

A photograph of two healthcare professionals in a clinical setting. In the foreground, a woman with blonde hair tied back, wearing white scrubs, is smiling and looking towards the right. She has a name tag that says "LÄKARE" (Doctor) and a pen in her pocket. In the background, another person wearing blue scrubs and glasses is partially visible, gesturing with their hands. The setting appears to be a hospital or clinic with medical equipment and a clean, bright environment.

# DEDICARE

## Annual Report 2019

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**BUSINESS CONCEPT**

“Dedicare will provide the market with the skills that temporarily or permanently satisfy the need for qualified healthcare and social work staff at the best price.”

**MISSION**

“Dedicare will make a responsible and sustainable contribution to human health, development and quality of life.”

**VISION**

“In time, Dedicare’s overall vision is to grow through acquisitions and organically, and become one of Europe’s leading staffing providers in healthcare and social work.”

# About Dedicare

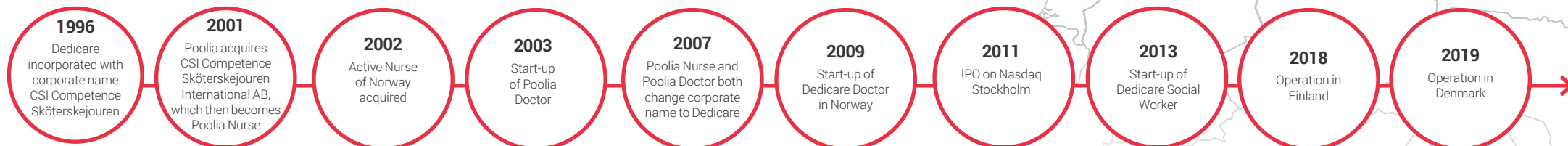
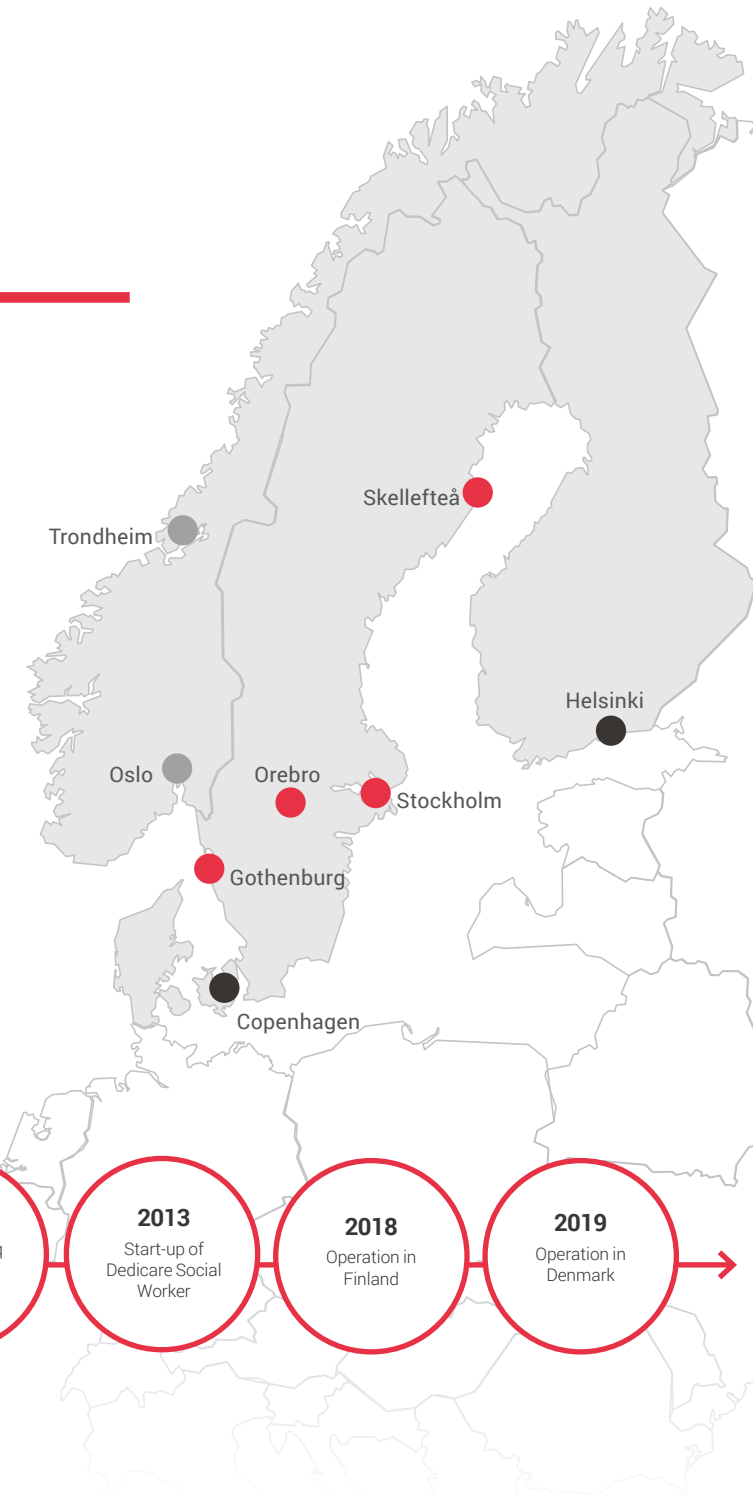
Dedicare is one of the largest staffing and recruitment companies in healthcare and social work in the Nordic region, with operations in Sweden, Norway, Finland and Denmark. We provide doctors, nurses, social workers and preschool staff on an agency basis and by recruitment. We have customers in the public and private sectors.

Dedicare has been operational since 1996, and had its initial public offering on Nasdaq Stockholm in May 2011. Dedicare is what is known as an authorised staffing and recruitment agency, which has implications including it having collective bargaining agreements in place for all employees.

## Sales by segment

- Sweden, **59.2%**
- Norway, **40.6%**
- New Markets\*, **0.2%**

\*Denmark and Finland



# The year in brief

- **Revenue** was SEK 776.0 million (812.0), a 4.4% decrease. The Norwegian operation had high growth of 21.5%, but revenues in Sweden were down by 16.9%. The reason for the reduced revenue in Sweden relates to the social workers staffing market.
- **The group's operating profit** was SEK 35.3 million (50.2). The operating profit of the Norwegian operation was SEK 33.1 million, a 48.0% increase. The operating profit of the Swedish operation was SEK 5.75, a 79.8% decrease. The poorer profit in Sweden is primarily due to increased competition on this market, but also higher salary levels and price pressure in customer contracts.
- **The operating margin** was 4.5% (6.2).
- **The group's equity/assets ratio** was 38.9% (47.4). The reason for the lower equity/assets ratio is reduced operating profit and the transition to IFRS 16 leases, which meant total assets increasing by SEK 14.6 million at the end of the financial year.
- **The group had 629 employees**, of which 99% are in Sweden and Norway.
- **The proposed dividend per share** is SEK 2.60 (4.00). Total dividend is SEK 23.5 million, or 89% of net profit for the year.

