IAS 17 Leases. IFRS 16 introduces a "right of use model" and entails for the lessee that virtually all leases are to be reported in the balance sheet, so classification in operational and financial leases must not be made. Exempted from this are leasing agreements with a leasing period of 12 months or less as well as leasing agreements that amount to smaller values. In the income statement, depreciation of the asset is reported and interest expenses on the debt are recognized. This standard contains more comprehensive disclosure requirements as compared to the current standard.

IFRS 16 is applicable for fiscal years beginning January 1, 2019 with prior applicability allowed on the condition that IFRS 15 is applied simultaneously.

The IFRS 16 Leasing is a new IFRS and interpretation that has as of yet not begun to apply. In 2018, management will review the prospective effects of the transition to IFRS 16, which will come into effect on January 1, 2019. Monitoring of the Group's leasing agreements is currently ongoing.

Other new or amended standards and new interpretations that have been published, but not yet come into effect and are not expected to have a significant impact on the Group's financial statements when they are first applied.

Consolidated financial statements

The consolidated accounts comprise the parent company Dedicare AB and the companies in which Dedicare has a controlling influence. To be assessed as having a controlling influence over other companies, an influence (decision-making) is required and the ability to exercise this decision-making right must be available, as well as the exposure to and entitlement of variable returns from these companies. Normally, controlling influence exists when the parent company directly or indirectly holds more than 50% of the votes in another company.

The consolidated acquisition value of subsidiaries is determined by an acquisition analysis in connection with the particular acquisition. The analysis determines the acquisition value of the shares and the fair value of the identifiable acquired assets and liabilities assumed at acquisition date. The acquisition value of the subsidiary is made up of the sum of the fair values per acquisition date of the assets acquired, the accrued or assumed liabilities, and the issued equity instruments presented as remuneration in the exchange for the acquired net assets that are directly attributable to the acquisition. The acquisition value also includes the fair value of all assets and liabilities that arise as a result of a conditional purchase agreement. Acquisition-related expenses are reported in the income statement when they arise.

The consolidated balance sheet shows the untaxed reserves of individual companies divided by equity (reserves) and provisions for taxes. In the income statement, deferred income tax is reported as income tax attributable to the year's change in untaxed reserves.

Internal gains and losses within the Group are eliminated in the consolidated accounts.

Conversation of foreign subsidiaries' income statements and balance sheets

When preparing consolidated accounts, the Group's foreign operations balance sheets are translated from its functional currency to Swedish crowns based on the exchange rate present on the balance sheet date. Income statements are translated to the average price of the period. The translation differences that arise are reported in the translation reserve in other comprehensive income. The cumulative conversation difference is reversed and reported as part of profit or loss in cases where foreign operations are divested. Goodwill that is attributable to the acquisition of operations with a functional currency other than SEK is treated as assets and liabilities in the currency of the acquired entity, and is recalculated at the exchange rate at the closing date.

Revenue accounting

Billed sales include sale of staffing services. Revenue is recognized when income can be calculated reliably and when it is likely that the economic benefits will consolidate the Group, this normally occurs in connection with the service being performed.

Operating Segments

Dedicare's operating segments are reported in a manner that is consistent with the internal reporting that has been communicated to the Group's CEO and thereby followed up on.

This requires both a geographical and an occupational division of the segments.

Dedicare has one activity: Staffing. Operations are divided into two geographical areas: Sweden and Norway. The accounting principles applied for segment reporting are consistent with those applied by the Group.

Leasing

Leasing agreements are classified in the Group as either operational or financial agreements. Financial leasing agreements are such agreements where all financial risks and benefits associated with ownership are essentially transferred from the lessor to the lessee. All other leasing agreements are operational agreements. All leasing agreements consist of and are reported as operational leasing agreements, which means that the leasing fee is distributed evenly over the lease period.

Income taxes

The tax expense or tax income for the period consists of current taxes and deferred taxes. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax is calculated on the basis of the balance sheet, which means that a comparison is made between the reported and taxable values of assets and liabilities.

The difference between these values is multiplied by the tax rate that is expected to apply for the period when the tax is realized/regulated, yielding the amount of the deferred tax. Deferred tax assets are recognized in the balance sheet to the extent that it is probable that the amounts can be utilized against future taxable income.

In the consolidated balance sheet, the individual companies' untaxed reserves are broken down by equity (reserves) and deferred provisions for taxes. In the income statement, deferred income tax is reported as income tax attributable to the year's change in untaxed reserves.

Deferred tax assets are recognized in the balance sheet to the extent that it is estimated that the amounts can be utilized against future taxable surpluses. Deferred tax assets and tax liabilities are deducted as they relate to taxes charged by the same tax authority and when the Group intends to settle the tax with a net amount.

Fixed assets

Fixed assets are reported at the cost of acquisition with depreciation and write-downs based on an assessment of the useful life of the assets.

Depreciation according to plan is carried through as follows:

Equipment, tools and installations	20–33%
Other intangible assets	20–33%

The residual value and useful life of the assets are tested at the end of each reporting period and adjusted as necessary.

Receivables

Receivables are reported at the amount expected to be received.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been valued at the closing date and unrealized exchange gains and losses are included in the income statement.

Unrealized gains on long-term receivables and liabilities are offset against unrealized exchange rate losses where excess gains or exchange rate losses are recognized in the income statement as a financial income or a financial expense.

Financial instruments

A financial asset or liability is included in the statement of financial position when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the statement of financial position when the rights in the agreement are realized, due or the company loses control of them. A financial liability is removed from the financial position report when the obligation in the agreement is fulfilled or otherwise terminated. Financial instruments are reported at accrued acquisition value or fair value based on the initial categorization under IAS 39 (see categorization under the respective financial asset/financial liability sections below.) The Group has no derivative instruments or financial assets or liabilities that are reported at fair value.

Cash and cash equivalents

Cash and cash equivalents consists of cash funds from financial institutions and current liquid investments with a maturity of less than three months, which are exposed to no more than an insignificant risk of value fluctuations. Cash and cash equivalents are reported at their nominal amount.

Account receivables

Accounts receivable are categorized as "Loans and receivables", which means that they are valued at their accrued acquisition value. There is a short expected maturity of the receivables, so the value is reported at a nominal amount without discounting.

Uncertain receivables are assessed individually and are booked in the balance sheet based on recoverable amount. Any write-downs are reported in operating expenses.

Other receivables

Other receivables are receivables that arise when the company provides money without the intention to trade the receivable. If the expected holding period is shorter than one year, they are constituted as current receivables.

These receivables are categorized in accordance with IAS 39 as “Loan receivables and account receivables”. Assets in this category are valued at their accrued acquisition value.

Liabilities

Dedicare’s trade creditors and other liabilities are classified as other liabilities and are valued at accrued acquisition value. Any borrowing costs are recognized in the income statement over the loan period, using the effective interest rate method. Long-term liabilities have an expected maturity of more than 1 year while the maturity of short-term liabilities are shorter than 1 year. The expected maturity of supplier debt is short, so the debt is reported at nominal amount without discounting.

Provisions

A provision is recognized in the balance sheet when there is a commitment, it is likely that an outflow of resources will be required to settle the commitment, and that a reliable estimate of the amount can be made. Provisions are made with the amount that is the best estimate of the amount required in order to settle the existing obligation on the balance sheet date. Where the effect of current payment is significant, provisions are calculated by discounting the expected future cash flow to an interest rate before tax reflecting current market assessments of the money’s time value and, if applicable, the risks associated with the debt. Provisions are reviewed at each closing date.

Cash flow analysis

The cash flow analysis is prepared using an indirect method in accordance with IAS 7.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sick leave, etc., as well as pensions are recognized in line with the employee earnings. In the case of pensions and other post-employment benefits, these are classified as defined contribution or defined benefit plans. For civil servants in Sweden, the defined benefit plans of the ITP 2 plan are guaranteed for retirement and family pensions (alternatively family pensions) through an insurance policy in Alecta. According to a statement from the Financial Reporting Board, UFR 10 Reporting of the ITP 2 pension plan funded through insurance in Alecta, this is a defined benefit plan that includes several employers. For the financial year 2017, the company has not had access to the necessary information in order to be able to account for its proportional share of the plan’s undertakings, plan assets and expenses, which has meant that it was not possible to report the plan as a defined benefit plan. The pension plan ITP 2, which is secured through an insurance policy in Alecta is therefore reported as a defined contribution plan, that is, paid premiums are expensed as the fees are paid and the benefits are earned. The Group and parent company’s pension costs and information regarding the ITP plan in Alecta are presented in Note 5.

Impairment losses

At each reporting date, an assessment is made of whether there is any indication of a depreciation of the Group’s assets. If so, a calculation is made of the asset’s recoverable amount. Goodwill has been allocated to cash-generating units and is, together with intangible assets with indefinite periods of usefulness and intangible assets that have not been put into service, subject to annual impairment tests even if there is no apparent indication of depreciation. However, testing of the valuation adjustment is more frequent if there are any indications that a depreciation has occurred. The repurchase value consists of the highest value in use in the business and the value that would be obtained if the asset was sold to an independent party, the net selling price. The value in use consists of the present value of all deposits and payments that are attributable to the asset during the period it is expected to be used in the business with the addition of the present value of the net selling price at the end of the useful life. If the calculated recoverable amount is less than the stated value, an impairment loss is made to the asset’s recoverable amount. An impairment loss is recognized in the income statement.

Impairment losses are reversed if changes have occurred to the assumptions that led to the original depreciation, which would mean that the impairment loss is no longer justified. The reversal of impairment losses are not made so that the reported amount exceeds what would have been recognized after deductions for planned amortization, if no impairment losses were made. A reversal of impairment losses is recognized in the income statement. Impairment of goodwill is not reversed.

Goodwill

Goodwill consists of the amount whereby the acquisition value exceeds the fair value of the Group's share of the acquiree's identifiable assets at the date of acquisition. If it turns out that the fair value of expected assets, liabilities and contingent liabilities exceeds the acquisition value, the surplus is reported immediately as an income in the income statement. Goodwill has an indefinite useful life and is recognized at cost less accumulated impairment losses. When selling an activity, goodwill is attributable to this business in the calculation of profit or loss of disposal.

Intangible assets acquired in a business acquisition

Intangible assets acquired in a business acquisition are identified and reported separately from goodwill when they meet the definition of an intangible asset and their fair values can be calculated reliably.

The cost of such intangible assets is their fair value at the acquisition date. The intangible assets from the acquisition consist of the value of the customer agreements that came with the acquisition. The amortization period is based on the assessment made at the acquisition stage, which is based on historical experience of and estimated average time for customer agreements, which amounts to approximately 5 years. This assessment is evaluated annually and has not changed after the acquisition date.

After the initial recognition, intangible assets acquired in a business acquisition at acquisition value with reductions for accumulated amortization and any accumulated impairment losses are recognized in the same way as separately acquired intangible assets.

Earnings per share

Earnings per share before dilution are calculated by dividing profit or loss attributable to the holders of shares in the parent company (numerator) with the weighted average number of outstanding ordinary shares (denominator) during the period. There is no dilution. See Note 12.

