



# DEDICARE

## Interim report

1 January – 30 September 2020

# DEDICARE

”Increased gross sales and strengthened operating profit during the third quarter”

## Period 1 July – 30 September

- Operating revenue SEK 250.9 million (211.2)
- Operating profit SEK 15.6 million (12.0)
- Operating margin 6.2 percent (5.7)
- Profit after financial items SEK 18.0 million (11.7)
- Profit for the period SEK 14.0 million (8.0)
- Cash flow from current operations SEK 6.7 million (1.9)
- Cash flow from current operations per share SEK 0.71 (0.21)
- Earnings per share SEK 1.49 (0.88)
- Equity per share SEK 13.54 (9.89)
- Return on equity 11.5 percent (9.5)

## Period 1 January – 30 September

- Operating revenue SEK 638.0 million (590.9)
- Operating profit SEK 31.3 million (29.4), Operating profit adjusted for non-recurring items amounted to SEK 37.7 million
- Operating margin 4.9 percent (5.0), Operating margin adjusted for non-recurring items amounted to 5.9 percent
- Profit after financial items SEK 32.9 million (28.7)
- Profit for the period SEK 24.4 million (22.0)
- Cash flow from current operations SEK 34.1 million (15.0)
- Cash flow from current operations per share SEK 3.63 (1.65)
- Earnings per share SEK 2.60 (2.42)
- Equity per share SEK 13.54 (9.89)
- Return on equity 22.8 percent (23.6)

## The CEO's statement

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**The Group's revenue during the third quarter amounted to SEK 250.9 million, which is an increase by 18.8 percent compared to the same period 2019. The increase in revenue is mainly attributed to the acquisition of Dedicare A/S (earlier KonZenta Aps) and growth in the Norwegian operations. Operating profit amounted to SEK 15.6 million compared to SEK 12.0 million in 2019, which is an increase with 30.0 percent. Operating margin improved and amounted to SEK 6.2 percent (5.7).**

The situation with Covid-19 has had both a positive and a negative impact on the business during the third quarter as well.

### Sweden

Revenue in Sweden decreased by 12.5 percent during the third quarter. The decrease is attributed to staffing of social workers and doctors. A big part of planned care has been

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postponed to the future, which is why the demand for doctors has been lower than normal with cancellations as a result. Sweden has growth in the staffing of nurses and the pandemic has meant an increased demand for nurses. The market in Sweden is still under pressure regarding margins. To increase gross sales and profitability, the operations is focused on sales within present and new customer segment in combination with new IT-systems that will increase the efficiency.

## **Norway**

The business in Norway continues to grow rapidly both regarding revenue and operating profit, mainly within staffing of doctors. The revenue increased by 21.2 percent during the third quarter. In Norway the demand for health care personnel during the pandemic has also been high, but the challenge with e.g. quarantine for consultants from other nordic countries has affected the business. Despite these challenges the third quarter is the best of all time, both regarding gross sales and profit.

## **Denmark**

The Danish business has been affected by restrictions, same as the Norwegian business, which has created some challenges during the third quarter. Planned care has been postponed even in Denmark, which has had a negative impact on the demand for doctors. Despite this, the operations has been stable and reports its highest gross sales and profit for a quarter of all time.

Restrictions related to Covid-19 in the Nordic countries has been raised as the situation has improved. During the later part of the third quarter, we have been able to see an increased spread of infection regarding Covid-19 in Europe. In the event of a second wave of the pandemic, restrictions that have been lifted may be reintroduced.



Krister Widström  
Group President and CEO

## Financial information

### July-September 2020

#### Revenue

The Group's revenue increased by 18.8 percent to SEK 250.9 million (211.2). The increase is mainly attributed to the acquisition of Dedicare A/S (earlier KonZenta Aps) and growth in the Norwegian operation. For more information, see note 1 Segment information and information about categories of revenue.

In Sweden the revenue decreased for the period by 12.5 percent to SEK 97.0 million (110.7). During the third quarter the revenue decreased for the Swedish business, attributed to the staffing of social workers and doctors. Planned care have been postponed as a result of Covid-19, which lead to cancellation within staffing of doctors. The demand for staffing of nurses has increased, especially within intensive care (ICU) in relation to Covid-19.

In Norway the revenue increased for the period with 21.2 percent to SEK 120.5 million (99.4). The revenue in Norway increased in all business areas and staffing of doctors accounted for the greatest growth. The Norwegian operations has been negatively affected by travel restrictions and quarantine rules under third quarter as well. In Denmark the revenue increased to SEK 33.4 million (0.9). The increase is entirely attributable to the acquisition of Dedicare A/S (earlier KonZenta Aps).

#### Profit

The Group's operating profit for the period amounted to SEK 15.6 million (12.0), with an operating margin of 6.2 percent (5.7). The increased operating margin is mainly attributed to the Norwegian and Danish business.

Sweden's operating profit for the period amounted to SEK -3.8 million (2.0) with a operating margin of -3.9 percent (1.8). The decreased operating profit is mostly attributed to decreased revenue and amortization of intangible assets in the Group,

related to the acquisition of Dedicare A/S (earlier KonZenta Aps).

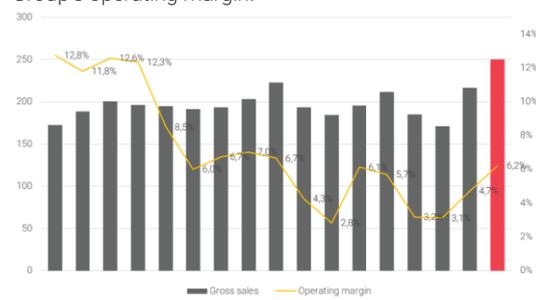
Norway's operating profit for the period amounted to SEK 17.0 million (10.5) with a operating margin of 14.1 percent (10.6). The improved profit is mainly attributed to the business growth.

Denmark's operating profit for the period amounted to SEK 2.5 million (-0,3), with an operating margin of 7.1 percent (-33.1). The increase is entirely attributable to the acquisition of Dedicare A/S (earlier KonZenta Aps). Dedicare's previous operation in Denmark is included in Dedicare A/S (KonZenta Aps) from the second quarter.