## Significant events after the end of the period

- Lena Anderberg was hired as new Business Area Manager for doctor staffing in Sweden. She took up her position in February 2020.
- An Extraordinary General Meeting (EGM) on 23 January 2020 elected Madeleine Malmqvist Raukas as a new member of Dedicare's Board of Directors, and resolved to authorise the Board to decide on new issues of class B shares on one or more occasions until the following AGM, with or without preferential rights for shareholders.
- On 5 March 2020, Dedicare signed a purchase agreement on 100% of the shares of Danish staffing company KonZenta Aps (corporate ID no. 36 42 03 40). KonZenta is a provider of healthcare staffing to the Scandinavian care sector, focusing on specialists and senior physicians, with expected sales of some SEK 120 million for the split financial year 2019/20. Completion is scheduled for 1 April, and KonZenta will be consolidated into the Dedicare group effective the second quarter 2020. This acquisition brings a stronger platform into Denmark, which is consistent with Dedicare's growth strategy.

## Key indicators

	2019	2018	2017
Operating income, SEK 000	775,988	812,017	785,230
Profit for the year, SEK 000	26,435	38,234	60,078
Operating margin, %	4.5	6.2	9.9
Equity/assets ratio, %	38.9	47.4	47.0
No. of employees	629	658	632
Dividend, SEK	2.60	4.00	5.00

PROFIT FOR THE YEAR

**26,435**

SEK 000





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## Geographical expansion

Dedicare currently has a presence in Sweden, Norway, Denmark and Finland. Operations in Norway have enjoyed high growth in recent years, and Dedicare is capturing a growing share of the Norwegian market. Dedicare started operations in Denmark and Finland in 2019 as part of its continued expansion across the Nordics. Dedicare's objective is to be a pan-European player, mainly to be achieved through acquisitions.

## Drivers and challenges

A growing need for healthcare and social services is expected in the West, partly due to an ageing population, and partly because people are increasingly demanding fast access to healthcare and social services.

This progress is expected to create a demand for more personnel, a need that can be partly satisfied with agency staff.

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## Our staff

Dedicare conducted its yearly employee satisfaction survey in autumn 2019, achieving good results and high employee satisfaction.

The majority of our in-house colleagues have backgrounds in healthcare or social work, which has proved to be a success factor in understanding the needs of our customers and consultants.

# CEO's statement

"Dedicare maintains its investment in the Nordic market."



**Krister Widström**  
Chief Executive Officer

**2019 was** a mixed year. We made excellent progress in Norway in terms of turnover and earnings. But in Sweden, we faced a challenging year. Our New Markets, Finland and Denmark, got off to a slow start, but we secured a foothold in each country in the year. The group's turnover was down by 4.4% compared to 2018, and operating margin narrowed to 4.5% (6.2). Nevertheless, Dedicare has a strong financial position.

## **Sweden remains our largest market**

Sweden is our largest market, and according to Swedish local government organisation SKR, healthcare staffing was worth over SEK 5.5 billion in 2019. The growth on 2018 was 3.4%. Temporary healthcare staff are a very low share of total personnel expenses, and of the SEK 5.5 billion total, only 3.8% of total personnel expenses are in healthcare.<sup>1)</sup>

Reduced revenue and lower earnings in Sweden are still partly due to higher pay levels for consultants, and partly because the market for social worker staffing has contracted. In its interim reports in the year, Dedicare did report operating margins under pressure, where we think that the healthcare staffing sector overall did see profitability reduce in 2019. Stockholm County Council stopped recruiting and hiring in the fourth quarter, which had a negative impact on our business.

To improve our positioning in Sweden, we realigned towards high-margin business and upscaled our sales efforts.

<sup>1)</sup> SKR: staffing trend for contracted healthcare staff in 2019

<sup>2)</sup> NHO: staffing sector statistics

## **Operations in Norway growing**

Norway is our second largest market, and according to the Confederation of Norwegian Enterprise, NHO, healthcare staffing was worth some NOK 1.6 billion in 2019. This market saw growth of 13.0% on 2018.<sup>2)</sup> Our operations in Norway are in growth and we are winning market shares, which is really positive. Sales were up by 21.5%, and operating profit increased by 48.0%.

## **Start-ups on New Markets**

Our New Markets have not progressed at the rate we planned. Finland and Norway generated revenue of SEK 1.6 million and reduced year-2019 earnings by SEK -3.5 million. In Finland, operations mainly consisted of recruiting and hiring agency nurses for Norway and Sweden. The Danish operation progressed well until October 2019, when Zealand—Dedicare's main market—stopped hiring nurses.

Our acquisition of Danish staffing company KonZenta Aps in early-2020 brings us a stronger platform in Denmark. KonZenta Aps provides the Danish market with specialists and senior physicians. This acquisition is fully consistent with Dedicare's growth strategy and will further advance our positioning in the Nordic region. ▶



## Progress in the year

We created a new website in the year, which enables healthcare staff to search assignments Nordic-wide. We also intensified our social media marketing, increasing our access to new consultants.

The whole group transitioned to a new ERP and staffing system, enabling faster and more efficient matching of client enquiries to consultant availability. Many of our framework agreements operate on a 'first come first served' basis, which means that matching efficiency is a critical factor. Our business environment is putting a sharper focus on digitalisation, and to be relevant going forward, Dedicare started digitalisation efforts some time ago. In the year, we took actions to streamline our digital workspace and optimise our IT operations and processes.

The latest events relating to Covid-19 (Corona) have caused uncertainty in our business environment. Dedicare is following developments relating to Covid-19 (Corona) and continuously analysing the potential impact on its operations. At present, any effects are hard to assess. ■

Krister Widström  
Chief Executive Officer

"Our staff feel real commitment to their assignment of promoting people's health and quality of life."