Parent company's accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, as well as applicable statements from the Financial Reporting Board. RFR 2 means that the parent company in the annual reporting of the legal entity applies and aligns with EU-approved IFRS standards and that statements are as far as possible within the framework of the Annual Accounts Act and the Guarantee Act, taking account of the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made from IFRS. The changes to RFR 2 Accounting for Legal Entities that have come into effect and apply for the financial years 2016 and 2017 have not had/will not have any significant impact on the parent company's financial reports. The parent company's accounts are in accordance with the Group's principles, with the exception of what is outlined below.

Income taxes

In the parent company, untaxed reserves are reported including deferred tax liability. In the consolidated accounts, untaxed reserves are divided between deferred tax liabilities and equity.

Shares in subsidiaries

Shares in subsidiaries are reported using the cost method. Acquisition-related costs for subsidiaries, that are expensed in the consolidated accounts, are included as part of the acquisition value of the shares in subsidiaries. The stated value of shares in subsidiaries is tested for any impairment losses when there is an indication of that an impairment may be present.

Note 1 Segment information

Dedicare's operating segments are reported in a manner that is consistent with the internal reporting that has been communicated to the Group's CEO and thereby followed up on. Dedicare monitors its activities with the division of the operating segments, Staffing Sweden and Staffing Norway. The accounting principles applied for segment reporting are consistent with those applied by the Group.

All revenues present in the table below represent revenue from external customers. The division of countries between the segments corresponds to the country from which the external revenue comes from. The Group has a customer whose revenue accounts for approximately 8% of the Group's revenues. Revenue from this customer amounts to MSEK 60.8, and is reported in the Staffing Norway segment.

	The Group		The parent company	
Revenues per operating segment, SEK thousand	2017	2016	2017	2016
Sweden	566,087	468,949	538,492	447,704
Norway	219,143	181,155	–	–
Total Amount	**785,230**	**650,104**	**538,492**	**447,704**

	The Group	
Operating profit by operating segment	2017	2016
Sweden	53,479	56,083
Norway	23,976	13,428
Operating profit/loss	77,455	69,511
Financial income and expenses	977	–266
Eliminations	–448	–210
Profit/loss before tax	77,984	69,035

	The Group	
Assets	31-12-2017	31-12-2016
Sweden	188,554	185,818
Norway	58,070	59,252
Elimination	–13,594	–12,788
Total Amount	233,030	232,282

	The Group	
Liabilities	31-12-2017	31-12-2016
Sweden	–73,118	–64,634
Norway	–40,380	–39,136
Elimination	–10,072	–6,839
Total Amount	–123,570	–110,609

Note 1 Segment information, continued

	The Group	
Investments	2017	2016
Sweden	87	326
Norway	241	295
Total Amount	328	621

	The Group	
Amortization/depreciation of tangible and intangible fixed assets	2017	2016
Sweden	705	983
Norway	186	206
Total Amount	891	1,189

Note 2 Information about purchases and sales within the Group

	The Group		The parent company	
	2017	2016	2017	2016
Purchases	–	–	–	–
Sales	–	–	–	–

Note 3 Auditor's fee and cost compensation

	The Group		The parent company	
Thousand SEK	2017	2016	2017	2016
Deloitte AB				
Audit assignment	27	457	–	402
Other audit activities in addition to the audit assignment	84	97	12	22
Tax consultancy services	45	62	1	12
Total Amount	156	616	13	436

	The Group		The parent company	
Thousand SEK	2017	2016	2017	2016
Grant Thornton AB				
Audit assignment	420	–	420	–
Other audit activities in addition to the audit assignment	–	–	–	–
Tax consultancy services	–	–	–	–
Total Amount	420	–	420	–
	576	616	433	436

Note 4 Leasing agreements

The Group, in accordance with leasing agreements, has cars and copiers at its disposal. All leasing agreements consist of and are reported as operational leasing agreements, which means that the leasing fee is distributed evenly over the lease period. The year's cost of renting cars and copiers for leasing charges amounted to 394 (395). The Group also has premises at its disposal with contracted annual rental fees amounting to 4,143 (3,732). At the end of March 2018, the headquarters will relocate to new premises at Ringvägen 100 in Stockholm.

Future non-reversible leasing fees and local rents amount to:

Thousand SEK	The Group	The parent company
Within one year	4,464	3,383
After one year but within five years	15,704	12,566
After five years	1,130	782
Total Amount	21,298	16,730

Note 5 Number of employees, salaries, other compensation and social contributions

	2017		2016	
Average number of employees	Number of employees	Of which number of men	Number of employees	Of which number of men
The parent company				
Sweden	410	104	330	88
Total in the parent company	410	104	330	88
Subsidiaries				
Sweden	21	8	18	10
Norway	201	55	160	35
Total in subsidiaries	222	63	178	45
Total in the Group	632	167	508	133

	The Group		The parent company	
Distribution of senior executives on the balance sheet date	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Women:				
board members	2	2	2	2
other employees in management positions including the CEO	3	3	3	3
Men:				
board members	3	3	3	3
other employees in management positions including the CEO	2	2	1	1
Total	10	10	9	9

	2017		2016	
Salaries, compensations etc.	Salaries and others payments of compensation	Social welfare costs (of which pension costs)	Salaries and others payments of compensation	Social welfare costs (of which pension costs)
The parent company	227,374	90,388	191,308	73,425
		(15,964)		(11,817)
Subsidiaries	143,356	22,891	118,362	19,767
		(1,757)		(2,447)
Total in the Group	370,730	113,279	309,670	93,191
		(17,721)		(14,264)

	2017		2016	
Salaries and other compensations distributed by country and between board members etc. and employees	Board of directors and the CEO (of which royalties and the like)	Other employees	Board of directors and the CEO (of which royalties and the like)	Other employees
The parent company				
Sweden	9,996	217,378	8,044	183,264
	(1,814)		(1,771)	
Subsidiaries				
Sweden	–	9,645	–	5,630
	–	–	–	
Norway	1,051	132,660	2,153	108,382
	(0)		(972)	
Total in subsidiaries	1,051	142,305	2,153	114,012
	(0)		(972)	
Total in the Group	11,046	359,684	10,197	297,276
	(1,814)		(2,743)	

Of the parent company's pension costs, 610 (1,130) relate to the Group, the board and CEO. The company's outstanding pension obligations to these costs amounts to 0 (0). Of the Group's pension costs, 644 (1,176) relate to the Group, the board and the CEO. The company's outstanding pension obligations to these costs amounts to 0 (0). Adjustments have been made to royalties and the like for 2016 in the parent company. This figure now only refers to the amount for the CEO.

Note 5 Number of employees, salaries, other compensation and social contributions, continued

ITP2 insurances signed in Alecta

The premium for the defined-benefit retirement and family pension is individually calculated and depends upon other things on salary, previously earned pension, and the expected remaining period of employment. Expected 2018 fees for ITP 2 insurance signed in Alecta amount to 646 (2,997). The Group's share of the total savings premiums in the plan and the Group's share of the total number of active members in the plan amounts to 0.037% and 0.037% respectively (2016: 0.018 and 0.018, respectively).

The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's technical insurance methods and assumptions, which do not comply with IAS 19. The collective consolidation level should typically be allowed to vary between 125% and 155%. If Alecta's collective consolidation level falls below 125% or exceeds 155%, measures must be taken to create the conditions for the consolidation level to return to the normal range. In the case of low consolidation, one action may be to raise the agreed price for new subscription and expansion of existing benefits. In the case of high consolidation, one action may be to introduce premium reductions. At the end of 2017, Alecta's surplus expressed as the collective funding ratio amounted to 154% (149).

Guidelines for remuneration to senior executives

At the Annual General Meeting in 2017, decisions were taken concerning guidelines for the remuneration to senior executives, in accordance with the board's suggestions. The board has served as a remuneration committee during the year.

Rationale

Dedicare will offer market conditions that enable the company to recruit and retain competent staff. Remuneration to senior executives shall consist of a fixed monthly salary, variable remuneration, pension and other customary benefits. The remuneration is based on individual involvement and achievement in relation to pre-defined goals, both individual goals and mutual goals shared by the entire company. Evaluation of the individual performance is kept under constant review.

Salary model for the CEO

The CEO has a salary model based upon a fixed monthly salary plus an additional variable remuneration which may amount to between 0% and 80% of the fixed salary. For the year 2017, the variable remuneration for the Group's CEO amounted to 1,814 (1,771).

Variable remuneration agreement for other senior executives

For other senior executives, a salary model has been applied based on a fixed monthly salary and a variable remuneration. The variable remuneration for senior executives has varied from 0 to 40% of the fixed salary.

Sick pay, holiday pay and pensions are calculated on the actual salary outcome.

Other remuneration and employment conditions

The CEO has pension benefits that correspond to the premium level in the ITP pension plan. Other senior executives are subject to defined-contribution pension plans that essentially correspond to the premium level for the ITP plan. Retirement age for all senior executives is 65 years. The CEO must give six months' notice of termination and must be given twelve months from the company's side.

Senior executives have the right to six months' notice of termination upon the termination of their employment contracts. Monthly salaries shall be paid during the entire notice period, but with possible deductions for other pay received during the notice period.

No agreements have been made for further severance pay for senior executives.

Deviation from the guidelines

The board of directors is entitled to abstain from the above guidelines if the board of directors believes that there are special circumstances in a particular case that justify this.

Note 5 Number of employees, salaries, other compensation and social contributions, continued

Remuneration to the board and the Group's management

2017	Salary/Board remuneration	Variable remuneration	Other benefits	Pension expenses	Total
Björn Örås (Chairman of the Board)	370	–	–	–	370
Kristian Faeste (Board member)	160	–	–	–	160
Anna Lefevre Skjöldebrand (Board member)	160	–	–	–	160
Anna-Stina Nordmark Nilsson (Board member)	160	–	–	–	160
Dag Sundström (Board member)	160	–	–	–	160
CEO	3,216	1,814	–	610	5,640
Other senior executives (4)	4,550	456	–	1,501	6,507
Total	8,776	2,270	–	2,111	13,157

Salary for the CEO includes refers to salary for Stig Encrantz from the period of January 1 to December 31 and Krister Widström from the period of November 13 to December 31. In addition, severance pay to Stig Engcrantz has been reserved with an amount of MSEK 3.2.

2016	Salary/Board remuneration	Variable remuneration	Other benefits	Pension expenses	Total
Björn Örås (Chairman of the Board)	360	–	–	–	360
Kristian Faeste (Board member)	155	–	–	–	155
Anna Lefevre Skjöldebrand (Board member)	155	–	–	–	155
Anna-Stina Nordmark Nilsson (Board member)	155	–	–	–	155
Dag Sundström (Board member)	155	–	–	–	155
CEO	2,677	1,771	–	1,130	5,578
Other senior executives (4)	3,821	1,340	–	744	5,905
Total	7,478	3,111	–	1,874	12,463

Note 6 Warrants to senior executives and other employees

As of 31-12-2017, there are no outstanding warrants in the Group.

