



DEDICARE

Year End Report

1 January – 31 December 2020

DEDICARE

”Strong end to the year, increased revenue and profit during the fourth quarter”

Period 1 October – 31 December

- Operating revenue SEK 247.1 million (185.1)
- Operating profit SEK 12.5 million (5.9), Operating profit adjusted for non-recurring items amounted to SEK 13.1 million
- Operating margin 5.1 percent (3.2), Operating margin adjusted for non-recurring items amounted to SEK 5.3 percent
- Profit after financial items SEK 14.8 million (5.7)
- Profit for the period SEK 11.7 million (4.5)
- Cash flow from current operations SEK 6.1 million (32.3)
- Cash flow from current operations per share SEK 0.65 (3.57)
- Earnings per share SEK 1.25 (0.49)
- Equity per share SEK 14.41 (10.28)
- Return on equity 9.7 percent (4.9)

Period 1 January – 31 December

- Operating revenue SEK 885.2 million (776.0)
- Operating profit SEK 43.9 million (35.3), Operating profit adjusted for non-recurring items amounted to SEK 50.8 million
- Operating margin 5.0 percent (4.5), Operating margin adjusted for non-recurring items amounted to 5.7 percent
- Profit after financial items SEK 47.6 million (34.4)
- Profit for the period SEK 36.1 million (26.4)
- Cash flow from current operations SEK 40.1 million (47.0)
- Cash flow from current operations per share SEK 4.27 (5.19)
- Earnings per share SEK 3.85 (2.92)
- Equity per share SEK 14.41 (10.28)
- Return on equity 32.0 percent (27.9)

DIVIDEND 2021

The board of Dedicare have proposed a dividend of SEK 2.5 per share (0.00), corresponding to SEK 23.5 million (0.0). The distribution policy of the group is that the yearly dividend shall amount at least 50 percent of the net profit during a business cycle. Proposed dividend corresponds to 86 percent of the yearly net profit. Dedicare’s solidity amounts after proposed dividend to SEK 32.9 percent, which exceeds the company’s long-term goal of 30 percent.

The CEO's statement

The Group's revenue during the fourth quarter amounted to SEK 247.1 million, which is an increase by 33.5 percent compared to the same period 2019. The increase in revenue is entirely attributed to growth in the Norwegian operations and the acquisition of Dedicare A/S (previously KonZenta Aps). Operating profit amounted to SEK 12.5 million compared to SEK 5.9 million in 2019, which is an increase with 118.6 percent. Operating margin improved and amounted to SEK 5.1 percent (3.2).

Sweden

Revenue in Sweden decreased by 8.6 percent during the fourth quarter. The decrease is mainly attributed to staffing of doctors, as a result of cancellations when planned care has been postponed during the ongoing pandemic. Demand for staffing of nurses has remained high, but the high sick leave rate has had a negative impact on the business. Within staffing of social workers we can see a trend break with both increased gross sales and profitability. Overall, the market in Sweden is still under pressure regarding margins.

Norway

The business in Norway continues to grow rapidly both regarding revenue and operating profit. The revenue increased by 42.3 percent and the profit increased by 67.8 percent during the fourth quarter. In Norway the demand for health care personnel has also been high, but the challenge with e.g. quarantine for consultants from other nordic countries has affected the business. During the period, Dedicare has won a new framework agreement with all hospitals in Norway regarding staffing of doctors, an agreement that is valid for four years starting the first of February 2021.

Denmark

In Denmark the revenue increased for the quarter to SEK 36.8 million (0.1). The increase is entirely attributed to the acquisition of Dedicare A/S (previously KonZenta Aps). The Danish business has been affected by restrictions, same as the Norwegian business, which has created some challenges during the fourth quarter. Planned care has been postponed even in Denmark, which has had a negative impact on the demand for doctors.

During the fourth quarter and the full year 2020, Covid-19 has had both positive and negative effects on the operations. During the year, Dedicare has received approximately SEK 4 million in government contribution related to support packages for companies regarding Covid-19. Dedicare's assessment is that the government contributions only covered part of the costs the company had for e.g. increased sick leave in relation to the pandemic.