The profit for the period amounted to SEK 14.0 million (8.0).

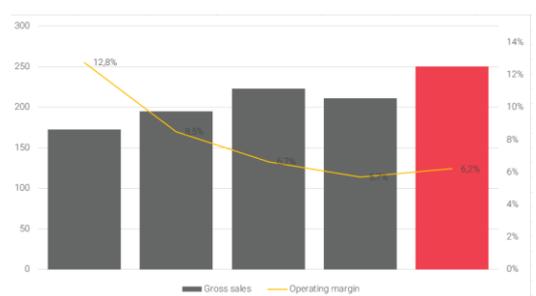
#### REVENUE AND OPERATING MARGIN PER QUARTER 2016-2020

The bars show the Group's revenue and the line shows the Group's operating margin.



#### REVENUE AND OPERATING MARGIN FOR THE THIRD QUARTER 2016-2020

The bars show the Group's revenue and the line shows the Group's operating margin.



## January-September 2020

### Revenue

The Group's revenue for the period increased by 8.0 percent to SEK 638.0 million (590.9). The increase is mainly attributed to the acquisition of Dedicare A/S (earlier KonZenta AB) and growth in the Norwegian business. For more information, see note 1 Segment information and information about categories of revenue.

In Sweden the revenue decreased for the period by 17.4 percent to SEK 293.9 million (355.9). During the period the revenue decreased for the Swedish operation in staffing of doctors and social workers, but increased in staffing of nurse. The staffing of doctors has been negatively affected by postponed planned care in relation to Covid-19. The demand for staffing of nurses has increased during the period.

In Norway the revenue increased for the period by 20.6 percent to SEK 282.0 million (233.9). The revenue in Norway increased in all business areas, where staffing of doctors accounted for the strongest growth. The staffing of educators has been negatively affected of lockdown in relation to Covid-19, but has during the later part of third quarter been able to return to normal operations when the restrictions has eased.

In Denmark the revenue for the period amounted to SEK 62.1 million (1.1), which is attributed to the staffing of doctors and the acquisition of Dedicare A/S (earlier KonZenta Aps).

### Profit

The Group's operating profit for the period amounted to SEK 31.3 million (29.4), with an operating margin of 4.9 percent (5.0). Operating profit adjusted for non-recurring items amounted to SEK 37.7 million, with an operating margin on 5.9 percent. Non-recurring items relate to

acquisition costs of SEK 2.5 million and provision for investigation for employer contribution in Norway of SEK 3.9 million. The increased profit is attributed to the Norwegian and Danish business. The operating profit during the period has been negatively affected due to non-recurring items related to the acquisition of Dedicare A/S (earlier KonZenta Aps) and provision for investigation of employer contribution in Norway.

Sweden's operating profit for the period amounted to SEK -3.6 million (6.3), with an operating margin of -1.2 percent (1.8). Operating profit adjusted for non-recurring items amounted to SEK -1.1 million, with an operating margin of -0.4 percent. Non-recurring items relate to acquisition costs of SEK 2.5 million in conjunction with the acquisition of Dedicare A/S (earlier KonZenta Aps). The decrease is mainly attributable to lower revenue and pressed margins in business, but also amortization of intangible assets related to acquisition of Dedicare A/S (earlier KonZenta Aps).

Norway's operating profit for the period increased to SEK 31.2 million (24.4), with an operating margin of 11.1 percent (10.4). Operating profit adjusted for non-recurring items amounted to SEK 35.3 million, with an operating margin of 12.5 percent. Non-recurring items relates to provision for investigation for employer contribution of SEK 3.9 million. The increased profit is attributed to the business growth and improved margins in business.

Denmark's operating profit for the period amounted to SEK 3.7 million (-1.3), with an operating profit of 5.9 percent (-114.0). The increase is entirely attributable to the acquisition of Dedicare A/S (KonZenta Aps), with admission 1 April 2020.

The profit for the period amounted to SEK 24.4 million (22.0).

## Financial position and liquidity

### Liquidity

The Group's liquidity, per 30 September, amounted to SEK 99.1 million (32.4). The increased level of liquidity is partly attributed to the withdrawn of dividends to shareholders during the period compared to last year, and raised loans related to the acquisition of Dedicare A/S (earlier KonZenta Aps).

### Equity

Equity by the end of the period amounted to SEK 127.3 million (89.6), which is equivalent to SEK 13.54 (9.89) per outstanding share for the period January – September. The increase in equity is foremost attributed to a completed issue in kind, during the second quarter, in connection to the acquisition of Dedicare A/S (earlier KonZenta Aps). As a result of the issue in kind the number of shares in the company increased by 339,991 and the number of votes by 67,998.2. The total number of shares in the company, after the issue in kind, amounts to 9,395,397, where 2,011,907 are Series A shares with one (1) vote each and 7,383,490 are Series B shares with a fifth (1/5) of a vote each. The total number of votes amounts to 3,488,605.

### Solidity

The solidity per 30 September amounted to 33.8 percent (38.0). The decreased solidity is attributed to an increased balance sheet total in connection to the acquisition of

Dedicare A/S (earlier KonZenta Aps). The solidity per 30 September adjusted for non-recurring items amounted to 35.6 percent.

### Cash flow

The cash flow from the operating activities amounted to SEK 34.1 million (15.0) for the period January – September. The increase is mainly attributed to changes in accounts receivables and debts.

### Investments

Dedicare has acquired the Danish company Dedicare A/S (earlier KonZenta Aps) with access on 1 April 2020, which increased financial assets in the Parent company by SEK 23.9 million during the period January – September. For more information, see note 2 Business acquisitions. In addition, investments were made in tangible and intangible fixed assets during the period January – September amounting to SEK 1.5 million (1.4). The investments in intangible fixed assets refer to investments in a new reporting tool and the investments in the tangible fixed assets refer to investments in office furnishings.



## Events during the period

Lena Anderberg was hired as business manager for staffing of doctors in Sweden. She began her employment in February 2020.