# Healthcare staffing

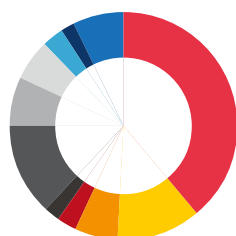
**Dedicare is one of the largest staffing and recruitment providers in healthcare and social work in the Nordic region, with operations in Sweden, Norway, Finland and Denmark. Dedicare provides the private and public sectors with doctors, nurses, social workers and preschool staff.**

## The staffing market

A growing need for healthcare and social services is expected in the West, partly due to an ageing population, and partly because people are increasingly demanding fast access to healthcare and social services.

## Healthcare staffing in Europe, largest markets<sup>1)</sup>

The value of healthcare staffing in Europe in 2018 was SEK 66 billion.



### Agency healthcare

- UK, 39%
- Netherlands, 12%
- Denmark, 6%
- Belgium, 3%
- Switzerland, 2%
- France, 13%
- Germany, 7%
- Sweden, 6%
- Ireland, 3%
- Italy, 2%
- Rest of Europe, 7%

## Sweden

Sweden is our largest market, and according to Swedish local government organisation SKR, healthcare staffing was worth over SEK 5.5 billion in 2019. The growth on 2018 was 3.4%. Temporary healthcare staff are a very low share of total personnel expenses, and of the SEK 5.5 billion total, only 3.8% of total personnel expenses are in healthcare.<sup>2)</sup>

The staffing market contribution to healthcare and social work has become more significant over recent years, with the sector having nearly 100 businesses, of which some 40 are authorised, which means they apply the sector's collective bargaining agreements.

Growth rates have slowed in recent years. Local government organisation SKR has produced a program of measures entitled "Independence from Agency Staff in Healthcare," that came into effect on 1 January 2019. Its aim is to reduce the

cost share of contracted staff compared to employed staff from 3.8% to 2%. Healthcare staff are also supplied to municipalities and private care providers. Social worker staffing is mainly for municipalities.

Dedicare estimates that some 50% of market turnover is from doctor staffing, some 30% from nurses, about 10% from social workers and some 5% from various other job categories. The market for contracted agency nurses expanded in the year, with agency doctors remaining unchanged, and social worker agency/staffing down on the previous year. The demand for social workers and contracted consultant social workers increased with the influx of refugees in 2015, expanding sharply in 2016 and 2017. In 2019, the market for social worker staffing continued to contract, as in 2018.

<sup>1)</sup> Source: <http://staffingindustry.com>

<sup>2)</sup> SKR: staffing trend for agency healthcare staff in 2019







## Norway

Norway is our second largest market, and according to the Confederation of Norwegian Enterprise, NHO, healthcare staffing was worth some NOK 1.6 billion in 2019.<sup>1)</sup> This market saw growth of 13.0% on 2018. In 2019, healthcare staffing made up some 8% of the total Norwegian staffing market. Although the markets saw no growth between 2013 and 2018, turnover on this market was the highest ever in 2019.<sup>1</sup> No statistics breaking down the Norwegian staffing market by job category are available. Dedicare estimates that some 25% of turnover relates to doctor staffing, some 60% to nurses and about 15% is divided between other job categories.

Dedicare estimates its share of the Norwegian staffing market at just over 16.5% in 2019. This market share increased on the previous year because Dedicare significantly outgrew the market.

<sup>1)</sup> NHO: staffing sector statistics

The Norwegian market has two parts:

### Framework agreements with hospital purchasing organisation Sykehusinnkjøp

All of Norway's hospitals are served by a single collective framework agreement with purchasing organisation Sykehusinnkjøp. The framework agreement for nurses was renegotiated in 2019, with Dedicare subject to a new agreement with Sykehusinnkjøp since 1 October 2019. Dedicare has framework agreements in all specialist fields and regions. These deals have a four-year term.

### Framework agreements with municipalities

Outside the large-scale framework agreement with Norway's hospitals, the second-biggest market participants are municipalities. This market features multiple large and small-scale framework agreements. The competitive position between the framework agreement with Sykehusinnkjøp and those with municipalities differs. This market has everything from specialist enterprises that only provide specialist nurses to those providing agency doctors exclusively.

Dedicare has been in high growth on the municipal market since 2009. Dedicare is the largest player in Norway active in healthcare staffing.



### New Markets

**Finland** is the smallest Nordic market in healthcare staffing. Primarily, doctor staffing has been established for many years. Usually, fairly recently qualified doctors work on a consulting basis for a few years. In Finland, nurse staffing is small-scale. Those Finnish nurses that want to work on a consulting basis usually go to Norway or Sweden.

The Finnish healthcare staffing sector is dominated by a handful of players. Recent years have seen consolidation, with many smaller staffing enterprises being acquired by the majors. What distinguishes Finland from other Nordic markets is that these businesses are often both care providers and staffing agencies.

In 2019, Dedicare attempted to start up doctor staffing in Finland, but has not yet secured a foothold. In tandem, we marketed Dedicare to Finnish nurses that want to work on a consulting basis in other Nordic countries. The number of Finnish nurses working in Sweden and Norway increased in 2019.

In the year, we created a Finnish website and upscaled our social media activities.

“The number of Finnish and Danish nurses working in Sweden and Norway increased in 2019.”

Dedicare started operations in **Denmark** on 1 February 2019. Its ambition was to secure a presence as a new player on the Danish market for nurse staffing for the public and private sectors, mainly in Copenhagen.

All nurse staffing in Denmark is through public tender, covering the nurse and doctor job categories. Contracts normally have two-year terms with extension options. Hospitals in the Copenhagen region do not use external nurse staffing providers, and on 1 October 2019, the Zealand regional health authority also took a political decision not to use external providers, which was extended to also cover Fyn.

Internal staffing functions have been created in the primary care sector, and the municipalities have become subject to stringent savings requirements in the healthcare sector. This has triggered concern within the public sector, because it puts employed staff under more pressure, who were already subject to a staff shortage. There are a few large, and variety of small, healthcare staffing providers in Denmark, with many of the smaller providers starting up and then closing

down quickly. Denmark’s major staffing agencies have framework agreements with hospitals and the primary care sector. They are all covered by the same agreements that also cover the smaller providers. The overall political objective is to use the current framework agreements that have price pressure, and then start up in-house staffing functions, thus compelling consultants to join them, instead of using external providers.

In 2019, these political decisions had a negative impact on operations. Nevertheless, Dedicare still has confidence in the Danish market and its acquisition of KonZenta in early-2020 provides a more stable platform.

De politiska besluten under 2019 har påverkat verksamheten negativt. Dedicare har dock fortsatt tro på den danska marknaden och förvärvet av KonZenta i början av 2020 ger en mer stabil plattform.