The Group and parent company

Name	Number of options/warrants	Amount paid	Market value
Stig Engcrantz	40,500	109	109
Lia Sandström	8,100	22	22
Petter Nyhagen	8,100	22	22
Malin Lindley-Nord	8,100	22	22
Total Amount	64,800	175	175

Warrants 2014/2017

At the Annual General Meeting on April 22, 2014, a share-related incentive program for senior executives was agreed upon in the form of a maximum of 81,000 warrants. 64,800 warrants were subscribed; 40,500 by the managing director of the parent company and the rest subscribed by three senior executives. The warrants were awarded in May 2014 and have been acquired at a price of SEK 2.70 per subscription option. Payment has been paid in cash. The fair value of the warrants at the date of allocation has been calculated at SEK 2.70. The fair value of the warrants at the date of allocation has been determined using the Black-Scholes model. The key inputs used in the calculation were: a share price of SEK 20.31 on the allocation date, the above exercise price, volatility of 37.5%, expected dividend of SEK 3.25, expected maturity length of options of 2.94 years and annual risk-free interest rate of 0.8%. Since the warrants were acquired at a price corresponding to market value, they do not constitute share-based compensation.

As of April 30, 2017, 64,800 warrants had been exercised and the company's share capital has thus increased by SEK 32,400, corresponding to 0.7% of the share capital.

Parameters	Conjecture
Value underlying asset (SEK)	20.31
Maturity (years)	2.94
Risk free interest	0.80%
Present value of expected dividends (SEK)	3.25
Volatility	37.50%

Note 7 Income from shares in subsidiaries

	The parent company	
	2017	2016
Dividend from the subsidiary Dedicare AS	12,396	15,810
Dividend from the subsidiary Dedicare Doctor AS	3,099	2,108
Impairment claim Dedicare OY	–31	–39
Total Amount	**15,464**	**17,879**

Note 8 Other interest revenue and similar profit/loss income and expenses

	The Group		The parent company	
	2017	2016	2017	2016
Interest income	213	220	766	199
Exchange rate differences	831	–	6,305	–
Total Amount	**1,044**	**220**	**7,071**	**199**

Of the parent company's interest income and similar income items, 553 (0) of this revenue is comprised from other Group companies.

Note 9 Interest expenses and similar profit/loss items

	The Group		The parent company	
	2017	2016	2017	2016
Interest expenses	–515	–570	–1,325	–241
Exchange rate differences	–	–126	–	–7,745
Total Amount	**–515**	**–696**	**–1,325**	**–7,986**

Of the parent company's other interest expenses and similar income items, 1,250 (0) is comprised from other Group companies.

Note 10 Appropriations and untaxed reserves

	The parent company	
	2017	2016
Appropriations		
Provision for tax allocation reserve	–14,518	–11,339
Difference between recorded depreciation and planned depreciation	9	303
Paid Group contributions	–2,000	–3,500
Total Amount	**–16,509**	**–14,536**

In 2017, the parent company paid Group contributions to a wholly owned subsidiary; Acapedia AB. In 2016, Group contributions were paid to the wholly owned subsidiaries Nurse24 AB and Acapedia AB.

	The parent company	
	31-12-2017	31-12-2016
Untaxed reserves		
Tax allocation reserve	44,947	30,429
Accumulated excess depreciation	43	52
Total Amount	**44,990**	**30,481**

Note 11 Taxes on the year's earningst

	The Group		The parent company	
	2017	2016	2017	2016
The following components are included in the tax expense:				
Current tax	–14,668	–13,294	–9,582	–7,498
Deferred tax	–3,238	–2,802	81	–357
Total taxes on the year's earnings	–17,906	–16,096	–9,501	–7,855
Reported profit/loss before tax	77,984	69,035	57,723	52,631
Tax according to the applicable tax rate for the parent company 22%	–17,156	–15,188	–12,699	–11,579
Tax incidence from:				
Adjustment of tax from previous years		–15		
Non-deductible expenses	–396	–280	–211	–238
Non-taxable revenue	19	20	3,409	3,962
Differences in the rate of taxation	–373	–633	–	–
Reported tax	–17,906	–16,096	–9,501	–7,855

Deferred tax assets

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Deferred tax claims are attributable to the following items:				
Temporary differences	134	6	81	6
Total Amount	134	6	81	6

Unreported deferred tax

	The Group	
	31-12-2017	31-12-2016
Deferred tax claims		
Specified for the carryforward of unused tax losses	575	568
Unreported deferred tax claims	575	568

Deferred tax claims are reported in the consolidated balance sheet for unutilized loss carryforwards, in the anticipation that they are to be utilized.
In Finland, tax receivables are 575 (568), of which 0 have been reported. The due dates for the Finnish tax return filing are distributed across the years 2018 and 2022. The corporate tax rate in Finland is 20%.

Deferred tax liabilities

	The Group	
	31-12-2017	31-12-2016
The Group's deferred tax liabilities are attributable to the following items:		
Untaxed reserves	10,072	6,706
Total Amount	10,072	6,706

Note 12 Earnings per share

	The Group	
	2017	2016
Profit/loss for the year	60,078	52,938
Number of shares on average before dilution	9,055,406	8,990,606
Number of shares on average after dilution	9,055,406	9,028,128
Basic earnings per share before dilution, SEK	6.64	5.89
Diluted earnings per share after dilution, SEK	6.64	5.86
Proposed dividend per share, SEK	5.0	8.0
Proposed dividend SEK thousand	45,277	72,437

Note 13 Goodwill

	The Group	
	31-12-2017	31-12-2016
Opening acquisition value	6,435	5,806
Adjustment at balance sheet date	–367	629
Closing accumulated acquisition values	6,068	6,435
Closing carrying amount	6,068	6,435

The Group's goodwill 31-12-2017 amounts to 6,068 (6,435) and is, in its entirety, attributable to the acquisition of Dedicare AS. Goodwill has been allocated to the cash-generated units that were expected to benefit from the acquisition, and is in accordance to the level in which goodwill is monitored by internal administration. Dedicare AS considers that the Goodwill, as of 31-12-2017 is at the level that value adjustments are assessed. The assessment of any value adjustments for goodwill are made annually as well as at any moment where there are indications of any particular impairment. Goodwill is assessed for value adjustments by calculating the usage value of the cash-generated units that goodwill has been allocated to. These calculations are performed using estimated future cash flow based on the financial budget that has been approved by the board and covers the following three-year period after the balance sheet day, and for the two year period following this where the board have made their own evaluation. A continual growth of 2% (2) has been allocated following these periods. The most significant assumptions leading to value adjustments come from historical experience and the board's evaluation of the future, and are primarily made by the market's growth creating opportunities for the growth of sales, wage developments for doctors and nurses who influence the costs, operating margins and the required rate of return. The required rate of return before tax reflects the specific risks that are prevalent for the various segments and amount to a value adjustment of 14% (14). Based on the assumptions that dictate a value adjustment, no value adjustment has been identified up to the balance sheet day, and, even with a significant change to any of these assumptions, a value adjustment would not be implemented. The usage value for Dedicare AS far exceeds the reported Goodwill value.

Note 14 Other intangible fixed assets

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Opening acquisition value	2,341	2,242	2,269	2,170
Purchases	–	99	–	99
Sales/retirements	–	–	–	–
Closing accumulated acquisition values	2,341	2,341	2,269	2,269
Initial depreciation/amortization	–1,345	–703	–1,307	–683
Sales/retirements	–	–	–	–
Amortization/depreciation for the year	–327	–642	–299	–622
Closing accumulated depreciation	–1,672	–1,345	–1,606	–1,307
Closing carrying amount	669	996	663	964

Other intangible fixed assets consist of capitalized costs for IT systems and financial systems.

Note 15 Equipment, tools and installations

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Opening acquisition value	2,522	2,682	1,822	2,154
Purchases	328	522	87	1,225
Sales/retirements	–558	–682	–5	–557
Currency fluctuations	–	–	–	–
Closing accumulated acquisition values	2,292	2,522	1,904	1,822
Initial depreciation/amortization	–935	–1,124	–664	–886
Sales/retirements	506	737	5	583
Currency fluctuations	–	–	–	–
Amortization/depreciation for the year	–564	–548	–363	–361
Closing accumulated depreciation	–994	–935	–1,022	–664
Closing carrying amount	1,298	1,587	883	1,158

Note 16 Shares in subsidiaries

	The parent company	
	31-12-2017	31-12-2016
Initial carrying amount	19,576	19,476
The acquisition of subsidiary Acapedia AB	–	100
Closing carrying amount	19,576	19,576

Company name	Number of shares	Share of equity %	Book value
Dedicare AS	3,956	100%	9,844
Dedicare Doctor AB	1,000	100%	100
Dedicare Oy	1,000	100%	–
Dedicare Doctor AS	905	100%	9,232
Doctor24 i Skandinavien AB	1,000	100%	100
Nurse24 AB	1,000	100%	100
Dedicare Nurse Sverige AB	1,000	100%	100
Acapedia AB	1,000	100%	100
Total Amount			19,576

Company name	Corporate identity number	Registered office	Shareholder equity	Performance
Dedicare AS	982529786	Stjördal (Norway)	3,956	–1,268
Dedicare Doctor AB	556583-9742	Stockholm	157,494	10,279
Dedicare Oy	2219561-1	Helsinki	–317	–66
Dedicare Doctor AS	983077196	Stjördal (Norway)	14,406	508
Doctor24 i Skandinavien AB	556599-1634	Stockholm	2,369	704
Nurse24 AB	556583-6466	Stockholm	1,693	899
Dedicare Nurse Sverige AB	559006-4456	Stockholm	100	0
Acapedia AB	559036-9582	Stockholm	1,033	347

Note 17 Trade receivables

	The Group		The parent company	
Receivables not considered uncertain	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Not due	66,859	68,936	49,364	50,921
1–30 days	3,601	3,541	1,893	2,419
31–90 days	684	1,757	407	378
91–180 days	311	164	54	135
>180 days	274	282	98	126
Total Amount	71,729	74,680	51,816	53,978

	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Accounts receivable, gross	72,702	75,012	52,507	54,138
Inbound reserve for uncertain receivables	–332	–1,927	–160	–1,874
Reserves for the period	–1,484	–511	–1,144	–234
Returning reservations	843	2,106	613	1,950
Outgoing reserves for uncertain receivables	–973	–332	–691	–160
Net trade receivables	71,729	74,680	51,816	53,978

Of the Group's total trade receivables, 1,269 (2,202) have a maturity value of over 30 days. Net, after deduction of reserve for uncertain receivables, trade receivables which have a maturity value of over 30 days amounts to 296 (1,871) in the Group. For the parent company, accounts receivable amounting to 559 (638) with a maturity value of over 30 days. Net, after deduction of reserve for uncertain receivables, accounts receivable with a maturity value of over 30 days amount to 478 (479) in the parent company. The companies make a continuous assessment of the need for reserves for doubtful claims on an individual level.

Note 18 Prepaid expenses and accrued income

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Prepaid rents	1,489	1,721	613	608
Accrued revenue	55,727	61,198	37,951	42,517
Other prepaid expenses	1,808	1,626	976	1,011
Total Amount	59,024	64,544	39,540	44,136

Not 19 Aktiekapital

Year	Transaction	Change in the number of shares	Total number of shares	Class A shares	Class B shares	Change in share capital	Total share capital
October 1995	Formation	–	5,000	–	–	–	50,000
November 1998	Capitalization	–	5,000	–	–	50,000	100,000
March 2011	Split 1:40	195,000	200,000	–	–	–	100,000
March 2011	Capitalization	8,717,706	8,917,706	–	–	4,358,853	4,458,853
March 2011	Division of class A and class B shares	–	8,917,706	2,011,907	6,905,799	–	4,458,853
April 2015	New issue of class B shares for incentive program	72,900	8,990,606	–	72,900	36,450	4,495,303
March 2017	New issue of class B shares for incentive program	64,800	9,055,406	2,011,907	7,043,499	32,400	4,527,703

As of December, 31 2017, Dedicare's registered share capital amounts to SEK 4,527,703 (4,495,303), divided between 2,011,907 (2,011,907) class A shares and 7,043,499 (6,978,699) class B shares. The ratio value is SEK 0.50 per share and all shares are fully paid. Each class A share entitles one vote, and each class B share entitles 1/5th of a vote.