We are proud to have contributed to Médecins Sans Frontières and Icare's operations during the year. The last mentioned organisation helps people in Nepal regain their sight, and more than 100 people have regained their sight thanks to donations from Dedicare's operations.



Krister Widström
Group President and CEO

Financial information

October-December 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 (previously 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 8.6 percent to SEK 95.0 million (104.0). The decreased revenue for the Swedish business is mainly attributed to staffing of doctors. The so-called second wave of Covid-19 has led to continued postponed care with cancellations as a result. The demand for staffing of nurses has remained high, especially within intensive care (ICU), but high sick leave rates have had a negative impact on the business.

In Norway, the revenue increased for the period by 42.3 percent to SEK 115.3 million (81.0). The revenue in Norway increased in all business areas, the demand for staffing of doctors has increased during the ongoing pandemic.

The Norwegian operations have continued to be negatively effected by travel restrictions and quarantine rules during the fourth quarter as well, mainly within staffing of nurses.

In Denmark the revenue increased for the quarter to SEK 36.8 million (0.1). 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 12.5 million (5.9), with an operating margin of 5.1 percent (3.2). The increased operating margin is mainly attributed to the Norwegian and Danish business. Operating profit adjusted for non recurring items amounted to SEK 13.1 million with an operating profit of 5.3 percent. Non-recurring items of SEK 0.6 million during the period is attributed to further provision for the investigation of employer contribution.

Sweden's operating profit for the period amounted to SEK -4.9 million (-2.1), with an operating margin of

-5.2 percent (-2.1). 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 (previously KonZenta Aps).

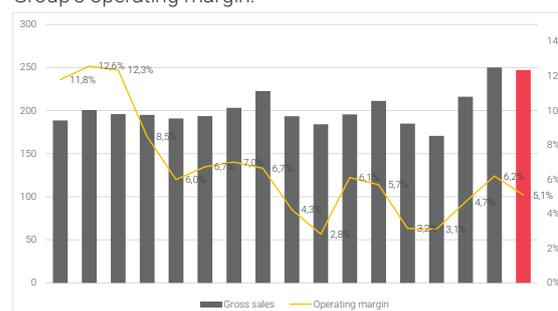
Norway's operating profit for the period amounted to SEK 14.6 million (8.7), with an operating margin of 12.7 percent (10.7). The improved profit is mainly attributed to the business growth. During the period, an additional provision of SEK 0.6 million related to the investigation of employer contribution was made, which had a negative effect on the profit.

Denmark's operating profit for the period amounted to SEK 2.8 million (-0.6), with an operating margin of 7.6 percent. The increase is entirely attributed to the acquisition of Dedicare A/S (previously KonZenta Aps), with admission 1 April 2020. 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 11.7 million (4.5).

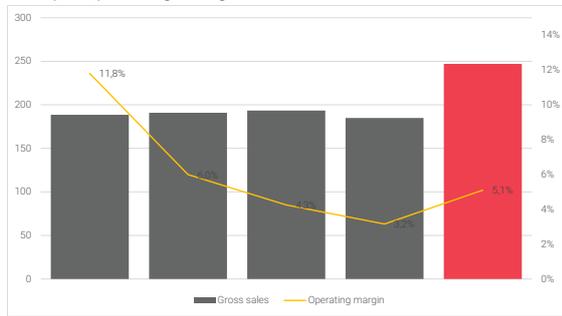
REVENUE AND OPERATING MARGIN PER QUARTER 2016-2020

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



REVENUE AND OPERATING MARGIN FOR THE FOURTH QUARTER 2016-2020

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



January-December 2020

Revenue

The Group's revenue for the period increased by 14.1 percent to SEK 885.2 million (776.0). The increase is mainly attributed to the acquisition of Dedicare A/S (previously KonZenta Aps) 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 15.4 percent to SEK 388.9 million (459.9). During the period the revenue decreased for the Swedish operation in staffing of doctors and social workers, but increased in staffing of nurses. 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. High sick leave rates in relation to Covid-19 have had a negative effect on the operations.

In Norway, the revenue increased for the period by 26.2 percent to SEK 397.4 million (314.9). 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 by lockdown due to Covid-19, but has during the later part of the third quarter been able to return to normal operations when the restrictions have eased.