# Drivers and challenges

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## Demographic progress

Demographic progress indicating the share of older people (aged 65 and over) increasing in future is a collective driver of markets in the Nordic countries. The number of people aged over 79 will increase sharply, mainly in the period 2019–2030. Some one-half of the total number of care places are currently occupied by people aged over 65. As a consequence, community healthcare is forecast to expand in future, so older people can avoid hospital admissions for care and treatment. Apart from greater pressure on healthcare places, the demand

for specialist doctors and nurses is also expected to rise. This progress is expected to require more personnel, which can partly be addressed with the agency staff.

Another factor indicating continued positive market growth is people born in the 1940s and 1950s retiring. The care needs of this group are expected to result in a staff shortage in general medicine and specialist fields such as psychiatry and geriatric care. Large-scale retirements of doctors and nurses are also expected over the coming ten-year period.

## Changed conditions in healthcare

The combination of demographic progress with technological advances in medicine and the demand from patients and care consumers are expected to increase the total cost of health and medical care across society. In 2017, the costs of health and medical care in Sweden were 11.0%, compared to 8.2% in 1990. In a longer time-frame, health and medical care as a share of GDP has also increased.<sup>1)</sup>

This progress can be expected to apply pressure on public health and care providers to operate as cost-efficiently as possible.

Dedicare thinks that the potential for more flexible staffing solutions may become an important tool for operating costs-efficiently.

The growing need for health and social care is also expected to increase private providers' market shares (mainly within the publicly funded sector, but also in privately funded health and social care).

Simultaneous with the growing pressure on existing care places, Sweden's municipalities and regional health authorities are planning for a largely

unchanged healthcare employee base. There is a shortage of nurses and doctors across the whole Nordic region, which is expected to persist for the coming years. The need for staff is apparent in the Swedish Public Employment Service's shortage index indicating high demand for staff in these job categories.

## Competitors

### Dedicare's market position

Skills-based member companies of employers' organisation Almega estimate that nearly half of Sweden's healthcare staffing market consists of authorised companies. Dedicare is one of these authorised companies, which has implications including the company making pension provisions pursuant to collective bargaining agreements. Businesses that are not authorised are not required to comply with collective bargaining agreements. If they so wish, these companies can offer their employees higher salaries without pension provisions, or charge lower prices to customers, which can cause a competition imbalance.



<sup>1)</sup> Statistics Sweden: Healthcare Sector Accounts 2017



# Business model, strategies and objectives

## Business model

### Staffing

Dedicare's business model in staffing has two main aspects; firstly hiring staff and ensuring that they are skilled and qualified, and secondly identifying and satisfying the needs of care providers. In its staffing activities, Dedicare bears full employer responsibility while the customer (i.e. care provider) deals with operational management.

Dedicare maintains a database of all the company's available doctors, nurses, social workers and preschool staff. In this database, each consultant has an individual, detailed profile of their experience, skills and previous assignments. Consultants register their availability, and receive confirmation if an assignment becomes available. To maintain continuity for customers, the selection of candidates is mainly limited to those doctors, nurses, social workers and preschool staff who have been reserved on assignment by a specific customer through the booking system. Dedicare's consultant managers deal with matching and selling qualified staff to a specific care provider. The large

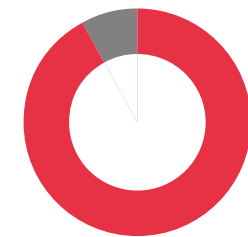


majority of consultant managers are qualified nurses or social workers, which means they can understand care provider needs and circumstances quickly.

To secure new assignments, Dedicare works actively, monitoring the progress of forthcoming tenders, and actively marketing to private sector care providers. The sales process to public sector care providers is through tenders, involving comparisons between competing companies. Often, price is an important factor in these comparisons, although staff skills, flexibility and support from the staffing company may also be important criteria.

Normally, publicly tendered assignments are through framework agreements with a two-year term, and maximum two-year extension. Usually, customers have framework agreements with several suppliers. Most of the assignments are staffed by professionals from Dedicare's database, who enter employment with Dedicare when a care provider activates an assignment, and only while the assignment is active. Many doctors work on a self-employed basis, and invoice Dedicare for their services.

"In 2019, municipalities and county councils generated 93% of Dedicare's revenues, and private health and social care providers 7%."



■ Municipalities and county councils, 93%  
■ Private sector care providers, 7%

# Strategies

## Staffing

In staffing, being able to offer customers the right skills at an attractive price quickly is critical. Accordingly, Dedicare summarises its strategy in the following points:

**The best price on the market:** Dedicare should always be able to offer the market's best price for its services. Because the market is largely covered by fixed-price and highly transparent framework agreements, a cost-efficient organisation with high productivity and economies of scale is necessary to secure a price advantage over competitors.

**High availability and service:** Dedicare should be able to offer customers fast response and appointment of consultants. This is enabled partly by Dedicare's decision to focus its business on staffing doctors, nurses, social workers and preschool staff, and partly because Dedicare's consultant managers possess experience of healthcare and social work themselves. Overall, this means Dedicare has a competitive edge because it can understand customer needs quickly, and select the right consultant for the assignment efficiently.

## Competitive advantages

Dedicare summarises those factors it believes make customers select the company, thus laying the foundation of the company's potential to outgrow the market, as follows:

**A broad-based offering**—Dedicare provides doctors, nurses, social workers and preschool staff, who are important to our customers Nordic wide. The company's database of available consultants is very extensive, enabling efficient matching with customer needs.

**Attractive pricing**—enabled by high volumes and an efficient organisation.

**Trained and experienced staff**—most of Dedicare's consultant managers are qualified nurses and social workers, which offers more understanding of customer and consultant situations and needs. Customers also gain a single point of contact throughout the business relationship.

**Speed**—Dedicare has a fundamental principle of being able to offer the customer the right consultant with the right skills faster than its competitors. The company's policy is to respond to customers on staffing any assignment within one hour.

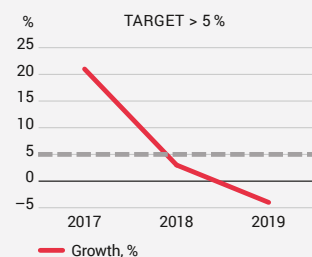
**Skills guarantee**—customers always have the option of discontinuing an assignment if unsatisfied at any time.

"Most of Dedicare's consultant managers are qualified nurses and social workers, so they have a good understanding of customer and consultant needs."