On 5 March 2020, Dedicare signed a purchase agreement for 100% of the shares in the Danish staffing company Dedicare A/S (earlier KonZenta Aps, corporate registration number 36 42 03 40). Dedicare A/S (earlier KonZenta Aps) is a supplier of health care staffing to the Scandinavian health care sector with a focus on specialists and GPs. Admission took place on 1 April and Dedicare A/S (earlier KonZenta Aps) is consolidated into the Dedicare Group as of the second quarter 2020. During the period April – September the company generated a revenue of SEK 61.8 million and reported a profit after taxes of SEK 3.4 million. The acquisition means a stronger platform in Denmark and is in line with Dedicare's growth strategy. For more information see note 2 Business acquisitions.

Dedicare completed the acquisition of Dedicare A/S (earlier KonZenta Aps) on 1 April. In connection with this, the Board decided on an issue in kind with the support of the authorization obtained at the Extraordinary General Meeting on 23 January.

The issue in kind is part of the purchase price in the acquisition of Dedicare A/S (KonZenta Ap and comprises 339,991 Series B shares. The subscription price was set at SEK 44.66 and was determined based on a volume weighted average price 30 trading days backwards from 29 January 2020, which is 5 trading days from the date of publication of the letter of intent regarding the acquisition of Dedicare A/S (earlier KonZenta Aps). The shares were subscribed by the sellers to KonZenta (Carsten Vingaard, Kasper Madsen and Anders Sørensen) who, in conjunction with the subscription, undertook not to sell the shares during a lock-up period of two years. The reason for the deviation from the shareholders' preferential rights is that the shares issued in the issue in kind constitute payment for the acquisition of Dedicare A/S (earlier KonZenta Aps). The issue in kind has a dilution effect of

approximately 3.6 percent. In conjunction with the completion of the acquisition of Dedicare A/S (earlier KonZenta Aps), have Dedicare signed a loan agreement of DKK 45 million in total with financial institution, of which DKK 25 million have been realized during the period. The loan agreement has a term of three years and have been signed for the purpose of partly finance the acquisition.

As a result of the issue in kind the number of shares in the company increased by 339,991 and the number of votes by 67,998.2. The total number of shares in the company, after the issue in kind, amounts to 9,395,397, where 2,011,907 are Series A shares with one (1) vote each and 7,383,490 are Series B shares with a fifth (1/5) of a vote each. The total number of votes amounts to 3,488,605.

Dedicare monitors the developments on Covid-19 and continuously analyses the possible impact it may have on the business. Since changes in the outside world occur at a rapid pace, future effects are difficult to assess. Dedicare's assessment is that Covid-19 has had both positive and negative effects on the business under the third quarter as well. Restrictions have eased during the second quarter, with increased spread of infection during the later part of third quarter, which may lead to increased risk and reintroduction of restrictions.

The prevailing situation with Covid-19 has caused Region Stockholm to postpone the procurement regarding health care staffing which was initialised during the fourth quarter 2019 and instead extended the current framework agreement to 31 December 2021. The extended framework agreement runs with a notice period of four months

Kasper Madsen assumed the post as CEO Dedicare Danmark (previously KonZenta Aps) from 1 April and is now part of Dedicare's management team.

The Annual General Meeting was held on 23 April at the company's headquarters. The AGM approved the proposal to authorise the Board to, on one or more occasions during the period until the next annual general meeting, with or without preferential rights for the shareholders, to issue new shares of series B, issue convertibles and / or warrants. The issue decision may be made against payment in cash and / or in kind or set-off or that subscription may occur with other conditions. The issue may only take place on market terms. The number of shares, convertibles and / or warrants issued with the support of the authorization may not entail a dilution of more than 10 percent of the share capital based on the total number of outstanding shares at the time of the Annual General Meeting.

Due to recent developments in relation to the spread of Covid-19, the Board of Dedicare decided to withdraw the proposed dividend of SEK 2.60 per share for the Annual General Meeting. The basis for the decision was the financial uncertainty that prevails in the market in general and to ensure a stable capital base for Dedicare's operations during a period of unease in the world. The Annual General Meeting resolved, in accordance with the Board's amended proposal, not to pay any dividends to the shareholders for the 2019 financial year.

Dedicare's dormant subsidiaries Acapedia AB CIN 559036-9582, Doktor24 i Skandinavien AB CIN 556599-1634, Nurse24 AB CIN 556583-6466 and Dedicare Nurse Sverige AB CIN 559006-4456 was discontinued during the second quarter through a sale to an external liquidator.

Dedicare initiated during the second quarter an investigation concerning the handling of employer contribution in northern Norway. Dedicare AS have been conducting staffing

operations in northern Norway since 2016 and has in relation to this registered a sub-unit in Hammerfest CIN 917 216 886. The region is covered by regulations for reduced employer contributions. At the time of establishment, Dedicare has, based on advice from external tax experts, made an assessment that the business conducted meets the requirements for utilising the reduced employer's contribution. In relation to the evaluation of operations in northern Norway during the second quarter of 2020, Dedicare discovered that the regulations for reduced employer contributions can be interpreted differently, which is why a new investigation was initiated together with external advisers. As part of the investigation, Dedicare has sent an open letter to the Norwegian tax authorities to confirm that the interpretation and handling is correct. Responses from the Norwegian tax authorities have not yet been received, nor has any information been given as to when in time this may happen. Provisions were made during the second quarter of SEK 3.9 million as well as interest and fees in the event that the Norwegian tax authorities consider that the handling was incorrect. Dedicare AS's sub-unit in Hammerfest was closed on the last day of June 2020, pending a response from the tax authorities in Norway.

Jenny Pizzignacco has resigned from her role as Vice President of Business Development and has taken over as HR Manager. No successor to the role as Vice President of Business Development will be appointed, as this role has ceased after internal reorganization.

### **Events after the period**

No significant events after the end of the period.

## Other information

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### Employees

The average number of employees, calculated as full-time equivalents, for the period January – September amounted to 638 persons (641). In this number sub-consultants are included, which for the period January – September amounted to 110 persons (100).