Note 20 Other current liabilities

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Value added tax liability	5,052	4,923	4,867	4,725
The employee's withholding tax	12,078	11,660	7,227	7,295
Other items	41	111	141	103
Total Amount	17,172	16,694	12,285	12,123

Note 21 Accrued expenses and deferred income

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Accrued holiday pay	17,839	16,165	3,067	2,513
Accrued social contributions	22,186	19,258	17,830	16,136
Accrued payroll expenses	24,806	26,505	13,730	15,457
Other items	18,147	12,354	15,775	9,100
Total Amount	82,978	74,283	50,402	43,206

Note 22 Items not included in cash flow

	The Group		The parent company	
	2017	2016	2017	2016
Depreciation	891	1,189	662	983
Impairment of subsidiary receivables	–	–	32	39
Internal receivables and liabilities related to exchange rate differences	–	–	6,305	–7,745
Other items	690	1,679	–798	216
Total Amount	**1,581**	**2,868**	**6,201**	**–6,507**

Adjustments have been made to the 2016 figures for the Group due to incorrect classification within the cash flow from current operations.

Note 23 Cash and cash equivalents

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Cash and bank	93,723	83,698	88,242	70,416
Total Amount	**93,723**	**83,698**	**88,242**	**70,416**

The parent company has an overdraft facility of 20,000 (20,000). On 31 December, the overdraft had been utilized by 0 (0). Of the Group's cash and cash equivalents by the 31st of December 2017, SEK 8.4 million was reserved as a guarantee for commitments to the Norwegian operations. The amount is reported as collateral. Adjustments have been made to the 2016 figures for the parent company due to incorrect classification between cash and cash equivalents and Group transactions.

Note 24 Financial assets and liabilities

Book value for each category of financial instrument

	The Group		The parent company	
Loan receivables and account receivables	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Cash and cash equivalents	93,723	83,698	88,242	70,416
Account receivables	71,729	74,680	51,816	53,978
Accrued revenue	55,727	61,198	37,951	42,517
Total Amount	**221,179**	**219,576**	**178,009**	**166,911**
Financial liabilities valued at accrued acquisition value				
Liabilities to subsidiaries	–	–	21,414	11,417
Supplier liabilities	4,315	4,422	3,180	2,887
Total Amount	**4,315**	**4,422**	**24,594**	**14,304**

For all financial assets and liabilities, the reported value is considered a good approximation of the fair value due to their short maturities.

Note 25 Pledged collateral and contingent liabilities

	The Group		The parent company	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Pledged collateral pertaining to guaranteed commitments				
Cash and cash equivalents	9,009	8,867	–	–
Total pledged assets	9,009	8,867	–	–
Total pledged assets and contingent liabilities	9,009	8,867	–	–

As of December 31, 2017, NOK 9.0 million is locked into guaranteed commitments for the Norwegian operations. As of December 31, 2016, NOK 8.4 million of the Group's cash and cash equivalents were locked into guaranteed commitments for the Norwegian operations. The amount is reported as collateral.

Note 26 Important estimates and assessments for accounting purposes

Estimates and assessments are evaluated on a continuous basis and based on historical experience and other factors, including expectations for future occurrences that are considered reasonable under the prevailing conditions. Dedicare makes these estimates and assumptions concerning its future. The estimates for accounting purposes that come as a result of these speculations do however, as per definition, rarely meet with the actual results. The estimates and assumptions that represent a significant risk of significant adjustments in the reported values of assets and liabilities under the next accounting the following fiscal year are discussed below.

Goodwill impairment test

Each year, Dedicare examines if any impairment need is evident for goodwill, in accordance with accounting principles. The impairment testing occurs more regularly however if there are indications that a depreciation can have occurred during the year. Carrying amounts for cash generating units have been determined by calculating the value in use. Based on the assumptions that stipulate the impairment test, no impairment has been identified as per the balance sheet date and a considerable change to any of these assumptions would not constitute an impairment. See further information in Note 13.

Note 27 Transactions with affiliates

For transactions with the board and management, see Note 5. Dedicare's chairman and largest shareholder, Björn Örås, is also chairman and the largest shareholder in the companies Uniflex and Poolia. Dedicare's board member Dag Sundström is also a member of Board of Poolia AB. Dedicare has used Poolia's service, in accordance with market terms, for the recruitment of administrative staff. In 2017, Dedicare had costs of SEK 120 thousand to Poolia. No significant transactions with affiliates have taken place during the year or after the end of this period except for the distribution of shares.

Note 28 Financial risk management

The Group is exposed, through its operations, to various financial risks: currency risk, credit and counterparty risk and liquidity risk. The Group's policies concerning handling these risks is to strive to minimize the potential risks for the Group's financial results. Risk management is taken care of centrally, in accordance with the policies and guidelines that are established.

Currency risk

Currency risk means the risk of future cash flow and performances varying on account of changes to foreign currencies. Dedicare's value in the reports is the Swedish crown (SEK). A significant amount of the Group's revenue, roughly 28% for the 2017 fiscal year, is however, generated in Norway. The Norwegian subsidiaries invoice in local currency, but part of the cost of personnel remains in SEK. This means that Dedicare is exposed to the currency risk which can occur when converting the currency in the statements of its foreign subsidiaries. These currency changes can have both a positive and negative effect on the operating profit/loss. The conversation of the foreign subsidiaries' net assets occurs from NOK (Norwegian crown) to SEK. Currency risk is not hedged.

For the fiscal year 2017, the conversation of foreign subsidiary currency has affected the Group's own capital by MSEK -1,363(2,973).

A change in the exchange rate of NOK by 5% affects the Group's results and would cause a MSEK +/- 2 (+/-9) change in turnover for the Group, and a MSEK 0 (+/-0) change for the total profit/loss for the fiscal year.

The following exchange rates have been used

	2017		2016	
	Mean	Balance sheet	Mean	Balance sheet
NOK	1.03	1.00	1.02	1.05
EUR	9.64	9.85	9.47	9.57

Interest rate risk

Interest rate risk refers to the risk that a change in the market interest rates adversely affects the Group's net interest income. The Group's only face limited exposure to interest rate risk by the closing date. Dedicare has no significant holdings of interest-bearing financial liabilities. The Group has a granted credit check of MSEK 20 (20), of which was MSEK 0 had been utilized by the balance sheet date. Interest bearing financial assets consist primarily of unbound bank funds.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that a customer or counterparty in a transaction is unable to fulfill its commitment and thereby incurs losses on the company. The company is exposed to credit and counterparty risk, for example, when surplus liquidity is invested in financial assets, but also through conventional customer relations. The latter credit risk is, in Dedicare's case, confined given that several customers operate within the public sector. Furthermore, there is no significant credit risk concentration for the company in relation to any particular customer, counterparty or geographical region. A counterparty or customer being unable to fulfill its commitment could carry the effect of the loss of a client or capital position for the company, which would adversely affect Dedicare's earnings and financial position. The Group and parent company's maximum exposure to credit risk is evaluated to be offset by the carrying amounts of all financial assets, as shown in the table below.

Liquidity risk

Liquidity risk refers to the risk that Dedicare could face difficulty in making the money to meet the commitments associated with financial instruments. Dedicare's liquid assets are currently placed in accounts or in short-term deposits with banks. No refinancing is currently necessary.

Growth – goals

In staffing, Dedicare is striving to grow faster than the market in its existing capacity. This ambition is to be primarily achieved through organic growth. but may in part come about through acquisitions. Dedicare expects to grow further through the establishment of new markets in Europe, primarily through acquisitions.

Operating margin – goals

Dedicare's goal is that the operating margin over the course of a business cycle will exceed 7.0%. In the long run, staffing in both Sweden and Norway are expected to have a similar profitability potential. In the short term, however, policy decisions and other environmental factors in their respective markets may adversely affect the company's operating margin.

Equity/asset ratio – goals

Dedicare will have a strong capital base and its operations will be primarily financed by equity. The nature of the business involves a limited capital requirement. With this in mind, Dedicare considers that the equity ratio should reach at least 30%.

Dividend policy – goals

Dedicare's goal is that the dividend should amount to at least 50% of the net profit during a business cycle.

Note 28 Financial risk management, cont.

Maturity analysis for financial assets and liabilities

2017	The Group				The parent company			
Assets	Up to one month	Longer than a month but not more than three months	Longer than three months but not more than one year	Longer than one year but not more than five years	Up to one month	Longer than a month but not more than three months	Longer than three months but not more than one year	Longer than one year but no more than five years
Account receivable	70,460	684	585	–	51,257	407	152	–
Accrued revenue	–	55,727	–	–	–	37,951	–	–
Total assets	70,460	56,411	585	–	51,257	38,358	152	–
Liabilities								
Liabilities to subsidiaries	–	–	–	–	–	–	21,414	–
Supplier liabilities	4,315	–	–	–	3,180	–	–	–
Total liabilities	4,315	–	–	–	3,180	–	21,414	–

2016	The Group				The parent company			
Assets	Up to one month	Longer than a month but not more than three months	Longer than three months but not more than one year	Longer than one year but not more than five years	Up to one month	Longer than a month but not more than three months	Longer than three months but not more than one year	Longer than one year but no more than five years
Account receivable	72,477	1,757	446	–	53,340	378	261	–
Accrued revenue	–	61,198	–	–	–	42,517	–	–
Total assets	72,477	62,955	446	–	53,340	42,895	261	–
Liabilities								
Liabilities to subsidiaries	–	–	–	–	–	–	61,918	–
Supplier liabilities	4,422	–	–	–	2,887	–	–	–
Total liabilities	4,422	–	–	–	2,887	–	61,918	–

For all financial assets and liabilities, the reported value is considered a good approximation of the fair value due to their short maturities. All the flows are reported as unfixed.

Note 29 Capital Management

Capital refers to equity. The Group's capital management objective is to ensure the Group's survival and freedom of action, and to ensure that the owners continue to receive returns on their invested funds. In order to maintain and adjust the capital structure, the Group can allocate its funds. Dedicare's goal is that the dividend should amount to at least 50% of the net profit during a business cycle.

Note 30 Proposed disposition regarding the company's profit

The profit at the Group's disposal at the time of the Annual General Meeting amounts to SEK 60,358,613.

The proceeds are allocated as follows:
The board proposes that the shareholders be distributed 45,277,030 kr.
The board proposes that the surplus of SEK 15,081,583 be carried forward to a new account.

Note 31 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

The board and the CEO hereby certify that the annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 and gives a true and fair view of the company's position and performance, and that the management report provides a fair overview of the company's business, position and performance as well as detailing significant risks and uncertainties that the company faces/may face.