# Targets and performance

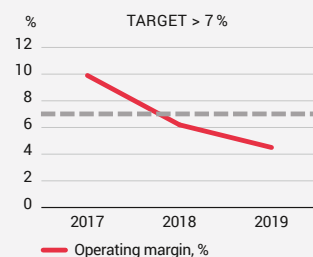
## GROWTH

Dedicare endeavours to outgrow the market, with good profitability on its current markets. It will primarily achieve this ambition through organic growth. Growth may be partly acquisition led. Dedicare also expects to grow by starting up on new markets in Europe, which will mainly be through acquisitions.



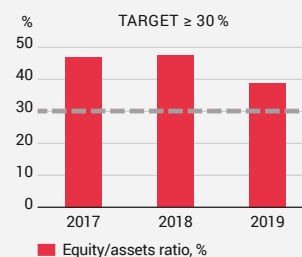
## EBIT MARGIN

Dedicare's target is for its operating margin over a business cycle to exceed 7.0%.



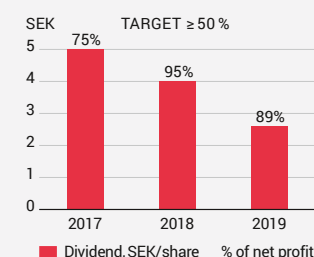
## EQUITY/ASSETS RATIO

Dedicare should have a secure capital base and operations should mainly be financed with equity. The nature of operations imply a limited need for capital. Against this background, Dedicare's opinion is that its equity/assets ratio should be at least 30%.



## DIVIDEND POLICY

Dedicare's target is for its dividend to be at least 50% of net profit over a business cycle. For 2019, a dividend of SEK 2.60 is proposed, which corresponds to 89% of net profit for the year.



## CUSTOMER SATISFACTION

Dedicare's objective is that 90% of its customers should rate it as satisfactory or better. Our performance in 2019 was 95% of customers being satisfied. We also encourage customers to maintain a continuous dialogue with us on how they perceive our delivery capability.

TARGET  
**>90%**  
PERFORMANCE 2019  
**95%**



# Dedicare's offering

"Dedicare is one of the largest staffing companies in healthcare and social work in the Nordic region."

## Offering

Dedicare can achieve the greatest possible efficiency by focusing on recruiting, sales and delivery.

Dedicare is an authorised staffing provider with its main operations in staffing and recruiting doctors, nurses, social workers and pre-school staff. The group is active in Sweden, Norway, Finland and Denmark. Converted to full-time equivalents (FTEs), operations had **540 doctors, nurses, social workers and preschool staff**, as well as 89 internal employees. Dedicare is one of the largest staffing companies in healthcare and social work in Sweden and Norway. Its customer base includes all Sweden's 21 regional health authorities, 4 Norwegian regional health authorities, over 150 municipalities across Sweden and Norway, and private sector care providers.

## Geographical presence

Dedicare conducts operations in **Sweden, Norway, Finland** and **Denmark**. Operations in Finland started on October 2018, and operations in Denmark started in February 2019. Healthcare staffing is conducted in all countries. Dedicare offers social worker staffing in Sweden, and preschool staffing in Norway via Acapedia.

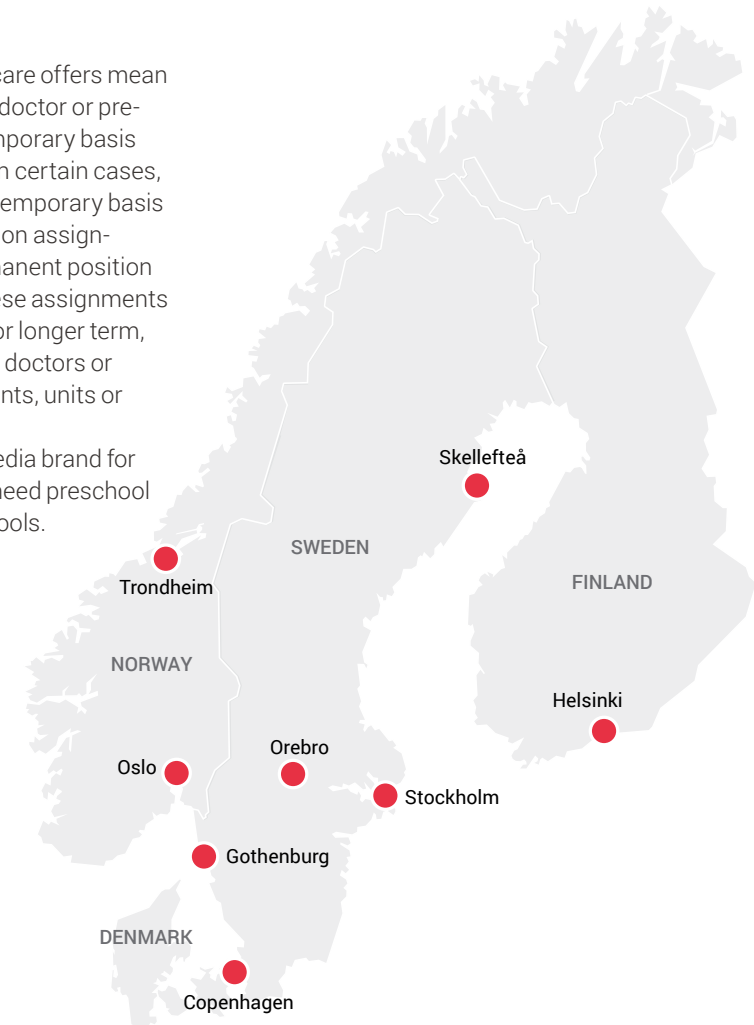
Dedicare operates through four offices in Sweden (Stockholm, Gothenburg, Örebro and Skellefteå), two offices in Norway (Trondheim and Oslo), one office in Finland (Helsinki) and one office in Denmark (Copenhagen).

Staffing is an efficient way to address difficult underlying resource situations simply and flexibly. Doctors, nurses, social workers and preschool staff can relieve high workloads and provide skills not normally present in the workplace, not least in sparsely populated areas.

For our consultants, the advantages of agency work include the potential to control where, when and how much people want to work themselves. Working for Dedicare also offers more potential to change workplace and/or duties.

The staffing services Dedicare offers mean that a nurse, social worker, doctor or pre-school staff works on a temporary basis for Dedicare's customers. In certain cases, our consultants work on a temporary basis only, but they can also take on assignments in addition to a permanent position with another employer. These assignments may be for individual days or longer term, and may apply to individual doctors or staffing of whole departments, units or surgical teams.