### Market trends

According to figures from the Swedish Municipalities and Regions (SKR), the hiring of health care personnel to the Regions decreased by 3.0 percent for the first half-year 2020 compared with the first half-year 2019. <sup>1)</sup> The hiring of doctors decreased with 8.0 percent in total, while the hiring of nurses increased with 6.0 percent during the first half-year 2020. According to Dedicare's assessment, the market for staffing of social workers during the first half-year 2020 decreased compared to the first half-year 2019.

According to figures from the industry's main organization (NHO), the hiring of health care personnel in Norway increased by 14.2 percent in the first half-year 2020 compared with the first half-year 2019. Between 2013 and 2018, the market has no growth, but in 2019 growth was the highest ever. <sup>2)</sup> Statistics for the third quarter have not yet been published.

For Denmark there is no official statistics concerning the market for health care staffing available. According to Dedicare's assessment, the market for staffing doctors is growing. The market for staffing of nurses is also expected to grow, but has been negatively affected by introduced rental stop in certain regions.

### Share-based incentive programme

Dedicare has no ongoing share-based incentive programme.

### Risks and uncertainties

The risks that are described below are mainly the same that were described in the Annual Report for 2019 page 37, with addition of risks linked to Covid-19.

### Political decisions

The markets where Dedicare currently operates are Sweden, Norway, Finland and Denmark. In these countries, health care operations are predominantly publicly financed. Conditions for conducting health care can change quickly. In the long term, self-financed health care and the private market will grow, reducing this political risk in the future.

### Customer dependency

Dedicare has a small number of customers who together account for a high proportion of the company's total sales. The biggest customer in Sweden is Region Stockholm, which accounted for approximately 24.8 percent (22.5) of Dedicare Sweden's revenue for the period January - September 2020.

Regions and municipalities often procure staffing services for all their operations in one joint tender procedure. This is also true for the public sector in Norway, where the biggest customer is Helse Sør Øst, accounting for approximately 14.1 percent (20.0) of Dedicare Norway's total revenue for the period January - September 2020. In Dedicare Denmark, during the period April – September 2020, the largest customer is Region Hovedstaden, which accounts for approximately 24.3 percent of the revenue. These public tenders are strictly regulated by law. Normally a certain number of priority suppliers are selected and ranked, with framework agreements being signed. These agreements are normally for a period of two years, with the option of extending for a maximum of two additional years. If Dedicare does not win tenders with major individual customers or falls down the priority ranking, it can have a major negative impact on Group sales and profitability, at least temporarily.

<sup>1)</sup> SKR: Bemanningstrend för inhyrd personal i hälso- och sjukvård halvår 1 2020

<sup>2)</sup> NHO: Statistikk fra bemanningsbransjen

## **Dependency on agreements**

Most of Dedicare's customers are publicly financed and are therefore covered by the Swedish Public Procurement Act (LOU). This act stipulates the way that tenders are conducted and states that the bigger ones must be published throughout the EU. Public customers in Sweden, Norway, Finland and Denmark normally sign framework agreements with 3-10 suppliers for contracts lasting 2-4 years. This means that there is a risk of being excluded from important markets for a long period of time if a company does not win a procurement. Dedicare continually works on ensuring that the Group has the competence and staff required to maintain the high level of quality in the Group's tenders.

## **Contractual penalties**

The framework agreements with customers in the public sector in Sweden, Norway, Finland and Denmark normally require Dedicare to pay a penalty and in some instances additional costs incurred by a client if Dedicare cannot fulfil an agreement. If Dedicare is not able to fulfil the assignments that the company has undertaken for any reason, there is a risk that the customers will exercise their right to financial compensation or to terminate a contract early.

## **Dependency on people**

As with all service companies, Dedicare is dependent on the employees in its operations. To reduce the dependency on key people, the company's concept and working methodology have been documented in the company's internal quality system. The company's management system is certified in accordance with ISO 9001:2015 and ISO 14001:2015.

## **Liability risks**

Dedicare's staffing assignments involve providing its customers with the competence they request. As a result, Dedicare does not have patient liability or supervisor liability. Hiring takes place in the customer's premises, minimising Dedicare's liability risk. To cover the remaining risks, the Group has adequate

insurance cover, adapted to Dedicare's general terms and conditions.

## **Medical errors and criticism**

There is always a risk of making errors and mistakes when providing health care. If healthcare staff supplied by Dedicare commit a serious error, this could have a negative impact on the company's reputation. This in turn can have a negative impact on the company's operations, sales and profitability.

## **Covid-19**

The pandemic has meant uncertainty in the environment in which Dedicare operates. Change is taking place in a rapid pace and the financial effects on the business are difficult to assess. Introduced restrictions could have a negative impact on the business and requires rapid adjustment to meet this.

Other risks and risk management are described in Dedicare's 2019 Annual Report page 37.

## **Transactions with related companies**

There were no significant transactions with related parties during the period January - September 2020.



## Financial goals and goal completion

### Growth

Dedicare strives to grow more quickly than the market in which the company operates. This ambition will be achieved primarily through organic growth. This growth can partly be achieved through acquisitions. Dedicare is also expected to grow by establishing itself on new markets in Europe, which will mainly be achieved through acquisitions.

### Operating margin

Dedicare has a target of achieving an operating margin over a business cycle of more than 7.0 percent. The third quarter 2020 the operating margin amounted to 6.2 percent and for the period January – September 2020 amounts to 5.9 percent adjusted for non-recurring items.

### Solidity

Dedicare should have a strong capital base and its operations should mostly be financed through equity. The capital requirement is limited due to the nature of the company's operations. Against this background, Dedicare intends to have a solidity level of at least 30 percent.

As of 30 September 2020, the solidity amounted to 33.8 percent and 35.5 percent adjusted for non-recurring items.

### Dividend policy

Dedicare's target is for its dividend to amount to at least 50 percent of the net profit over a business cycle.