The board and the CEO hereby certify that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act, and give a true and fair view of the Group's financial position and performance, and that the Group's consolidated accounts provide a fair overview of the development of the Group's operations, position and performance, as well as detailing significant risks and uncertainties faced by the companies included in the Group.

Stockholm, March 20, 2018

Krister Widström
CEO

Anna Stina Nordmark Nilsson
Board member

Björn Örås
Chairman

Dag Sundström
Board member

Kristian Faeste
Board member

Anna Lefevre Skjöldebrand
Board member

Our audit report has been issued on March 20, 2018
Grant Thornton AB

Stefan Hultstrand
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Dedicare AB (publ),
corporate identity number 556516-1501

Report on the annual accounts and consolidated accounts

Statements

We have audited the annual accounts and consolidated accounts for Dedicare AB (publ) for the financial year 01-01-2017 – 31-12-17. The company's annual report and consolidated accounts are included on pages 16-52 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a substantially fair picture of the parent company's financial position as of December 31, 2017, and of its financial performance and cash flow for the year as per the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and provide a true and fair view of the Group's financial position as of December 31, 2017 and of its financial results and cash flow for the year according to International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The management report is consistent with the other sections of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the parent company and the Group.

Our statements in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the parent company's Board in accordance with the Auditors Regulation (537/2014/ EU) Article 11.

Grounds for the statements

We have conducted the audit according to International Standards on Auditing (ISA) and good auditing practice in Sweden. Our responsibilities under these standards are described in more detail in the section "Auditor Responsibility". We are independent in relation to the parent company and the Group in accordance with good auditorship in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements. This means that, based on our best knowledge and conviction, no prohibited services referred to in Article 5.1 of the Auditors Regulation (537/2014 / EU) have been provided to the audited company or, where applicable, its parent company or controlled companies in the EU.

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

Further information

The audit of the annual report and consolidated accounts for the year 2016 have been carried out by another auditor who submitted an audit report dated March 21, 2017 with unmodified statements in the report on the annual report and the consolidated accounts.

Areas of particular importance

Areas of particular importance for the audit are those areas which, according to our professional assessment, were the most significant for the audit of the annual report and consolidated accounts for the current period. These areas were reviewed in the context of the audit and of the annual report and consolidated accounts in its entirety, but we do not make any separate statements about these particular areas.

Revenue recognition

The Group's reported income as of December 31, 2017 amounts to MSEK 785 and is primarily in conjuncture with the sales of staffing services. Revenue is recognized when income can be calculated reliably and when it is likely that the economic benefits will consolidate the group, this normally occurs in connection with the service being performed. Revenue recognition is based on information from the company's time-accounting system, which calculates revenue based on the amount of time worked. The process of compiling the results of this revenue is done on a monthly basis and contains manual operations. There is therefore a risk of error if controlled measures are not put in place in order to handle the risk. Our assessment is that the risks associated with the processes of calculating this revenue can have a major impact on financial reporting.

The company's accounting principles for revenue are shown on page 33 of the annual report.

Our auditing measures

As part of our auditing regarding revenue recognition, we have conducted a number of auditing measures. Our auditing measures included, but were not limited to, the following:

The reviewing of our accounting principles, the mapping of significant transaction flows and critical business systems, and establishing that the company's internal control environment is operating effectively.

- The examination of accrued income focusing on full persistence in data transfer between systems, as well as the evaluation of accounting documents and reconciliation of actual invoicing
- The sporadic examination of revenue transactions in order to verify their existence in accordance with payments, and further check that they have been priced according to current customer agreements, and that their revenue is reported in the period when the commitments are completed.
- The analytical examination of reported monthly revenue, and the development of revenues and margins to identify significant fluctuations.

Information asides from the annual and consolidated accounts

This document also contains information not pertaining to the annual and consolidated accounts, which can found on pages 1–15. The board and the CEO are responsible for this other information.

Our statement regarding the annual accounts and consolidated financial statements does not include this information, and we make no statement of confirmation regarding this other information.

In connection with our audit of the annual and consolidated accounts, it is our responsibility to read the information identified above and check whether it is in any way significantly incompatible with the annual and the consolidated accounts. In this review, we also consider other information that we obtained during the auditing process, and assess whether any of this information appears to contain any significant errors.

If, based on the work done that has been carried out with regard to this information, we conclude that any of this other information contains any significant errors, we are required to report these. We have nothing to report in that regard.

Responsibilities of the board and the CEO

The board and the CEO are responsible for the preparation of the annual accounts and the consolidated accounts, and hold the responsibility that they give a true and fair assessment of the figures, as in accordance with the Annual Accounts Act and, with regards to the consolidated accounts, as in accordance with the IFRS, as adopted by the EU. The board and the CEO are also responsible for the internal control that they deem necessary for the preparation of an annual report and consolidated accounts that contain no significant errors, whether due to irregularities, fraud, or human error.

When preparing the annual accounts and consolidated accounts, the board and the CEO are responsible for assessing the company and the Group's ability to be able to continue its operations. They indicate, where applicable, conditions that may affect the ability to continue with the company's operations, and assumptions of continued operation.

The assumption of continued operation is, however, not applicable if the board and the CEO intend to liquidate the company, discontinue operations, or have no realistic alternative to exercising one of these options.

The auditor's responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts as a whole contain no significant errors, whether due to irregularities, fraud, or human error, and to submit an audit report containing our statements to this effect Reasonable certainty can be classified as a high level of certainty, but is no guarantee that an audit conducted under ISA and good auditing practice in Sweden will always detect a significant error if present. Errors may arise due to fraud, irregularities or human error; these errors are considered to be significant if they are expected to have the chance of affecting the economic decisions made by the readers of the report, as per the result of conclusions formed by the reported annual and consolidated accounts.

As part of an ISA audit, we use professional judgment and have a professional skeptical attitude throughout the audit. Further:

- we identify and assess the risks of significant errors in the annual and consolidated financial statements – whether due to irregularities, fraud or human error – and design auditing amendments based on, among other things, these risks, before obtaining auditing evidence that is sufficient and appropriate to form the basis for our statements. The risk of failing to detect a significant error due to a irregularity or fraud is higher than the risk due to human error, as irregularities may include acts of collusion, forgery, deliberate omissions, incorrect information or a breach of internal control.
- we gain an understanding of the part of the company's internal control that is relevant to our audit, and are thus able to design auditing measures that are appropriate to the circumstances, whilst refraining to comment on the effectiveness of the internal control.
- we assess the appropriateness of the accounting principles that are used, and the rationality of the board and the CEO's estimates to the accounting and other such relevant information.
- we form a conclusion about the suitability of the board and the CEO in being able to use the assumption of continued operation when preparing the annual report and consolidated accounts. We also form a conclusion, based on the obtained audit evidence, of whether there is anything in particular that causes significant uncertainty in relation to events or circumstances that could lead to a lack of confidence in the company and the Group's ability to continue operations. If we conclude that there is something that causes significant uncertainty, we need to clarify and examine what this may be in the audit report by drawing attention to the notes in the annual report and consolidated accounts, or, if the information present here is insufficient, we must modify the statements made in the annual report and the consolidated accounts. Our conclusions are based on the audit evidence obtained up until the date of the audit report. However, future events or circumstances may cause a company and a Group to forcibly cease operations.
- we evaluate the overall presentation, structure and content of the annual report and consolidated accounts, including the notes, and evaluate if the annual report and the consolidated accounts reflect the basic and fundamental transactions and events in such a manner that gives an accurate picture.
- we obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to be able to make a statement regarding the consolidated financial statements. We are responsible for the control, supervision and execution of the Group Audit. We are solely responsible for our statements.

We are required to inform the board of, among other things, the planned scope and focus of the audit as well as the timing of it. We are also required to inform the board of any significant observations that are made during the audit, including any significant shortcomings in the internal control that we may have identified.

We are also required to provide the board with a statement confirming our compliance with relevant professional ethical requirements concerning our independence, and address all relationships and other conditions that can reasonably affect our independence and, where appropriate, the associated countermeasures to be taken.

Of the areas communicated to the board, we determine which of these had the most significance for the audit of the annual report and consolidated accounts, and also determine which areas carried the most risk of having significant errors, therefore highlighting particular areas of the audit that demand further scrutiny. We describe these areas in the audit report unless legislative, regulatory and administrative provisions prevent disclosure of the matter.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the annual report and consolidated accounts, we have also conducted a review of the board and the CEO's management of Dedicare AB (publ) for the fiscal year 01-01-2017 - 31-12-2017, as well as our proposals for appropriation of the company's profit or loss.

We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the management report, and that the members of the board and the CEO be exempt from liability for the financial year.

Grounds for the statements

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the section "The auditor's responsibility". We are independent in relation to the parent company and the Group in accordance with good auditorship in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements.

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

Responsibilities of the board and the CEO

It is the board that is responsible for the proposal for appropriations regarding the company's profit or loss. In the case of a proposed dividend, an assessment is included of whether the dividend is justified in view of the requirements of the company and the Group's business scope, the extent and risks of the size of the company and the Group's equity, consolidation needs, liquidity and general status.

The board is responsible for the company's organization and management of the company's affairs. This includes, among other things, continually assessing the company and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, financial management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO is responsible for managing the day-to-day administration in accordance with the guidelines and instructions set up by the board and, among other things, taking the necessary steps to ensure that the company's accounts are completed in accordance with the law, and for the management of funds to be handled in a satisfactory manner.

The auditor's responsibility

Our objective concerning the audit of the management, and thus our statement of exemption, is to obtain audit evidence in order to be able to assess with reasonable certainty whether any board member or the CEO to any significant degree:

- have taken any action or been negligent in any way that may lead to liability for compensation against the company, or
- in any other way acted in breach of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the revision of the proposal for appropriation of the company's profit or loss, and hence our statement about this, is to within a reasonable of certainty assess whether the proposal is in accordance with the Companies Act.

Reasonable certainty can be classified as a high level of certainty, but is no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect actions or negligence that may result in liability for compensation against the company, or that a proposal for the appropriation of the company's profit or loss is not in accordance with the Companies Act.

As part of a review in accordance with good auditing practice in Sweden, we use professional judgment and have a professional skeptical attitude throughout the audit. The examination of the management and the proposed appropriation of the company's profit or loss is mainly based on the audit of the financial accounts. Any additional auditing measures that are performed are based on our professional assessment looking first and foremost at risk and significance. This means that we focus on the investigation of such measures, areas and conditions that are essential to the business, and where deviations and infringements would have particular significance for the company's situation. We review and make informed decisions, draw up decision guidance documents, adopt appropriate measures, and review other matters pertaining to our statement of exemption. As a basis for our statement on the board's proposal for appropriation of the company's profit or loss, we have reviewed the board's reasoned opinion together with a selection of supporting documents in order to assess whether the proposal is in accordance with the Companies Act.

Grant Thornton Sweden AB, Sveavägen 20, 103 94 Stockholm, was appointed Dedicare AB (publ) auditor of the Annual General Meeting on April 24, 2017 and has been the company's auditor since April 24, 2017.

Stockholm, March 20, 2018

Grant Thornton Sweden AB

Stefan Hultstrand

Authorised Public Accountant

Sustainability report

About the sustainability report

This is Dedicare's first sustainability report and relates to the fiscal year 2017. The sustainability report has been prepared in accordance with the provisions included in the 6th and 7th chapters of the Annual Accounts Act.