In Denmark the revenue for the period amounted to SEK 98.9 million (1.2), which is mainly attributed to the staffing of doctors and the acquisition of Dedicare A/S (previously KonZenta Aps).

Profit

The Group's operating profit for the period amounted to SEK 43.8 million (35.3), with an operating margin of 5.0 percent (4.5). Operating profit adjusted for non-recurring items amounted to SEK 50.8 million, with an operating margin of 5.7 percent. Non-recurring items related to acquisition costs of SEK 2.5 million and provision for the investigation of employer contribution in Norway of SEK 4.5 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 (previously KonZenta Aps) and provision for the investigation of employer contribution in Norway.

During the full year 2020 Dedicare has received approximately SEK 4 million in government contribution related to support packages for companies regarding Covid-19. Dedicare's assessment is that the government contributions only covered part of the costs the company had for e.g. increased sick leave due to the pandemic.

Sweden's operating profit for the period amounted to SEK -8.4 million (4.1), with an operating margin of 2.2 percent (0.9). Operating profit adjusted for non-recurring items amounted to SEK -5.9 million, with an operating margin of -1.5 percent. Non-recurring items relate to acquisition costs of SEK 2.5 million in conjunction with the acquisition of Dedicare A/S (previously 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 (previously KonZenta Aps).

Norway's operating profit for the period increased to SEK 45.8 million (33.1), with an operating margin of 11.5 percent (10.5). Operating profit adjusted for non-recurring items amounted to SEK 50.3 million with an operating margin of 12.6 percent. Non-recurring items relates to provision for the investigation of employer contribution of SEK 4.5 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 6.4 million (-1.9), with an operating margin of 6.4 percent (-159.0). 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 36.1 million (26.4).

Financial position and liquidity

Liquidity

The Group's liquidity, per 31 December, amounted to SEK 100.3 million (62.7). The increased level of liquidity is partly attributed to the withdrawn dividends to shareholders during the period compared to last year.

Equity

Equity by the end of the period amounted to SEK 135.4 million (93.1), which is equivalent to SEK 14.41 (10.28) per outstanding share for the period January – December. 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 (previously 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 31 December amounted to 35.2 percent (38.9). The decreased solidity is attributed to an increased balance sheet total in connection to the acquisition of Dedicare A/S (previously KonZenta Aps). The solidity per 31 December adjusted for nonrecurring items amounted to 37.0 percent.

Cash flow

The cash flow from the operating activities amounted to SEK 40.1 million (47.0) for the period January – December. The decrease is mainly attributed to changes in current receivables and liabilities. In conjunction with the completion of the acquisition of Dedicare A/S (previously KonZenta Aps), Dedicare has 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 has been signed for the purpose of partly finance the acquisition.

Investments

Dedicare has acquired the Danish company Dedicare A/S (previously 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 – December. For more information, see note 2 Business acquisitions. In addition, investments were made in tangible and intangible fixed assets during the period January – December amounting to SEK 2.5 million (1.7). The investments in intangible fixed assets refer to investments in a new reporting tool. The investments in 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 (previously KonZenta Aps, corporate registration number 36 42 03 40). Dedicare A/S (previously 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 (previously KonZenta Aps) is consolidated into the Dedicare Group as of the second quarter 2020. During the period April – December the company generated a revenue of SEK 98.7 million and reported a profit after taxes of SEK 5.7 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 (previously 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 (previously KonZenta Aps). The shares were subscribed by the sellers of 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 (previously

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 (previously KonZenta Aps), Dedicare has 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 has been signed for the purpose of partly financing 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 impact on the business. During the fourth quarter, the so-called second wave has entailed challenges in terms of e.g. travel restrictions and high sick leave rate.

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 and fourth quarter of SEK 4.5 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 and the investigation continues.

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

Dedicare has won a new framework agreement with all hospitals in Norway regarding staffing of doctors. The framework agreement is valid for four years starting on the first of February 2021.

Events after the period

As of 1 January, Jessica Alarik assumed the post as new business manager for the Recruitment area in Sweden.