Dedicare uses the Acapedia brand for customers in Norway that need preschool staff in schools and preschools.



# Well-established processes—a success factor

Dedicare is focused on developing and documenting its processes, and holds ISO 9001 and ISO 14001 certifications. These are prerequisites for the company maintaining high quality and effective operations. Dedicare's growth requires established and well-documented working methods.

**IT** – the main focus in the year was on digitalising and streamlining operations and security.

**DIGITALISATION** – an ongoing digitalisation process will increase Dedicare's growth, efficiency and profitability by optimising processes and improving visibility on the market. As part of this process, the group invested in a new ERP system and a tool to automate order processing and matching.

**STREAMLINING OPERATIONS** – Dedicare took several actions to streamline the digital workplace for its employees that optimise processes and enhance its external contact interface. Dedicare took major steps towards achieving its goal of a scalable environment in the form of efficient integration and cloud solutions, and the benefits of these efforts are already visible.

**SECURITY AND REGULATORY COMPLIANCE** – Dedicare put more focus on IT security in the year. GDPR was implemented in the previous year.

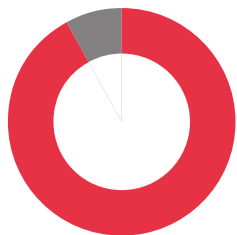


# Dedicare's customers

## Sweden

Dedicare's customers are companies and other organisations that provide healthcare and social work services. In Sweden, this means regional health authorities, municipalities, as well as private sector health and social care providers. In 2019, municipalities and regional health authorities represented 92% (83) of Dedicare's revenue, with private health and social care providers generating 8% (17).

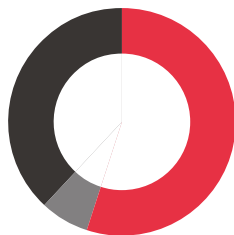
The largest customer, Stockholm County Council (now the Stockholm Regional Health Authority), represented some 23% (14) of total revenue in Sweden in 2019.



- Municipalities and regional health authorities, 92%
- Private care providers, 8%

## Norway

Dedicare's customer base in Norway consists of regional health authorities through the collective purchasing organisation Sykehusinnkjøp. In 2019, regional health authorities provided some 38% (40) of revenue, with municipalities generating 57% (52), and private sector players, 5% (8). Dedicare's largest customer is Helse Sør Øst (South-Eastern regional authority), representing some 14% (23) of the total revenue in Norway in 2019.

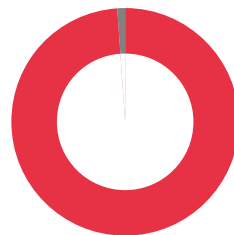


- Municipalities, 57%
- Private care providers, 5%
- Regional health authorities, 38%

## New Markets

The main customers in Denmark are public hospitals, providing some 94.5% of sales. Private hospitals represent 0.5%, and the primary care sector, 5%. Dedicare's largest customers were hospitals in Zealand, which took a political decision not to use external healthcare staff providers effective 1 October 2019.

In Finland, operations in the year mainly consisted of agency nurses for the Swedish and Norwegian operation business.



- Municipalities and regional health authorities, 99%
- Private sector care providers, 1%



# Dedicare's employees

## Employee satisfaction survey

Each year, Dedicare conducts an employee satisfaction survey, and the outcome in 2019 was positive. The survey is grouped into eight sections, and better results than the previous year were achieved in seven out of the eight sections. Overall, 95% of employees are satisfied or very satisfied with Dedicare as an employer.

95%

SATISFACTION

## Skills management

To keep developing our business, continuous and planned skills management of our staff is critical. Accordingly, we conducted most training sessions in 2019. We offered sales and management training to our internal employees. Skills management, involving a discussion of potential between manager and employee, is an important part of yearly appraisal interviews.

629

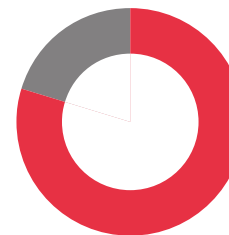
EMPLOYEES

## Gender division of employees

The average number of employees in 2019 was 629 (658). The gender division in Dedicare was 80.8% (75.8) women and 20.0% (24.2) men in 2019.

The gender division in internal staff as of 31 December 2019 was 81.0% (82.0) women, and 19.0% (18.0) men.

Generally, the uneven gender division of our staff is due to most job categories that we staff being traditionally female dominated.



■ Women, 80.0%

■ Men, 20.0%



# Core values that make a difference

## COMMITTED



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**We're convinced that** people's commitment is a decisive success factor for any organisation that wants to develop. That's why it's so important for us to work on utilising and stimulating each employee's commitment. That's how we develop—as people, as a business and a community.

## DYNAMIC



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**We're part of** leading the development of sectors that have a real need for change. To succeed, our operations need a lot of initiative and flexibility. In turn, this takes people that are entrepreneurial and see change as a natural way to get even better.

## HUMAN



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**At Dedicare, almost** everything is about people. Partly because we offer services provided by people. But first and foremost, because everything in our work is ultimately about people attaining the best possible health. Our humanist attitude also means there should always be honest and sincere consideration for colleagues, customers and patients.

## RELIABLE



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**Relationships with our** colleagues and customers are built on trust. As our customer, we want you to feel secure and always be able to rely on us. This doesn't just mean that we should offer good service and deliver on time, but also that our customers should always feel sure that quality is right—that we offer skilled staff who know their jobs.



*"The consistent theme in human relations is constantly challenging yourself."*

There's always something new to learn when you work with people. We follow our customers and consultants for the longer term, and it's so rewarding to see how we actually affect and help create more sustainable health and social care in Sweden and across the whole Nordic region.

**Armin Fejzic**  
Business Area Manager, Social Worker,  
and an employee since 2015



*"The best thing is that you always feel you're making a difference."*

Dedicare is a company with good values and amazing people that are always there to support each other. We provide the healthcare sector with staff when they need them most, to help avoid surgery being rescheduled, and keep medical centres open. That's a great thing!

**Johanna Hansson**  
Team Leader Doctors,  
and an employee since 2013.

*"To always show what you can do and have fun—we're really good at that."*

I really love the way everyone at Dedicare has such unbelievable enthusiasm. Everyone you meet in the company has a smile on their face, and real fighting spirit. Our managers and executives show their people great trust, and I've had the opportunity to develop as an individual, and professionally.