### About Dedicare

Dedicare is an authorised staffing company that provides doctors, nurses and social workers, and other personnel in health care and social work. The company is listed on Nasdaq Stockholm and operates in Sweden, Norway, Finland and Denmark. Dedicare has four offices in Sweden (Stockholm, Gothenburg, Örebro and Skellefteå), as well as two offices in Norway (Trondheim and Oslo), one office in Finland (Helsinki) and two offices in Denmark (Copenhagen and Ålborg).

Dedicare is a member of the Swedish Almega Staffing Agencies (Almega Kompetensföretagen) and the Association of Private Care Providers (Vårdföretagarna), so therefore has collective agreements. In Norway Dedicare is a member in The Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon). In Denmark Dedicare is a member of Danish Business (Dansk Erhverv) and Staffing agencies' trade association (Vikarbureauernes brancheforening).

The company is quality certified in accordance with ISO 9001:2015 and its environmental work is certified in accordance with ISO 14001:2015.

## Summary consolidated statement of comprehensive income

SEK million	note	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating revenue</b>	1	<b>250,9</b>	<b>211,2</b>	<b>638,0</b>	<b>590,9</b>	<b>776,0</b>
Employee benefit expenses		-155,9	-130,9	-393,1	-364,2	-477,6
Purchased services		-55,5	-51,0	-154,2	-146,0	-194,4
Other operating expenses		-20,1	-15,7	-51,7	-46,6	-62,2
Depreciation of fixed assets		-3,8	-1,6	-7,7	-4,8	-6,4
<b>Operating profit*</b>	1	<b>15,6</b>	<b>12,0</b>	<b>31,3</b>	<b>29,4</b>	<b>35,3</b>
Financial items		2,4	-0,3	1,6	-0,7	-0,9
<b>Profit after financial items</b>		<b>18,0</b>	<b>11,7</b>	<b>32,9</b>	<b>28,7</b>	<b>34,4</b>
Income taxes		-4,0	-3,8	-8,5	-6,7	-7,9
<b>Profit for the period</b>		<b>14,0</b>	<b>8,0</b>	<b>24,4</b>	<b>22,0</b>	<b>26,4</b>
<b>Of which attributable to:</b>						
Parent Company's shareholders		14,0	8,0	24,4	22,0	26,4
<b>Other comprehensive income</b>						
<i>Items that may be classified to profit</i>						
Currency differences		0,0	-0,2	-3,4	1,4	0,5
<b>Total comprehensive income for the period</b>		<b>14,0</b>	<b>7,7</b>	<b>21,0</b>	<b>23,4</b>	<b>26,9</b>
<b>Of which attributable to:</b>						
Parent Company's shareholders		14,0	7,7	21,0	23,4	26,9
<b>Earnings per share, SEK</b>						
		1,49	0,88	2,60	2,42	2,92

\*Operating profit includes acquisition costs of SEK 2.5 million and a provision for employer contributions of 3.9 million. Adjusted for these non-recurring items the operating revenue accumulated for the period January - September 2020 to SEK 37.7 million.

## Summary consolidated statement of financial position

SEK million	note	2020-09-30	2019-09-30	2019-12-31
<b>Assets</b>				
Goodwill	2	62,8	7,5	7,3
Customer contract	2	14,6	0,0	0,0
Database	2	4,5	0,0	0,0
Other intangible assets		3,4	2,7	2,9
Tangible fixed assets		2,0	2,8	2,6
Right-of-use assets		13,2	16,0	14,4
Other financial assets		4,3	4,3	4,3
Current receivables		171,8	169,8	145,0
Cash and cash equivalents		99,6	32,4	62,7
<b>Total assets</b>		<b>376,4</b>	<b>235,6</b>	<b>239,2</b>
<b>Equity and liabilities</b>				
Equity		127,3	89,6	93,1
Provisions		39,9	0,0	0,0
Long-term leasing debt		39,7	11,4	10,2
Untaxed reserves		14,8	10,9	10,7
Current tax debt		9,5	7,4	7,5
Current liabilities		145,3	116,4	117,7
<b>Total equity and liabilities</b>		<b>376,4</b>	<b>235,6</b>	<b>239,2</b>

## Summary consolidated change in equity

SEK million	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Equity at beginning of period</b>	<b>93,1</b>	<b>102,4</b>	<b>102,4</b>
Profit for the period	24,4	22,0	26,4
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit</i>			
Currency differences	-5,4	1,4	0,5
<b>Transactions with shareholders</b>			
Issue in business combination	15,2		
Dividend	0,0	-36,2	-36,2
<b>Equity at end of period</b>	<b>127,3</b>	<b>89,6</b>	<b>93,1</b>

## Summary consolidated cash flow statement

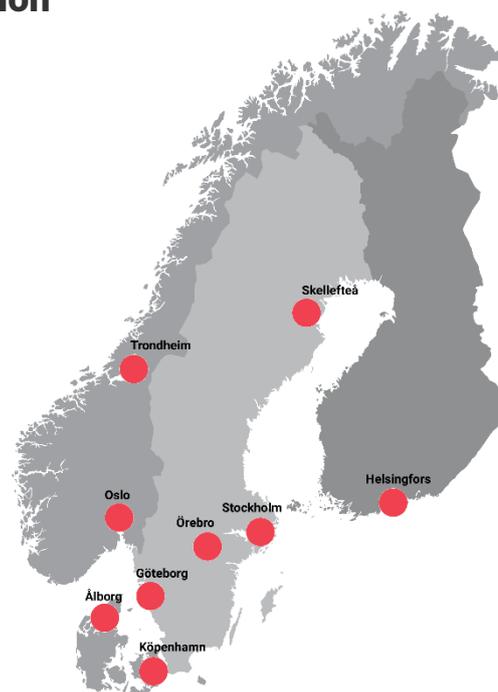
SEK million	note	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating activities</b>						
Cash flow from operating activities before changes in working capital		<b>13,6</b>	<b>10,8</b>	<b>29,2</b>	<b>21,5</b>	<b>24,8</b>
Changes in working capital		-6,9	-8,8	4,9	-6,6	22,2
<b>Cash flow operating activities</b>		<b>6,7</b>	<b>1,9</b>	<b>34,1</b>	<b>15,0</b>	<b>47,0</b>
<b>Investing activities</b>						
Acquisition of subsidiaries	2	0,0	-	-23,9	-	-
Acquisition of tangible and intangible fixed assets		-0,2	-0,5	-1,5	-1,4	-1,7
<b>Cash flow from investing activities</b>		<b>-0,2</b>	<b>-0,5</b>	<b>-25,4</b>	<b>-1,4</b>	<b>-1,7</b>
<b>Financial activities</b>						
Amortization of lease debt		-1,3	-1,2	-4,3	-3,7	-4,9
Borrowings		0,0	-	37,1	-	-
Amortization loan		-1,7	-	-3,5	-	-
Dividend paid		0,0	0,0	0,0	-36,2	-36,2
<b>Cash flow from financial activities</b>		<b>-3,0</b>	<b>-1,2</b>	<b>29,3</b>	<b>-39,9</b>	<b>-41,1</b>
<b>Cash flow for the period</b>		<b>3,5</b>	<b>0,2</b>	<b>38,0</b>	<b>-26,3</b>	<b>4,1</b>
Cash and cash equivalents at beginning of period		96,1	32,3	62,7	58,2	58,2
Currency differences in cash and cash equivalents		0,0	-0,1	-1,1	0,5	0,4
<b>Cash and cash equivalents at end of period</b>		<b>99,6</b>	<b>32,4</b>	<b>99,6</b>	<b>32,4</b>	<b>62,7</b>