Other information

Employees

The average number of employees, calculated as full-time equivalents, for the period January – December amounted to 678 persons (629). In this number sub-consultants are included, which for the period January – December amounted to 118 persons (101).

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 2019.¹⁾ 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. Statistics for the second half-year 2020 are expected to be available during the first quarter 2021.

According to figures from the industry's main organization (NHO), the hiring of health care personnel in Norway increased by 1.5 percent during the third quarter 2020 compared with the third quarter 2019. Between 2013 and 2018, the market has no growth, but in 2019 growth was the highest ever.²⁾ Statistics for the fourth 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 of 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 23.8 percent (26.4) of Dedicare Sweden's revenue for the period January - December 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 Öst, accounting for approximately 13 percent (13.9) of Dedicare Norway's total revenue for the period January - December 2020. In Dedicare Denmark, during the period April – December 2020, the largest customer is Region Nordjylland, which accounts for approximately 23.0 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

¹⁾ SKR: Bemanningstrend för inhyrd personal i hälso- och sjukvård halvår 1 2020

²⁾ NHO: Statistikk fra bemanningsbransjen

can have a major negative impact on Group sales and profitability, at least temporarily.

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 - December 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 fourth quarter 2020 the operating margin amounted to 5.1 percent and for the period January – December 2020 amounted to 5.7 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 31 December 2020, the solidity amounted to 35.2 percent and 37.0 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. For the financial year 2020, a dividend of 86 percent of the net result is proposed.

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 three offices in Sweden (Stockholm, Gothenburg 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	Oct-Dec 2020	Oct-Dec 2019	Jan-dec 2020	Jan-dec 2019	Jan-Dec 2019
Operating revenue	1	247,1	185,1	885,2	776,0	776,0
Employee benefit expenses		-149,8	-113,4	-542,9	-477,6	-477,6
Purchased services		-62,5	-48,4	-216,7	-194,4	-194,4
Other operating expenses		-18,5	-15,6	-70,2	-62,2	-62,2
Depreciation of fixed assets		-3,8	-1,7	-11,5	-6,4	-6,4
Operating profit*	1	12,5	5,9	43,9	35,3	35,3
Financial items		2,2	-0,2	3,7	-0,9	-0,9
Profit after financial items		14,8	5,7	47,6	34,4	34,4
Income taxes		-3,0	-1,3	-11,5	-7,9	-7,9
Profit for the period		11,7	4,5	36,1	26,4	26,4
Of which attributable to:						
Parent Company's shareholders		11,7	4,5	36,1	26,4	26,4
Other comprehensive income						
<i>Items that may be classified to profit</i>						
Currency differences		-3,5	-0,9	-8,9	0,5	0,5
Total comprehensive income for the period		8,2	3,6	27,2	26,9	26,9
Of which attributable to:						
Parent Company's shareholders		8,2	3,6	27,2	26,9	26,9
Earnings per share, SEK		1,25	0,49	3,85	2,92	2,92

* Operating profit includes acquisition costs of SEK 2.5 million and a provision for employer contributions of SEK 4.5 million, of which SEK 0.6 million refers to fourth quarter. Adjusted for these nonrecurring items the operating revenue accumulated for the period January - December 2020 to SEK 50.8 million.

Summary consolidated statement of financial position

SEK million	note	2020-12-31	2019-12-31	2019-12-31
Assets				
Goodwill	2	60,2	7,3	7,3
Customer contract	2	12,8	0,0	0,0
Database	2	4,2	0,0	0,0
Other intangible assets		4,2	2,9	2,9
Tangible fixed assets		1,9	2,6	2,6
Right-of-use assets		11,9	14,4	14,4
Deferred tax assets		1,5	0,0	0,0
Other financial assets		4,3	4,3	4,3
Current receivables		183,3	145,0	145,0
Cash and cash equivalents		100,3	62,7	62,7
Assets intended for sale				
Total assets		384,6	239,2	239,2
Equity and liabilities				
Equity		135,4	93,1	93,1
Provisions		38,9	0,0	0,0
Long-term leasing debt		28,3	10,2	10,2
Untaxed reserves		14,0	10,7	10,7
Current tax debt		10,0	7,5	7,5
Current liabilities		157,9	117,7	117,7
Total equity and liabilities		384,6	239,2	239,2