**Jessica Alarik**  
Recruitment Manager,  
and an employee since 2016



# Dedicare's shareholders and share

## The share

Dedicare's class B share had its initial public offering on Nasdaq Stockholm on 4 May 2011. On 31 December 2019, the share capital was SEK 4,527,703, divided between 9,055,406 shares, of which 2,011,907 class A shares and 7,043,499 class B shares, with a quotient value of SEK 0.50. Each share confers equal entitlement to the company's assets and profits. Class A shares carry one vote and class B shares carry one-fifth of a vote. The Articles of Association stipulate no limitations on the transferability of shares. Nor are there any agreements

between shareholders limiting the transferability of shares.

Dedicare's Articles of Association stipulate that share capital should be a minimum of SEK 4,000,000 and a maximum of SEK 16,000,000.

The following table illustrates changes to the number of shares and share capital since the company's incorporation in 1995.

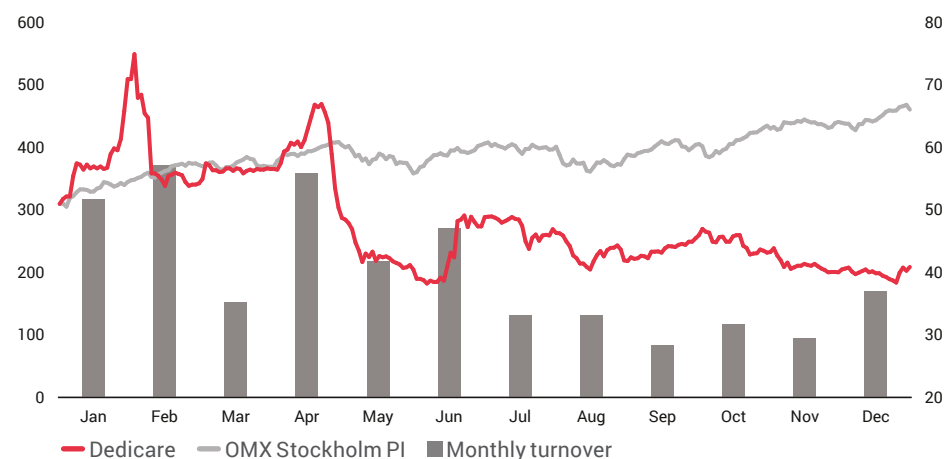
## Share price performance

The year high was SEK 76.3, and the low was SEK 37.1. The closing price at year-end was SEK 40.9.

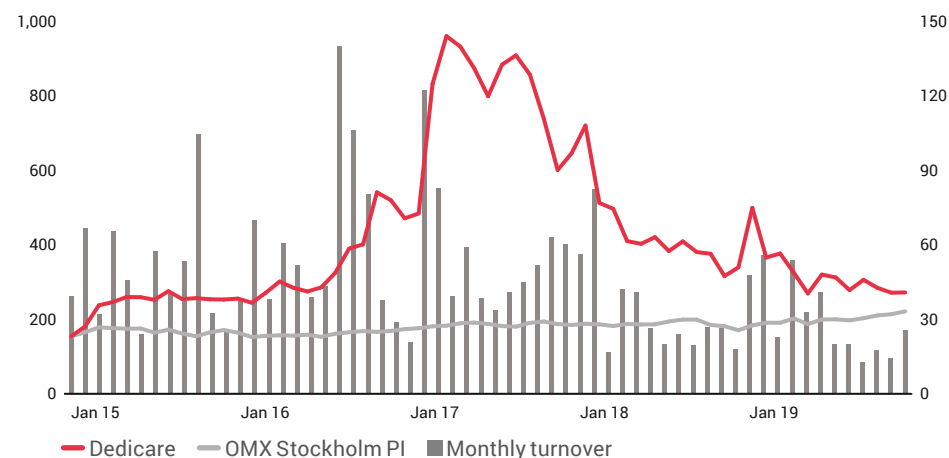
## Share capital history

Date	Transaction	Chg. in no. of shares	Total no. of shares	Class A shares	Class B shares	Chg. in share capital	Total share capital
October 1995	Incorporation	–	5,000	–	–	–	50,000
November 1998	Bonus issue	–	5,000	–	–	50,000	100,000
March 2011	Split 1:40	195,000	200,000	–	–	–	100,000
March 2011	Bonus issue	8,717,706	8,917,706	–	–	4,358,853	4,458,853
March 2011	Division into class A and B shares	–	8,917,706	2,011,907	6,905,799	–	4,458,853
April 2015	New issue of class B shares for incentive programme	72,900	8,990,606	2,011,907	6,978,699	36,450	4,495,303
March 2017	New issue of class B shares for incentive programme	64,800	9,055,406	2,011,907	7,043,499	32,400	4,527,703

## Share price and turnover in the year



## Share price and turnover, 2015–2019





### Number of shareholders

Dedicare had 7,018 shareholders as of 31 December 2019. Dedicare gained 222 new shareholders and lost 261 shareholders in the year.

### Shareholder structure

Most of Dedicare's shareholders are domiciled in Sweden. As of 31 December, 96.9% of shareholders were in Sweden, 2.2% in the rest of the Nordic region, 0.7% in the rest of Europe, 0.1% in the US, and 0.1% in the rest of the world.

### Major shareholders

Dedicare AB's ten largest shareholders as of 31 December 2019 are:

Shareholder	No. of shares	Votes, %
Örás, Björn	2,011,907	58.82
Rödgladan AB	1,540,722	9.01
AMF - Försäkring och Fonder	834,679	4.88
Swedbank Robur Fonder	798,016	4.67
Healthinvest Partners AB	618,855	3.62
Örás, Sara	217,331	1.27
Pizzignacco, Jenny	196,070	1.15
Örás, Caroline	177,000	1.04
Avanza Pension	168,906	0.99
DZ Privatbank S.A.	106,000	0.62
<b>Sub-total, 10 largest</b>	<b>6,669,486</b>	<b>86.07</b>
Other	2,385,920	13.93
<b>Total</b>	<b>9,055,406</b>	<b>100.00</b>

### Dividend and dividend policy

The Board of Directors of Dedicare is proposing a dividend of SEK 2.60 (4.00) per share, or SEK 23.5 million (36.2) for payment as dividends to shareholders. The group's dividend policy stipulates that the yearly dividend over a business cycle should be at least 50% of net profit.

### Incentive programmes

At present, Dedicare has no planned or current incentive programmes.

### Trading

Dedicare's class B share is quoted on Nasdaq Stockholm AB, with the ticker DEDI. A trading lot is one share, and the quotient value is SEK 0.5.