This sustainability report covers the entire Dedicare Group. Key performance indicators and content presented refer to the entire Group.

Business model

Dedicare's business model in staffing has two main intentions:

- to recruit staff while ensuring that they are competent and qualified
- to identify the needs of healthcare providers and offer available staff to them.

Dedicare uses a database wherein all of the company's available doctors, nurses, social workers and teaching professionals are registered. In the database, each employee has their own detailed profile that lists their personal experiences, skills and previous assignments.

Dedicare carries full employer responsibility, while the on-hand management of the working contract is managed by the customer (i.e. the health service provider).

Recruitment Process

The majority of assignments are staffed with personnel from Dedicare's database. The employees report their personal availability online and receive confirmation via email, fax or SMS when they are called to an assignment.

The consultants are usually employed by Dedicare only when an assignment is actualized by a healthcare provider and only for the period of the assignment. For doctors, many conduct business through their own companies, which then invoice Dedicare for their services.

Sales Process

The sales process towards public healthcare providers takes place through procurement where competing companies are compared to one another. The price in this comparison is often an important factor, even when considering that particular staff skills, flexibility and support from the staffing company are also important criteria. The publicly procured assignments normally take place through a framework agreement that lasts two years, with the possibility of a maximum of two years extension. In the majority of cases, customers have a framework agreement with several suppliers. In order to maintain a level of customer/employee continuity, the selection of candidates through the booking system is initially limited to the doctors, nurses, social workers and teaching professionals that have previously been booked on behalf of a specific customer. The matching and the purchasing of our qualified personnel to a specific healthcare provider is managed by Dedicare's consultants. In order to procure new assignments, Dedicare actively works to monitor the development of future contracts and actively promotes itself towards private healthcare providers.

Income and cost model

Revenue

Dedicare's customers pay on an hourly basis for the provided staff. Assignments vary in length from single hours to several months.

Expenses

Dedicare's costs consist largely of personnel costs. In order to quickly regulate costs to revenues, Dedicare strives for a high proportion of variable costs.

With focus on recruitment, sales and delivery, Dedicare can achieve the highest possible level of efficiency. Great emphasis is placed on key performance indicators with regard to the provided administrative staff.

Materiality analysis

In our present-day analysis of sustainability work, we have discussed and analyzed existing policies, instructions, processes, key performance indicators, etc. This work has assisted us in identifying the potential sustainability risks and opportunities in the business.

This analysis has revealed what could be regarded as relevant sustainability aspects in relation to the business, resulting in the basis for the materiality analysis and stakeholder dialogue.

The following suggestions for relevant sustainability modifications were identified:

- Diversity and equality
- Job security
- Competence development for employees
- Environmental impact on business trips
- Environmental impact in our office operations

- Customer satisfaction
- Business ethics and corruption
- Data and information security
- Charity and community projects

Our stakeholders consisted of the staff that we provide, our internal staff, Dedicare's management team and Dedicare's board. These stakeholders concluded that we could come up with valuable input as to which of these aspects of sustainability are most relevant for Dedicare and should be in focus for the company's work with sustainability.

The result of the analysis showed the following areas as the most prioritized:

- Diversity and equality
- Job security
- Competence development for employees
- Customer satisfaction

Management and responsibility for sustainability aspects of the business

The board and the CEO carry the prime responsibility for the sustainability work of the company. In this report, Dedicare has assessed the goals and results that can be made in connection with our priority sustainability areas in the Group. Our business management system is designed according to ISO standards. We are certified within the standards ISO 14001 (Environment) and ISO 9001 (Quality). Through external and internal audits of our business management systems, we continuously ensure that we have the quality-assured procedures and processes required to manage the operations and the risks involved.

Dedicare has established environmental and quality policies that underpin how we work with these particular areas in the business. Our policies are annually reviewed and amended if necessary by the Dedicare management team. Policies referred to here refer to the activities of the entire Dedicare Group.

The nature of the business means that a large number of relevant issues for sustainability work are within the scope of staff issues. Dedicare's management team is responsible for procedures, processes and policies in these areas. Policies that concern staff are communicated to all new employees as a part of their introduction programs. Dedicare's CFO is responsible for procedures, processes and policies for quality assurance and environmental work.

Through external legislative compliance control, we ensure that we are fully aware of and comply within the laws and requirements pertaining to environmental issues and the working environment such that are relevant to our operations. Once a year, the CFO conducts a presentation for the management team of the company's goals and outcomes in the context of our sustainability issues. Together we analyze goals and key performance indicators in quality and environment. The revision of goals is carried our together in the management team.

See also the corporate governance report for governance and responsibility in the company.

Significant sustainability-related risks and risk management

Relevant and identified sustainability-related risks as well as risk management in the business are outlined below.

The environment

Significant risks

The environment was not considered a focus area for Dedicare's sustainability efforts. Our operations as a company have no immediate impact upon the environment. However, we consider the environmental impact we have in our operations and how we can work to reduce it as a hygiene factor.

Risk Management

Our certification in the ISO 14001 standard regarding the environment means that we work to identify environmental goals in our operations that can reduce detrimental impact on the environment. We require of our suppliers that they also carry an environmental certification, or have a structured environmental management system.

For a number of years now, payroll specifications and newsletters have been digitally distributed to our consultants, thus significantly reducing paper consumption. Furthermore, we have modified to the digital signing of employment contracts, further reducing our paper consumption and mailing load. We conduct meetings digitally as much as possible in order to reduce business trips.

In this way, we contribute to a more sustainable society.

Social conditions including staff issues

Significant risks

Since our business largely consists of employees that we hav provided working on customer assignments in healthcare, the social conditions present in the psychosocial work environment are important. We run risks such as high staff turnover, diseases and ill health at the workplace, and we face the risk of garnering a bad reputation in the labour market should we not continuously work with and assess issues concerning our employees.

Risk Management

Dedicare conducts employee surveys for our consultants annually. Each division of our enterprise should be able to find pertinent information in the survey results for its own employees and then draw up an action plan based on what has emerged in the survey.

For the internal staff, the process is the same, the supervisor finds pertinent information in the survey's results and then establishes a plan of action depending on these outcomes.

Our certified business management system helps us to continually improve and develop our systematic processes.

Respect for human rights

Significant risks

Human rights issues in Dedicare's activities focus on areas such as equal pay and working conditions, as well as the effort to counteract all types of differential treatment. Human rights also concerns the awareness that we have of our employees' rights, and our obligations as employers towards these employees. As an employer, we must strive for equal pay and combat discrimination for our employees, regardless of their gender and origin. If we fail to act accordingly, we risk contributing to an increased wage disparity between genders on the labour market. We must work to provide the same conditions for women and men regarding the possibility of parental leave without adversely affecting wage development or career opportunities. In our recruitment process and dialogue with customers, we must be clear that we make our selection based solely on competency, and that we do not regard criteria that could be considered discriminatory. We must actively work to counteract all types of differential treatment. In the event that we fail to work in a structured manner in order to counteract differential treatment, we run the risk of garnering a poor reputation, facing difficulty in recruiting staff and ending up with a worsened working environment.

Corruption and bribery

Risk Management

We continuously look at the risks for our employees regarding the possibility of reconciling parenting and work, recruitment and promotion processes, working conditions, education and skills development, salaries and other employment conditions.

We also have a policy to promote diversity and gender equality. This policy is communicated to all employees.

Significant risks

We have zero tolerance for corruption and bribery. This is stated in our recently developed anti-corruption policy. The risk of bribery and corruption is considered small, owing in part to our ongoing checks on expenses incurred in connection with the work. These are approved by the supervisor and Dedicare's wage department. We have clear guidelines in our policy regarding what is authorized representation vis-à-vis our customers.

Risk Management

Our anti-corruption policy is communicated to all employees and the supervisors is responsible for ensuring that their colleagues comply with the policy. The guidelines to be followed are clearly outlined in the policy.

Identified areas of sustainability

As mentioned above, the company's stakeholders chose diversity, equality, job security, employee competence development, and customer satisfaction for employees as prioritized areas of sustainability for Dedicare's operations. All of these areas are, of course, of great relevance in such an enterprise as ours, where our personal well-being and prosperity are crucial to a successful business.

Equality and Diversity

As an employer, we must ensure that we work to promote gender equality and diversity, and to combat discrimination and all other types of offensive discrimination.

Equality

Our gender equality policy states that, in accordance with the Discrimination Act, we shall promote the equal rights of women and men in terms of work, employment and other working conditions and development opportunities. Dedicare shall work with employees to create equality and prevent disparities in salaries and other employment conditions between women and men performing work that is to be considered equal or equivalent, and promote equal opportunities for the wage development of both women and men alike.

Diversity

In order to increase diversity in the company, we need a selection and recruitment process that minimizes the risk of discrimination. We will never make demands that may be discriminatory. In the event that a customer requests that a member of the provided staff should, for example, be of a certain gender, be a certain age or belong to a certain belief or religion, these requirements cannot and will not be taken into account. We will always recruit according to the formal requirements found on the client's profile. We believe that through a selection and recruitment process that minimizes the risk of discrimination, we will be able to increase diversity in the company.

Employees by gender distribution

The average number of employees in 2017 was 632 persons.

In 2017, the gender distribution for Dedicare was 74% women and 26% men.

The gender distribution among the internal staff was, as of 31-12-2017, 87% women and 13% men. The uneven gender distribution of our employees is largely due to the fact that the professions in which we hire staff have traditionally been dominated by women.

Job security

Dedicare is a member of the trade association Almega Bemanningsföretagen. As a member company in Almega bemanningsföretagen, we are reviewed once annually in order to have our member status renewed, and remain an authorized staffing company.

Collective agreements govern employment conditions

Dedicare has collective agreements with the Swedish Association of Health Professionals, the Swedish Medical Association and Unionen. Collective agreements are usually valid for between one and three years.

Sick leave

The percentage of staff sick leave for Dedicare in 2017 was 2.20% The goal was to have staff sick leave as low as 3%, and thus the target was met for the year.

We are working extensively on creating a suitable procedure to quickly act upon and follow up with communication when an employee has, on many occasions, had short-term absenteeism in order to avoid a longer period of sick leave. Dedicare offers the administrative staff private healthcare insurance that we believe helps to reduce sick leave.

Wellness allowance

In Sweden, Dedicare offers employees healthcare allowance when purchasing gym membership or other eligible wellness services as soon as they have been employed for 3 months and provided that their period of employment is expected to last at least 6 months.

10% of eligible users have utilized the healthcare contribution in 2017. This is a decrease of 1% as compared with the previous year. We often remind our employees of the possibility of using the wellness allowance as we believe that it increases well-being and consequentially work performance.

Customer satisfaction

Dedicare is continuously working to maximize customer satisfaction. Customer satisfaction is one of the Group's most important quality targets and is continuously monitored in customer surveys.

Customer services

Dedicare offers doctors, nurses, social workers and teaching professionals, offering an important choice to our customers. The company's database of available staff is comprehensive, enabling effective matching with our customers' needs. Most of Dedicare's consultants are educated nurses, physiotherapists, social workers or educators, which means an increased understanding of the situation and needs of both the client and the staff. Customers also have one and the same contact person throughout the business relationship. In line with its basic business principle, Dedicare has the ability to offer the right personnel with the necessary skills faster than its competitors. As a policy, the company always gives a one hour notice regarding the staffing of an assignment. The customer always has the right to cancel the assignment at any moment if unsatisfied.