Summary consolidated change in equity

SEK million	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2019
Equity at beginning of period	93,1	102,4	102,4
Profit for the period	36,1	26,4	26,4
Other comprehensive income			
<i>Items that may be reclassified to profit</i>			
Currency differences	-8,9	0,5	0,5
Transactions with shareholders			
Issue in business combination	15,2	-	-
Dividend	0,0	-36,2	-36,2
Equity at end of period	135,4	93,1	93,1

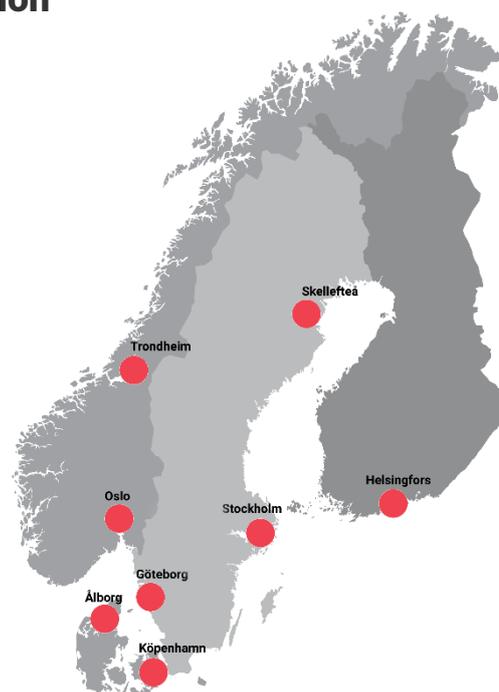
Summary consolidated cash flow statement

SEK million	note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating activities					
Cash flow from operating activities before changes in working capital		14,7	3,5	43,8	24,8
Changes in working capital		-8,6	28,8	-3,6	22,2
Cash flow operating activities		6,1	32,3	40,1	47,0
Investing activities					
Acquisition of subsidiaries	2	0,0	-	-23,9	-
Acquisition of tangible and intangible fixed assets		-1,0	-0,3	-2,5	-1,7
Cash flow from investing activities		-1,0	-0,3	-26,4	-1,7
Financial activities					
Amortization of lease debt		-1,6	-1,2	-6,1	-4,9
Borrowings		0,0	-	37,1	-
Amortization loan		-1,7	-	-5,2	-
Dividend paid		0,0	0,0	0,0	-36,2
Cash flow from financial activities		-3,3	-1,2	25,8	-41,1
Cash flow for the period		1,8	30,8	39,5	4,1
Cash and cash equivalents at beginning of period		99,6	32,3	62,7	58,2
Currency differences in cash and cash equivalents		-1,1	-0,4	-1,8	0,4
Cash and cash equivalents at end of period		100,3	62,7	100,4	62,7

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 Oct-Dec 2020	Private Oct-Dec 2020	Total Oct-Dec 2020	Public Oct-Dec 2019	Private Oct-Dec 2019	Total Oct-Dec 2019
Sweden	85,3	9,7	95,0	92,4	11,6	104,0
Norway	107,3	8,0	115,3	75,1	5,9	81,0
Denmark	35,0	1,8	36,8	0,1	0,0	0,1

Allocation net revenue SEK million	Public Jan-Dec 2020	Private Jan-Dec 2020	Total Jan-Dec 2020	Public Jan-Dec 2019	Private Jan-Dec 2019	Total Jan-Dec 2019
Sweden	353,7	35,2	388,9	401,2	58,7	459,9
Norway	369,9	27,5	397,4	292,9	22,0	314,9
Denmark	90,6	8,4	98,9	1,2	0,0	1,2

DEDICARE

Sweden

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEK million				
Operating revenue	95,0	104,0	388,9	459,9
Operating profit*	-4,9	-2,1	-8,4	4,1
Financial items **	2,3	27,8	8,9	-2,7
Profit after financial items	-2,6	25,7	0,5	1,4
Profit margin, %	-5,2%	-2,1%	-2,2%	0,9%
Average number of employees	278	285	277	323
Revenue per employee, SEK thousand	342	364	1 405	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 – December to SEK -5.9 million.