## Note 1. Segment information and information

### About categories of revenue

Dedicare follows up its operations by dividing them into the business segments Sweden, Norway and Denmark. Each country includes the following professional categories: health care, social work and education.

Dedicare's segments are reported in the way that best reflects the internal reporting that is reported and followed up by the Group's CEO. The accounting principles that are applied to this segment reporting reflect the principles applied by the Group.



Allocation net revenue SEK million	Public July-Sep 2020	Private July-Sep 2020	Total July-Sep 2020	Public July-Sep 2019	Private July-Sep 2019	Total July-Sep 2019
Sweden	89,6	7,4	97,0	99,5	11,4	110,9
Norway	113,7	6,8	120,5	94,9	4,5	99,4
Denmark	30,5	2,9	33,4	0,9	0,0	0,9

Allocation net revenue SEK million	Public Jan-Sep 2020	Private Jan-Sep 2020	Total Jan-Sep 2020	Public Jan-Sep 2019	Private Jan-Sep 2019	Total Jan-Sep 2019	Public Jan-Dec 2019	Private Jan-Dec 2019
Sweden	269,8	24,1	293,9	313,2	42,7	355,9	422,8	37,2
Norway	263,1	18,9	282,0	216,2	17,7	233,9	298,1	16,8
Denmark	56,9	5,2	62,1	1,1	0,0	1,1	1,1	0,0

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## Sweden

SEK million	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating revenue</b>	<b>97,0</b>	<b>110,9</b>	<b>293,9</b>	<b>355,9</b>	<b>459,9</b>
<b>Operating profit*</b>	<b>-3,8</b>	<b>2,0</b>	<b>-3,6</b>	<b>6,3</b>	<b>4,1</b>
Financial items	3,1	0,6	6,6	-4,3	23,6
<b>Profit after financial items</b>	<b>-0,7</b>	<b>2,5</b>	<b>3,0</b>	<b>2,0</b>	<b>27,7</b>
Profit margin, %	-3,9%	1,8%	-1,2%	1,8%	0,9%
Average number of employees	259	297	276	335	323
Revenue per employee, SEK thousand	374	374	1 066	1 067	1 424

\* The accumulated operating profit includes acquisition costs of SEK 2.5 million. Adjusted for this non-recurring item the operating revenue accumulates for the period January – September to SEK -1.1 million.

## Norway

SEK million	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating revenue</b>	<b>120,5</b>	<b>99,4</b>	<b>282,0</b>	<b>233,9</b>	<b>314,9</b>
<b>Operating profit*</b>	<b>17,0</b>	<b>10,5</b>	<b>31,2</b>	<b>24,4</b>	<b>33,1</b>
Financial items	-0,8	-0,8	-5,1	3,6	-24,5
<b>Profit after financial items</b>	<b>16,2</b>	<b>9,6</b>	<b>26,1</b>	<b>28,0</b>	<b>8,6</b>
Profit margin, %	14,1%	10,6%	11,1%	10,4%	10,5%
Average number of employees	376	330	322	286	286
Revenue per employee, SEK thousand	320	301	875	819	1 103

\* The accumulated operating profit includes a provision for employer contributions of SEK 3.9 million. Adjusted for this non-recurring item the operating revenue accumulates for the period January – September to SEK 35.3 million.

## Denmark \*

SEK million	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating revenue</b>	<b>33,4</b>	<b>0,9</b>	<b>62,1</b>	<b>1,1</b>	<b>1,2</b>
<b>Operating profit</b>	<b>2,4</b>	<b>-0,3</b>	<b>3,7</b>	<b>-1,3</b>	<b>-1,9</b>
Financial items	0,1	0,0	0,1	0,0	0,0
<b>Profit after financial items</b>	<b>2,5</b>	<b>-0,3</b>	<b>3,8</b>	<b>-1,3</b>	<b>-1,9</b>
Profit margin, %	7,1%	-33,1%	5,9%	-114,0%	-159,0%
Average number of employees	61	4	40	2	2
Revenue per employee, SEK thousand	547	225	1 557	463	500

\* Previous New Markets are reported with Denmark as a separate segment. Finland, which was previously reported in New Markets, is now reported in segment Sweden.

Total Segments SEK million	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Profit after financial items	<b>18,0</b>	<b>11,7</b>	<b>32,9</b>	<b>28,7</b>	<b>34,4</b>

## Note 2. Business acquisitions

On 1 April 2020, Dedicare signed a purchase agreement for 100 percent of the shares in Dedicare A/S (KonZenta Aps), who is a supplier of health care staffing on the Scandinavian market. The acquisition means a stronger platform in Denmark and is in line with Dedicare's growth strategy.