Customer surveys

Following completion of the assignments, a follow-up is made of how satisfied the customer is with the consultant and Dedicare's delivery and participation. This is documented in our business system, Intelliplan, and is continuously evaluated by customer and consultants. Any variations and complaints are handled in accordance with the procedures included in our ISO 9001 quality system. Every year a major customer survey is conducted highlighting certain recurring issues, this is sent electronically to key customers. The results of the annual customer survey are presented and analyzed by the Group's management team and any deviations from set targets are met with the development of detailed plans leading to improvement. Dedicare's goal is that 90% of customers will indicate that they are satisfied or better. The outcome for the 2017 survey was that 95% of customers were satisfied. We also encourage customers to have a continuous dialogue with us about how they perceive our ability to provide and deliver staff.

Procurements
A large part of Dedicare's customer agreement is covered by framework agreements procured by the Swedish Public Procurement Act (LoU). Dedicare is constantly working to meet the demands of those that are contracted and attaches great importance to obtaining high ratings for any quality measurements that are made in connection with procurement. In order to ensure that we meet customer demand for quality in procurement, Dedicare has a procurement lawyer who works across all our business areas to ensure that procurement requirements are met.

Competency development for employees
Dedicare's employees are one aspect of the company that help to give us a significant competitive advantage. We are constantly working to develop training and specialization among our staff.

Job rotation and continuous development
One element of our staffing operations is that we permit job rotation, allowing our consultants to continuously develop their skills and knowledge in different work places and with different working methods. We offer our consultants ongoing training in, among other things, cardiovascular rescue, the application of medical records, as well as suitable online courses that help to keep them up-to-date in regards to their daily work. We also encourage, and remunerate, our consultants in the participation of internal training offered at their temporary work places.

Training and follow-up of administrative staff
Dedicare's administrative staff are regularly evaluated by the supervisor at both monthly follow-up meetings, and annual development meetings. Areas of desired development are established and form the basis for an individual education program which can include courses in, among other things, IT systems, labour law, public procurement, sales, leadership and recruitment. We offer private tutoring with conversational therapy if necessary. We place great focus on creating personal career plans in order to promote continuous career development.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Dedicare AB (publ),
corporate identity number 556516-1501.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2017-01-01-2017-12-31 on pages 56-60 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's examination of the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A sustainability report has been prepared.

Stockholm, March 20, 2018
Grant Thornton Sweden AB

Stefan Hultstrand
Authorised Public Accountant

Corporate governance report

Description of Dedicare and its regulations

Dedicare AB is a Swedish public limited company with its registered office in Stockholm. The company constitutes the parent company of the Dedicare Group. Since the listing in May 2011, the company has implemented a system of governance based on the Companies Act, the Articles of Association, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code ("The Code"). Below is a brief description of Dedicare's corporate governance system.

Swedish Corporate Governance Code

The Code, in its most recently revised version, is to be applied by all Swedish companies admitted to trading on a regulated market. Nasdaq Stockholm is such a regulated market. Dedicare applies the Code and no deviations have been established. The board has resolved to allow the information that arrives in the way of a remuneration and audit committee to be completed by the board as a whole until further notice. Given the size and competency of the board, this is deemed to be appropriate.

Annual General Meeting

Shareholders' decision-making rights in Dedicare are exercised at the company's Annual General Meeting, which is the company's highest decision-making body. The Annual General Meeting is to be held within six months of the end of each financial year.

At the Annual General Meeting, decisions shall be made including the determination of the income statement and balance sheet for the company and the Group, allocation of the profit for the year according to the balance sheet, exemption for the board of directors and the CEO, appointment of board members and the company's auditors, decisions shall also be made in regards to certain other matters in accordance with the law and Articles of Association (see also "Articles of Association"). Amendments to the Articles of Association shall be decided by the Annual General Meeting. Share owners wishing to have a case examined at the Annual General Meeting shall notify the board in writing a good time prior to the Meeting.

All shareholders registered in the Euroclear share register on the recorded date and registered in the manner prescribed by the Articles of Association have the right to attend the Annual General Meeting, whether in person or by proxy.

Notice of the Annual General Meeting is made by law and in the manner prescribed in Dedicare's Articles of Association. The code of conduct complies with the requirements of public limited liability companies whose shares are admitted to a regulated market.

Annual General Meeting 2017

The most recent Annual General Meeting took place on April 24, 2017 at Dedicare's headquarters, Sankt Eriksgatan 44, 5th floor, in Stockholm.

At the meeting, the shareholders that participated represented 78% of the votes and 60% of the capital. The Annual General Meeting re-elected the board consisting of Björn Örås, Anna Lefevre Skjöldebrand, Anna Stina Nordmark Nilsson, Dag Sundström and Kristian Faeste. Björn Örås was re-elected as the chairman of the board. The Annual General Meeting also resolved that compensations amounted to SEK 370,000 (360,000) to the chairman of the board and SEK 160,000 (155,000) each to the other board members.

For more information, see the company's website www.dedicare.se

Annual General Meeting 2018

The Annual General Meeting for the fiscal year 2017 will be held at the company's headquarters in Stockholm, April 24, 2018 at 4:00 p.m. The annual report will be available by no later than March 21, 2018 on the company's website www.dedicare.se. Notice of the Annual General Meeting is made by Post- och Inrikes Tidningar (Swedish governmental press) and with an advertisement in Svenska Dagbladet on March 21, 2018. The company's website lists the latest dates and recipients for shareholders wishing to have a case examined at the meeting.

The board

The board's responsibilities and working arrangements

The board is appointed annually by the Annual General Meeting, with term of office until the end of the subsequent Annual General Meeting. The board is responsible for the company's organization and management as well as continuously assessing the Group's financial situation and evaluating its operational management. In order to assist its effort, the board has adopted written rules of procedure that regulate the number of board meetings, the matters that are to be submitted to the board and the duties of the chairman of the board. The board's work is also governed by, among other things, applicable regulations in the Companies Act and The Code.

Composition of the board

The board shall consist of at least three and no more than ten members elected by the Annual General Meeting. Such members are elected annually at the Annual General Meeting until the end of the subsequent Annual General Meeting. Other than this, there is no regulation in the Articles of Association regarding the appointment or resignation of board members. The composition of the Board and its members are presented in the section "Board and senior executives".

The independence of the board

The members of Dedicare's board are considered independent in relation to the companies and the owners, with the exception of Björn Örås who, as principal owner, is not considered independent and Dag Sundström, who is a director of another company controlled by Björn Örås, who is the principal owner of that company.

Nomination committee

At the Annual General Meeting of April 24, 2017, a decision was taken on Dedicare's nomination committee. The nomination committee shall be appointed by the chairman of the board and have been completed by the end of the third quarter, convening the three largest shareholders in the company, based on the votes. These shareholders shall be entitled to appoint one member to the nomination committee. If any of the three largest shareholders does not exercise that right, the next shareholder in size shall be given an opportunity to appoint a member to the nomination committee. The chairman of the nomination committee should also be appointed as a representative of the owners. The nomination committee's term of office extends until a new nomination committee is appointed.

Dedicare strives to promote gender equality and diversity. This has been taken into account in the nomination committee's preparation of proposals to the board based on the requirements of the company's operations and development on the board's overall competency, experience and background. The nomination committee's proposal is applied on the basis of Section 4.1 of the Swedish Corporate Governance Code, which includes diversity as well as a wide-ranging spectrum of competencies, experience and background for the board members. The proposal also fulfills the objective of striving for a gender balance, when taking into consideration that two of the five proposed members are women. The composition of the nomination committee shall be published no later than in conjunction with the company's reports for the third quarter. Through this, all shareholders will be informed of which persons can be contacted with questions regarding the nominations. The nomination committee is composed by first considering known shareholdings in the company by the end of the third quarter. If significant changes occur in the ownership structure after the composition of the nomination committee, the committee's composition should also be amended in accordance with the principles outlined above. Any changes to the nomination committee shall be published immediately.

The nomination committee shall prepare and submit proposals to the Annual General Meeting in the following cases:

- election of the chairman of the Annual General Meeting
- election of board chairman and other members of the company's board
- board compensation divided between the chairman and the other board members
- possible remuneration for committee work
- fees to the auditors
- in certain cases, the appointment of the auditor and the deputy auditor
- decisions on principles for how the election committee should be designated

Fees shall not be paid to members of the nomination committee for their assignments therein. The nomination committee shall be entitled to, after approval by the chairman of the board, charge the company for the costs of, for example, recruitment consultants or other expenses required in order for the nomination committee to be able to fulfill its requirements.

Dedicare's nomination committee was appointed on October 17, 2017. The nomination committee for the 2018 Annual General Meeting consists of:

- Björn Örås, Chairman of the board
- Angelica Hanson, AMF – Insurances and Funds
- Monica Åsmyr, Swedbank Robur Funds

Angelica Hanson was appointed chairman of the nomination committee.

Chairman of the board

The chairman presides over the work of the board so that it is exercised in accordance with laws and regulations. The chairman keeps abreast of the operations through dialogue with the CEO, and is responsible for ensuring that other members receive satisfactory information and decision guiding documents to assist them in their work.

The chairman of the board coordinates the annual evaluation of the work done by the board and the CEO, the results of which are also shared with the nomination committee. The chairman is also involved in evaluation and development issues regarding the Group's senior executives. The chairman of the board represents the board on both an external and an internal level. At the Annual General Meeting in 2017, Björn Örås was elected chairman of the board. Björn Örås has been Chairman of the Board since November 2010.

Work of the board

Work of the board 2017

During the fiscal year 2017, the board held 10 standard meetings as well as one obligatory meeting concerning nominations. At these meetings, the board has dealt with the outlined discussion points presented at each board meeting, these including: business situation, market conditions, financial reporting, budget, prognosis and projects. At the final meeting of the year, an evaluation was conducted based on the board, the work of the board and the CEO. In addition, overall strategic issues regarding, among other things, the company's focus, environmental issues and opportunities for growth have been analyzed. The CEO and CFO are adjunct to all board meetings with the exception of those relating to the remuneration of senior executives, the election of a new CEO, and in evaluating the work of the board and the CEO.

During the year, one or more business executives have on three occasions attended board meetings and reported results from their activities.

The board has included the elected members Björn Örås (chairman), Anna Lefevre Skjöldebrand, Anna Stina Nordmark Nilsson, Dag Sundström and Kristian Faeste.

Board composition and attendance at regular meetings:

Member	Elected	Position	Attendance
Björn Örås	2007	Chairman	11/11
Anna Lefevre Skjöldebrand	2011	Member	11/11
Anna Stina Nordmark Nilsson	2012	Member	11/11
Dag Sundström	2013	Member	11/11
Kristian Faeste	2017	Member	10/11

Committee

The board has chosen in its entirety to constitute a remuneration and audit committee and is therefore responsible for these issues. In view of the number of members of the board, the size of the company and the majority of members independent of the company and company management, the board considers that this constitutes an effective team to be able to deal with the remuneration and audit issues. The question of appointment of committees is examined each year in connection with the board's appointment.