** Adjustments for obtained dividends are made in the segment in the previous year's figures.

Norway

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEK million				
Operating revenue	115,3	81,0	397,4	314,9
Operating profit*	14,6	8,7	45,8	33,1
Financial items **	-0,2	-28,0	-5,4	1,9
Profit after financial items	14,4	-19,4	40,4	35,0
Profit margin, %	12,7%	10,7%	11,5%	10,5%
Average number of employees	401	285	354	286
Revenue per employee, SEK thousand	287	284	1 121	1 103

* The accumulated operating profit includes a provision for employer contributions of SEK 4.5 million, whereof SEK 0.6 million refers to fourth quarter. Adjusted for this non-recurring item the operating revenue for the fourth quarter amounted to SEK 15.2 million and accumulates for the period January – December to SEK 50.3 million.

** Adjustments for obtained dividends are made in the segment in the previous year's figures.

Denmark *

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEK million				
Operating revenue	36,8	0,1	98,9	1,2
Operating profit	2,8	-0,6	6,4	-1,9
Financial items	0,1	0,0	0,2	0,0
Profit after financial items	2,9	-0,7	6,6	-1,9
Profit margin, %	7,6%	-1004,9%	6,5%	-159,0%
Average number of employees	69	4	47	2
Revenue per employee, SEK thousand	534	15	2 098	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	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEK million				
Profit after financial items	14,7	5,7	47,6	34,4

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 (previously 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 (previously 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 were 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 of 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 31 December, 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 2.45 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 (previously KonZenta Aps) contribution to the Groups earnings

The profit for the period amounted to SEK 5.7 million for the period 1 April 2020 to 31 December 2020. The revenue for the same period amounted to SEK 98.7 million.

DEDICARE

If Dedicare A/S (previously Konzenta ApS) had been acquired 1 January 2020, the Group's revenue for the period until 31 December would have amounted to SEK 914.6 million, and the periods profit would have increased with SEK 1.3 million.

The details of the business acquisition are as follows:

Real value of transferred compensation	
Amount settled in cash	29,7
Issued shares	15,2
Contingent purchase price	37,0
Total real value of transferred compensation	81,9
Reported amount on identifiable net assets	
Customer contract	17,7
Database	5,0
Total intangible fixed assets	22,7
Financial fixed assets	1,8
Total financial assets	1,8
Current receivables	14,5
Cash and cash equivalents	5,8
Total current asset	20,3
Deferred tax	4,9
Total long-term leasing debt	4,9
Current tax debt	1,2
Current liabilities and other debts	15,0
Total short-term liabilities	16,2
Identifiable net assets	23,7
Goodwill on acquisition	58,2
Transferred compensation cash and cash equivalents	29,7
Acquired cash and cash equivalents	5,8
Net cash flow on acquisition	23,9

Specification Goodwill

Goodwill Dedicare AS (Norwegian operation)	6,6
Goodwill Dedicare A/S (prev. KonZenta ApS) per 200401	58,2
<i>accumulated exchange rate adjustment per 201231</i>	-4,6
Total goodwill Dedicare A/S (prev. KonZenta ApS)	53,6
Total Goodwill per 2020-12-31	60,2

Performance measures

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating margin, %*	5,1%	3,2%	5,0%	4,5%
Profit margin, %	6,0%	3,1%	5,4%	4,4%
Equity/assets ratio, %	35,2%	38,9%	35,2%	38,9%
Equity per share, SEK	14,41	10,28	14,41	10,28
Cash flow from current operations per share	0,65	3,57	4,27	5,19
Number of annual employees, average**	748	590	678	629
Revenue per employee, SEK thousand	331	313	1305	1234
Profit per share - basic, SEK	1,25	0,49	3,85	2,92
Share price at end of period	38,1	40,9	38,1	40,9
Average number of shares	9 395 397	9 055 406	9 395 397	9 055 406
Number of outstanding shares	9 395 397	9 055 406	9 395 397	9 055 406

* *Operating profit includes acquisition costs of SEK 2.5 million and an allocation for employer contributions of SEK 4.5 million. Adjusted for these non-recurring items the operating margin accumulates for the period January - December amounts to 5.7%.