### Transferred compensation

The purchase price for the acquisition of Dedicare A/S (earlier KonZenta Aps) has been paid in cash and in shares in Dedicare AB (publ) through an issue in kind. An additional purchase price has been agreed based on Dedicare A/S's (earlier KonZenta Aps) profit development over the next two years. A final acquisition analysis and valuation of Goodwill and other intangible assets connected to the acquisition where completed during the third quarter.

The acquisition of Dedicare A/S (KonZenta Aps) was regulated by a cash part, a share part and an additional purchase price part. The additional purchase price will be paid on April 1, 2022. The debt real value on SEK 37.0 million regarding the additional purchase price which was reported at the first reporting date, corresponds to the present net value of the group's probability assessed estimate of the payment. As of 30 September, there have been no changes in the estimate of the probable payment, but the debt has decreased due to the impact of exchange rate.

Acquisition-related costs of SEK 2.46 million are not included in the transferred compensation and have been reported as a cost in the Group's revenue, as part of the item other operating expenses.

### Identifiable net assets

Real value on accounts receivables and other receivables that have been acquired as a part of the business acquisition amounted to gross SEK 14.5 million, of which accruals and deferrals amount to SEK 10.5 million, accounts receivables SEK 3.5 million and other receivables SEK 0.5 million. At the time of the acquisition, all agreed cash flows were estimated to be paid.

### Customer contract

Intangible asset regarding customer contract of SEK 17.7 million which was identified in the business acquisition, has been assessed based on the contracts remaining tenors by the time of the acquisition, and have been recalculated to real value. The asset is amortized over 3.5 years.

### Database

Intangible asset regarding database of SEK 5.0 million, which was identified in the business acquisition, has been assessed based on the cost to recreate the database and recalculated to real value. The asset is amortized over 8 years. The utilization period has been determined on the basis of the real utilization period that the database will be used in the operations.

### Goodwill

Goodwill of SEK 58.2 million that was reported at the business acquisition, mainly relates to growth expectations, expected future profitability and expected synergy effects on the cost side. The Goodwill is not expected to be tax-deductible.

### Dedicare A/S (earlier KonZenta Aps) contribution to the Groups earnings

The profit for the period amounted to SEK 3.4 million for the period 1 April 2020 to 30 September 2020. The revenue for the same period amounted to SEK 61.8 million.

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If Dedicare A/S (earlier Konzenta ApS) had been acquired 1 January 2020, the Group's revenue for the period until 30 September had amounted to SEK 669.2 million, and the periods profit would increase with SEK 1.8 million.

## The details of the business acquisition are as follows:

<b>Real value of transferred compensation</b>	
Amount settled in cash	29,7
Issued shares	15,2
Contingent purchase price	37,0
<b>Total real value of transferred compensation</b>	<b>81,9</b>
<b>Reported amount on identifiable net assets</b>	
Customer contract	17,7
Database	5,0
<b>Total intangible fixed assets</b>	<b>22,7</b>
Financial fixed assets	1,8
<b>Total financial assets</b>	<b>1,8</b>
Current receivables	14,5
Cash and cash equivalents	5,8
<b>Total current asset</b>	<b>20,3</b>
Deferred tax	4,9
<b>Total long-term leasing debt</b>	<b>4,9</b>
Current tax debt	1,2
Current liabilities and other debts	15,0
<b>Total short-term liabilities</b>	<b>16,2</b>
<b>Identifiable net assets</b>	<b>23,7</b>
Goodwill on acquisition	58,2
Transferred compensation cash and cash equivalents	29,7
Acquired cash and cash equivalents	5,8
<b>Net cash flow on acquisition</b>	<b>23,9</b>
<b>Specification Goodwill</b>	
Goodwill Dedicare AS (Norwegian operation)	6,6
Goodwill Dedicare A/S (prev. KonZenta ApS) per 200401	58,2
<i>accumulated exchange rate adjustment per 200930</i>	<i>-2,0</i>
Total goodwill Dedicare A/S (prev. KonZenta ApS)	56,2
<b>Total Goodwill per 2020-09-30</b>	<b>62,8</b>

## Performance measures

	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Operating margin, %*	6,2%	5,7%	4,9%	5,0%	4,5%
Profit margin, %	7,2%	5,5%	5,2%	4,8%	4,4%
Equity/assets ratio, %	33,8%	38,0%	33,8%	38,0%	38,9%
Equity per share, SEK	13,54	9,89	13,54	9,89	10,28
Cash flow from current operations per share	0,71	0,21	3,63	1,65	5,19
Number of annual employees, average**	696	648	638	641	629
Revenue per employee, SEK thousand	360	326	1000	922	1234
Profit per share - basic, SEK	1,49	0,88	2,60	2,42	2,92
Share price at end of period	36,9	46,0	36,9	46,0	40,9
Average number of shares	9 395 397	9 055 406	9 395 397	9 055 406	9 055 406
Number of outstanding shares	9 395 397	9 055 406	9 395 397	9 055 406	9 055 406

\*Operating profit includes acquisition costs of SEK 2.5 million and an allocation for employer contributions of SEK 3.9 million. Adjusted for these non-recurring items the operating margin accumulates for the period January - September amounts to 5.9%.

\*\* The number of employees includes our sub-consultants. During the period January - September these amounted to 110 persons (100).

## Reconciliation alternative performance measures

Dedicare uses Alternative Performance Measures (APM). From 3 July 2016 new guidelines were introduced in the EU for alternative performance measures, which Dedicare applies. Dedicare's alternative performance measures are calculated for the financial reports that are prepared in accordance with the applicable rules for financial reporting. The performance measures that are presented below are not in accordance with IFRS but are intended to make it easier for stakeholders to analyse results and the financial structure.