CEO

The CEO manages the activities within the framework laid down by the board. Rules of Procedure for the board and the CEO have been adopted for 2017. These effectively regulate the role of the CEO within the company. The Chief Executive Officer provides the necessary information and decision-making procedures for board meetings. The CEO or his representative is the rapporteur for the board.

The CEO continuously keeps the board and the chairman informed of the company's financial position and development. The board annually evaluates the CEO's working methods and performance. Dedicare's CEO is Krister Widström. Mr. Widström took office in November 2017, replacing the former CEO, Stig Engcrantz.

Group executive board

Management team

The Group's executive management consists of the CEO, CFO, the subsidiaries' executive directors in Sweden and Norway, as well as the business manager for the Swedish medical staffing unit. The management team holds regular meetings where the company's ongoing activities are reviewed and reconciled. Control over the Group's operations is performed, among other things, through financial reporting from the subsidiaries and ongoing contact with the subsidiaries' management teams.

Internal governance and oversight

The board is responsible for ensuring that the company has good internal control and formalized procedures that ensure compliance with established principles for financial reporting and internal control, and that the company's financial reporting has been prepared in accordance with the law, applicable accounting standards and other requirements of registered companies.

Financial costs

Interim reports and financial statements are dealt with by the board and may be issued by the CEO on behalf of the board.

The CEO is responsible for ensuring that the accounts in the Group's companies are complied with in accordance of the law, and that the funds management is managed in a satisfactory manner. For the Group, a financial statement is prepared each month, and then submitted to the board and to the Group management.

In addition to this, analysis and follow-up meetings are conducted each month for each segment where the CEO, CFO and relevant senior executives participate.

Internal audit

The board has made the assessment that Dedicare, in addition to existing processes and functions for internal control, does not need to introduce its own internal audit function.

The follow-up carried out by the board, management and external auditors is, in its present form, considered sufficient to meet requirements. However, an annual assessment is made if such a function is necessary in order to maintain good control within the company.

Appointment of Auditors

Auditing company Grant Thornton AB was elected auditors at the Annual General Meeting on April 24, 2017. The term of this office runs until the end of the subsequent Annual General Meeting. In charge of this unit is authorized accountant Stefan Hultstrand. Stefan Hultstrand is deemed to not have any relation to Dedicare or the related companies to Dedicare in so far as that may affect the auditor's independence vis-à-vis the company. Stefan Hultstrand is expected to have the necessary skills to perform the assignment as an accountant in Dedicare.

During the year, Stefan Hultstrand participated in a board meeting and reported the results of the review and written reports on two separate occasions.

The company's external auditors review the board and the CEO's management and the annual reports that are prepared. In addition, the auditor reviews certain other financial reports. The conclusions of the audit are presented in the audit report, which is presented at the Annual General Meeting.

The board's description of internal control regarding financial reporting

Control environment

The basis for internal control is the control environment, which encompasses the culture that the board and the company management communicate and act within the guidelines of. This fundamentally comprises integrity and ethical values, skills, management philosophy and leadership style, organizational structure, responsibilities and competencies as well as policies and procedures. An important part of the control environment is that decision paths, powers and responsibilities are clearly defined and communicated between different levels of the organization. It is also important that governing documents in the form of internal policies and guidelines cover all identified key areas and that they provide the necessary guidance to different executives in Dedicare.

As part of maintaining good governance and control in financial reporting, Dedicare emphasizes the importance of good competence and competency development within this field. Relevant job descriptions and developmental discussions that take place once annually are part of this work.

Risk assessment

Risk assessment identifies the significant risks that affect the internal control of financial reporting and where these risks exist at company, business and process levels. The risk review takes place once annually in conjunction with the business plan being prepared and the drawing up of the annual report. The risk assessment results in control objectives that support the fulfillment of the basic requirements of the financial statements; the statement assertions. The risk assessment is continuously updated to include changes that significantly affect the internal control of financial reporting.

Control Activities

In order to prevent, detect and correct errors and deviations, control activities have been established in relation to the risks identified. Areas covered by control activities include:

1. internal audits of management systems
2. competent approval of business transactions
3. business systems that affect financial reporting
4. the accounting process, including financial statements and consolidated accounts
5. significant, unusual or complicated business transactions

Information and Communication

Dedicare's information and communication lines are intended to be effective and enable efficient reporting and feedback from our various operations back to the board and management. Internal policies and guidelines are available on Dedicare's internal network and are also communicated to relevant people in the organization. Reporting of deficiencies in internal control is made to the board and management based on the assessed consequence of the deficiency.

Follow-up

Dedicare checks that the established control activities are implemented as intended. Dedicare's basic values are reviewed annually and emphasis is placed on the policies and instructions that show management and the board's views on internal control and monitoring.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Dedicare AB (publ),
corporate identity number 556516-1501.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2017-01-01-2017-12-31 on pages 62-65 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 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.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 20, 2018
Grant Thornton Sweden AB

Stefan Hultstrand
Authorised Public Accountant

The board and the senior executives

The board

Dedicare's board consists of one chairman and four members. Board members are elected according to the Articles of Association annually at the Annual General Meeting for the period until the end of the subsequent Annual General Meeting. The board is based in Stockholm.

Björn Örås
– chairman of the board
Born: 1949. Björn Örås has been Chairman of Dedicare since 2007.

Other undertakings/positions: Chairman of the board and primary shareholder in the following companies; Poolia AB (publ), Uniflex (publ), Bro hof Slott GC.

Education: Björn Örås has a BA in Economics from Lund University.

Anna Lefevre Skjöldebrand
– board member
Born: 1969. Anna Lefevre Skjöldebrand was elected board member at the company's general meeting on February 12, 2011.

Other undertakings/positions: Anna Lefevre Skjöldebrand is the managing director of Swedish Medtech Service AB. In addition, Anna Lefevre Skjöldebrand is a board member of Swecare AB, Cocir, the Swedish eHealth Agency and a member of the Swedish Medical Products Agency's insight council. Anna Lefevre is also a deputy board member of Lefevre Konsult AB.

Education: Anna Lefevre Skjöldebrand has a BA in law and holds an education in economics from Uppsala university.

Dag Sundström
– board member
Born: 1955 Dag Sundström was elected as a board member at the Annual General Meeting on April 23, 2013.

Other undertakings/positions: Board member of Poolia AB (publ), chairman of Raoul Wallenbergskolorna AB, Dag Sundström Consulting AB and

DS Holding AB.

Education: Dag Sundström is a qualified civil engineer from the Royal Institute of Technology in Stockholm, and a qualified civil economist from the Stockholm School of Economic .

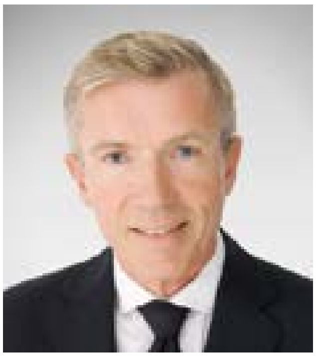
The current members of the board, the years of their birth, the year of their election to the board as well as their shareholding in Dedicare as of December 31, 2017, including the holding of any affiliates, is reported below.

	Birth year	Elected	Independent and impartial in relation to the company and its management	Independent and impartial in relation to the major owners	Number of shares in Dedicare
Björn Örås	1949	2007	Yes	No	2,011,907 class A shares 1,540,722 class B shares
Anna Lefevre Skjöldebrand	1969	2011	Yes	Yes	1,800 class B shares
Dag Sundström	1955	2013	Yes	No	1,000 class B shares
Anna Stina Nordmark Nilsson	1956	2012	Yes	Yes	–
Kristian Faeste	1962	2016	Yes	Yes	1,000 class B shares

Anna Stina Nordmark Nilsson – board member
Born: 1956. Anna Stina Nordmark Nilsson was elected board member at the Annual General Meeting on April 24, 2012.

Other undertakings/positions:
CEO of Lulebo AB, member of Lunet AB, member and chairman of the auditing committee of Svevia AB, Sveaskog AB as well as Sveaskog Förvaltnings AB and Regina AB among others.

Education: Master of science in business and economics.



Kristian Faeste – board member
Born: 1962. Kristian Faeste was elected board member at the Annual General Meeting on April 25, 2016.

Other undertakings/positions:
Administrative Director of the Norwegian Institute of Bio economy, board member of the Norwegian Maritime Association and Chairman of Bogstadveien 60 AS.

Education: Master of science in business and economics.

Senior executives

Krister Widström
– CEO
Born: 1962. Krister Widström was employed as CEO of Dedicare in 2017.

Other undertakings/positions:
Chairman of Dedicare's Swedish and Norwegian subsidiaries.

Education: Master of science in business and economics.

Number of shares in Dedicare: –

Lia Sandström
– Chief Financial Officer
Born: 1976. Employed since 2013.

Other undertakings/positions:
Board member of Dedicare's Swedish and Norwegian subsidiaries.

Education: Master of science in business and economics.

Number of shares in Dedicare: –

Jenny Pizzignacco
– Verkställande direktör
Dedicare Nurse
Born: 1979. Employed since 2015.

Other undertakings/positions:
Board member of Uniflex AB.

Education: Master of science in business and economics.

Number of shares in Dedicare: 184,070

Malin Lindley-Nord
– Managing director of subdivision Dedicare Socionom
Born: 1969. Employed since 2004.

Other undertakings/positions: –

Education: Malin Lindley-Nord is a licensed nurse.

Number of shares in Dedicare: 7,050

Bård Kristiansen
– Managing director of Dedicare AS and Dedicare Doctor AS
Born: 1970. Employed since 2017.

Other undertakings/positions: –

Education: Master of science and business from BI Norwegian Business school. Graduate in management development from IMD in Switzerland.

Number of shares in Dedicare: –

Ida Otteberg
– Business Area Manager Dedicare Doctor
Born: 1982. Employed since 2012.

Other undertakings/positions: –

Education: Ida Otteberg is a licensed nurse.

Number of shares in Dedicare: –

Shareholder information

Invitation to the Annual General Meeting

The shareholders of Dedicare AB (publ) are hereby invited to the Annual General Meeting on Monday, April 24, 2018 at 4:00 pm at the company's headquarters in Stockholm.

Registration

Shareholders wishing to participate in the Annual General Meeting must be included in the share register kept by Euroclear Sweden AB no later than April 18, 2018 and be notified to Dedicare no later than April 18, 2018.

Applications to participate in the Annual General Meeting can be made to:
Dedicare AB
Att. Lia Sandström
Ringvägen 100 118 60 Stockholm
e-mail: lia.sandstrom@dedicare.se

Applicants should include their name, telephone number, person or organization number as well as the number of shares they possess and information on any aids they will be taking with them. In order for shareholders with nominee-registered shares to be entitled to participate in the Annual General Meeting, shareholders are required to register their holdings in their own name so that the shares are registered in good time before April 18, 2018.

Dividends

The board proposes that the shareholders be paid SEK 5.0 per share. The record date is proposed as April 26, 2018. If the Annual General Meeting goes along with the proposal, dividend payments are expected to be paid from Euroclear Sweden AB on May 2, 2018.

Financial information:

Interim report, January–March	April 24, 2018
The Annual General Meeting for the 2017 fiscal year	April 24, 2018
Interim Report, April-–une	July 13, 2018
Interim Report, July–September	October 24, 2018
Year-end report for 2018	February 7, 2019

Other

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Name on Nasdaq Stockholm	DEDI

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