** The number of employees includes our sub-consultants. During the period January - December these amounted to 118 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

	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec △	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec △
Profit for the period	11,7	4,5	7,2	36,1	26,4	9,7
Average equity	121,3	91,3	30,0	112,8	94,8	18,0
Return on equity	9,7%	4,9%	4,8%	32,0%	27,9%	4,1%

Return on total capital

	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec △	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec △
Profit after financial items	14,8	5,7	9,1	47,6	34,4	13,2
Average total capital	367,9	237,4	130,5	317,7	232,3	85,4
Return on total capital	4,0%	2,4%	1,6%	15,0%	14,8%	0,2%

Definitions are found on page 21-22.

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 – December 2020 amounted to SEK 292.4 million (457.8) and the profit after financial items amounted to SEK 12.3 million (25.3).

Parent Company's summary statement of comprehensive income

SEK million	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating profit	94,6	103,0	387,06	457,7
Employee benefit expenses	-49,8	-53,6	-205,2	-250,0
Purchased services	-41,7	-45,2	-159,6	-174,6
Other operating expenses	-5,6	-6,7	-23,5	-28,3
Depreciation of fixed assets	-0,4	-0,4	-1,5	-1,3
Operating profit	-2,9	-2,9	-2,7	3,5
Profit from participations in Group companies	31,1	24,9	31,1	24,9
Other financial items	-1,5	1,6	10,5	-3,1
Profit after financial items	26,7	23,7	39,0	25,3
Appropriations	1,7	0,8	1,7	0,8
Income taxes	-0,5	-0,2	-2,2	-0,5
Profit for the period	27,9	24,3	38,5	25,6
Other comprehensive income				
<i>Items that may be classified to the profit</i>				
Currency differences	0,0	0,0		-0,1
Total comprehensive income for the period	27,9	24,3	38,5	25,5

Parent Company's summary balance sheet

SEK million	2020-12-31	2019-12-31
Assets		
Shares in subsidiaries	104,0	21,6
Other fixed assets	5,6	5,0
Other financial assets	4,3	4,3
Current receivables	79,6	89,2
Cash and cash equivalents	82,5	54,9
Total assets	276,0	175,2
Equity and liabilities		
Equity	95,2	41,5
Provision	34,4	0,0
Long-term reserves	21,9	0,0
Untaxed reserves	47,0	48,7
Current liabilities	77,5	84,8
Total equity and liabilities	276,0	175,2

Parent Company's summary change in equity

SEK million	Jan-Dec 2020	Jan-Dec 2019
Equity at beginning of period	41,5	52,2
Profit for the period	38,5	25,6
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences	0,0	-0,1
Transactions with owners		
Issue in business combination	15,2	-
Dividend	0,0	-36,2
Equity at end of period	95,2	41,5

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 fulltime 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.

DEDICARE

Average equity

The average of equity per quarter end.

Solidity

Equity including minority interests as a percentage of total capital.

Solidity adjusted for non-recurring items

Equity including minority interest, adjusted for non-recurring items regarding acquisition cost and provision for employer contribution, as a percentage of total capital.

Profit margin

Profit after financial items as a percentage of operating revenue.

Calendar for financial information

10 March 2021	Annual report is published on the company's website
22 April 2021	Annual General Meeting 2020
22 April 2021	Interim report January-March 2021
15 July 2021	Interim report April-June 2021
21 October 2021	Interim report July-September 2021
10 February 2022	Year-end report January-December 2021

Stockholm 9 February 2021

Krister Widström
Group President and CEO

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

Audit

This report has not been audited by the company's auditors, Grant Thornton Sweden AB.

For more information, please contact:

Krister Widström, Group President and CEO, tel. +46(0)70-526 79 91

Johanna Eriksson, CFO, tel +46(0)70-896 40 10

Dedicare AB (publ)

Corporate identity number: 556516-1501

Ringvägen 100, entrance E, 10 fl.

SE-118 60 Stockholm, Sweden

T: +46(0)8-555 656 00