## Return on equity

	July-Sep 2020	July-Sep 2019	July-Sep △	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep △	Jan-Dec 2019
Profit for the period	14,0	8,0	6,0	24,4	22,0	2,4	26,4
Average equity	121,3	83,4	37,9	107,2	92,9	14,3	94,8
<b>Return on equity</b>	<b>11,5%</b>	<b>9,5%</b>	<b>2,0%</b>	<b>22,8%</b>	<b>23,6%</b>	<b>-0,9%</b>	<b>27,9%</b>

## Return on total capital

	July-Sep 2020	July-Sep 2019	July-Sep △	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep △	Jan-Dec 2019
Profit after financial items	18,0	11,7	6,3	32,9	28,7	4,2	34,4
Average total capital	367,4	227,7	139,6	300,8	230,6	70,2	232,3
<b>Return on total capital</b>	<b>4,9%</b>	<b>5,1%</b>	<b>-0,3%</b>	<b>10,9%</b>	<b>12,4%</b>	<b>-1,5%</b>	<b>14,8%</b>

Definitions is founded on page 21.

## The Parent Company

Overall Group management, financial management and IT management are carried out in the Parent Company. The Parent Company has a commissioner agreement with a Swedish subsidiary, which means that the results of the subsidiary's operations are recognized in the Parent Company. The revenue for the period January – September 2020 amounted to SEK 292.4 million (354.7) and the profit after financial items amounted to SEK 12.3 million (1.4).

## Parent Company's summary statement of comprehensive income

SEK million	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating profit</b>	<b>96,4</b>	<b>110,6</b>	<b>292,4</b>	<b>354,7</b>	<b>457,7</b>
Employee benefit expenses	-51,7	-60,0	-155,3	-196,5	-250,0
Purchased services	-37,8	-41,8	-117,9	-129,4	-174,6
Other operating expenses	-8,1	-6,6	-17,9	-21,6	-28,3
Depreciation of fixed assets	-0,4	-0,4	-1,1	-1,0	-1,3
<b>Operating profit</b>	<b>-1,6</b>	<b>1,7</b>	<b>0,2</b>	<b>6,2</b>	<b>3,5</b>
Profit from participations in Group companies	0,0	0,0	0,0	0,0	24,9
Other financial items	-0,3	0,8	12,1	-4,8	-3,1
<b>Profit after financial items</b>	<b>-1,9</b>	<b>2,5</b>	<b>12,3</b>	<b>1,4</b>	<b>25,3</b>
Appropriations	0,0	0,0	0,0	0,0	0,8
Income taxes	0,1	-0,3	-1,7	-0,3	-0,5
<b>Profit for the period</b>	<b>-1,8</b>	<b>2,2</b>	<b>10,6</b>	<b>1,1</b>	<b>25,6</b>
<b>Other comprehensive income</b>					
<i>Items that may be classified to the profit</i>					
Currency differences	0,0	-0,1		-0,1	-0,1
<b>Total comprehensive income for the period</b>	<b>-1,8</b>	<b>2,1</b>	<b>10,6</b>	<b>1,0</b>	<b>25,5</b>

## Parent Company's summary balance sheet

SEK million	2020-09-30	2019-09-30	2019-12-31
<b>Assets</b>			
Shares in subsidiaries	103,8	21,0	21,6
Other fixed assets	5,0	5,1	5,0
Other financial assets	4,3	4,3	4,3
Current receivables	80,9	96,9	89,2
Cash and cash equivalents	79,0	25,3	54,9
<b>Total assets</b>	<b>272,9</b>	<b>152,6</b>	<b>175,2</b>
<b>Equity and liabilities</b>			
Equity	67,3	17,0	41,5
Provision	36,0	0,0	0,0
Long-term reserves	31,9	0,0	0,0
Untaxed reserves	48,7	49,6	48,7
Current liabilities	89,1	86,0	84,8
<b>Total equity and liabilities</b>	<b>272,9</b>	<b>152,6</b>	<b>175,2</b>

## Parent Company's summary change in equity

SEK million	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Equity at beginning of period</b>	<b>41,5</b>	<b>52,2</b>	<b>52,2</b>
Profit for the period	10,6	1,1	25,6
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit</i>			
Currency differences	0,0	-0,1	-0,1
<b>Transactions with owners</b>			
Issue in business combination	15,2	-	-
Dividend	0,0	-36,2	-36,2
<b>Equity at end of period</b>	<b>67,3</b>	<b>17,0</b>	<b>41,5</b>

## Accounting principles

The consolidated accounts for Dedicare have been prepared in accordance with the International Financial Reporting Standards (IFRS).

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities.

The accounting principles and calculation methods applied for the Group and the Parent Company are the same as the accounting principles and calculation methods used when preparing the most recent Annual Report. New or revised IFRS and IFRIC interpretative statements with effect from 1 January 2020 have had no essential impact on Dedicare's financial reports.

## Definitions

### Profit after financial items

Operating profit including financial revenue, deducting financial expenses.

### Revenue per employee

Operating revenue divided by the average number of employees. The average number of employees is calculated by taking the total number of hours worked during the period, divided by the standard working hours for a full-time employee. The number of employees includes our sub-consultants.

### Number of employees, average

The total number of hours worked during the period, divided by the standard working hours

for a full-time employee. The number of employees includes our sub-consultants.

### Return on equity

Profit for the period divided by average equity.

### Return on total capital

Profit after financial items plus financial costs divided by the average capital employed.

### Profit per share – basic

The profit for the period divided by the average number of shares.

### Operating margin

Operating profit as a percentage of operating revenue.

**Average equity**

The average of equity per quarter end.

**Solidity**

Equity including minority interests as a percentage of total capital.

**Profit margin**

Profit after financial items as a percentage of operating revenue.

## Calendar for financial information

9 February 2021

22 April 2021

Year-end report 2020

Annual General Meeting 2020

Stockholm 23 October 2020

Krister Widström

Group President and CEO

The report has been signed by the Group President and CEO after authorization from the Board.

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# Report on Review of Interim Financial Information

To board of Dedicare AB (publ)  
Organizational number 556516-1501

## **Introduction**

We have reviewed the interim financial information of Dedicare AB (publ) as of September 30, 2020 and the nine-month period then ended. The Board and the CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the group in accordance with IAS 34 and the Annual Accounts Act, and regarding the parent company in accordance with the Annual Accounts Act.

Stockholm October 23, 2020  
Grant Thornton Sweden AB

Mia Rutenius  
Authorized Public Accountant