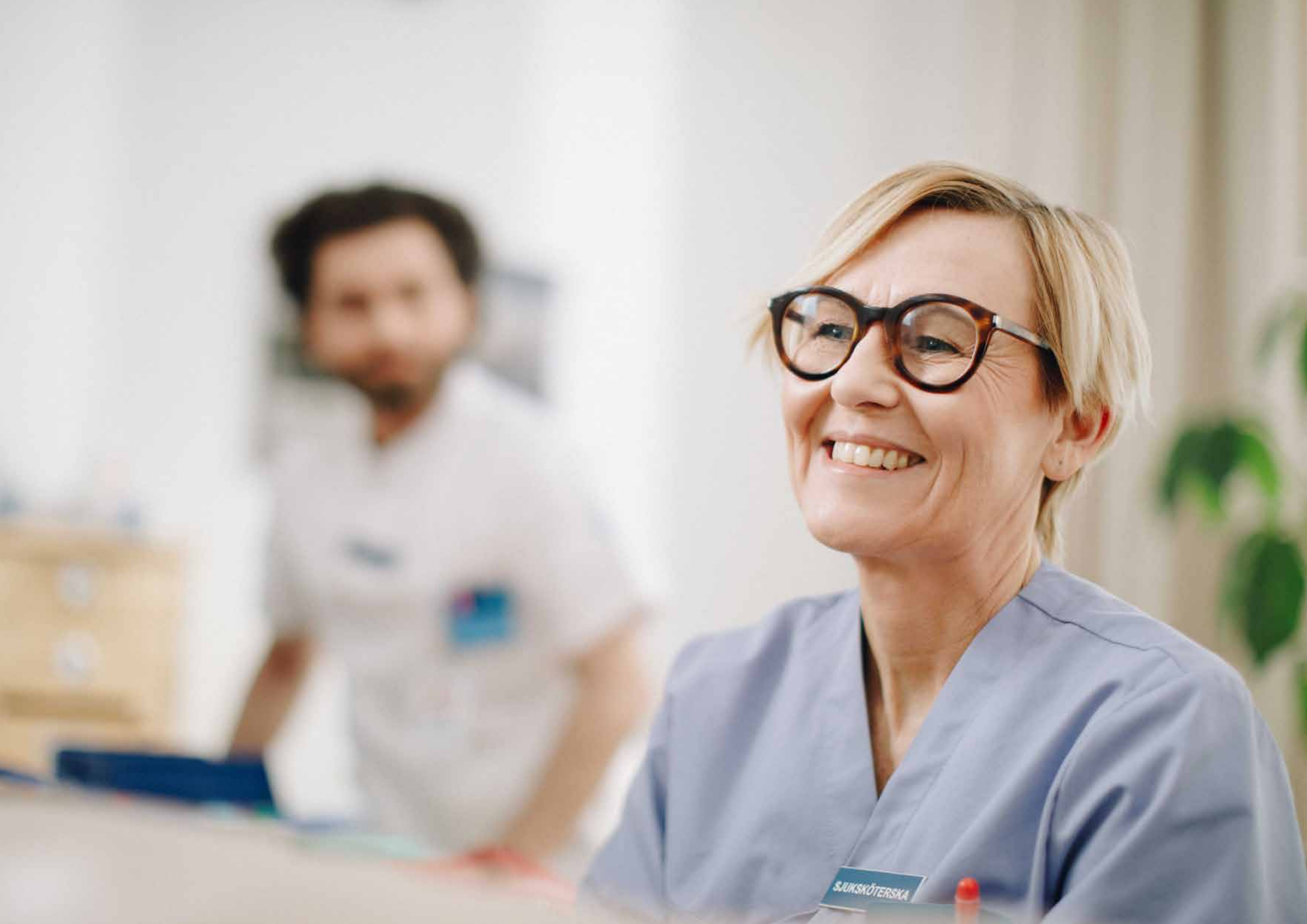
ISIN code.....SE003909282

Ticker on  
Nasdaq Stockholm:.....DEDI

### Shareholder base



Source: www.euroclear.com



# Sustainability Report

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“By focusing on recruitment, sales and delivery, Dedicare will achieve the greatest possible efficiency.”

## About this Sustainability Report

This is Dedicare's Sustainability Report, which is for the financial year 2019. This Sustainability Report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act's chapters 6e and 7e. This Sustainability Report covers the whole Dedicare group. Key indicators and contents are stated for the whole group.

## Business model

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

- hiring consultants and ensuring they are skilled and qualified;
- identifying care providers' needs and offering them available consultants.

Dedicare operates using a database of all the company's available doctors, nurses, social workers and preschool staff. In this database, every consultant has a detailed profile stating their experience, skills and previous assignments. In staffing, Dedicare bears full employer responsibility, while the customer (care provider) deals with operational management.

## Recruitment process

Most assignments are staffed with consultants from Dedicare's database. The consultants register their availability themselves, receiving confirmation when an assignment is active.

Generally, consultants do not enter employment until a customer makes an

assignment active, and then only for the term of the assignment. Many doctors operate on a self-employed basis, and invoice Dedicare for their services.

## Sales process

The sales process to public sector care providers is through tendering, which involves comparisons between competing companies. In such comparisons, pricing is often an important factor, even if the skills of consultants, flexibility and support from staffing agencies are also key criteria. Normally, publicly tendered assignments are through framework agreements with two-year terms and maximum two-year extension options. Usually, customers have framework agreements with several providers.

With the aim of maintaining continuity to the customer, the booking system limits the selection of consultants, firstly to those doctors, nurses, social workers and preschool staff previously booked on an assignment with a specific customer. Dedicare's consultant managers deal with

matching and selling qualified consultants to a specific customer. To secure assignments, Dedicare works actively on monitoring the progress of forthcoming tenders, and actively marketing to private sector care providers.

## Revenue and cost model

### Revenue

Dedicare's customers pay an hourly rate for each temporary consultant. Assignments vary in length from individual hours to several months.

### Costs

Most of Dedicare's costs are payroll expenses. To adapt expenses to revenue quickly, Dedicare endeavours to maintain a high share of variable expenses.

By focusing on recruitment, sales and delivery, Dedicare will achieve the greatest possible efficiency. Dedicare puts a big emphasis on the key indicator of consultants provided in relation to the number of consultant managers.

## Materiality analysis

Our situation assessment of sustainability work discusses and analyses current policies, instructions, processes, key indicators etc. These efforts help us identify potential sustainability risks and opportunities in operations.

The mapping process revealed what could be considered as relevant sustainability aspects to operations, and generated supporting data for the materiality analysis and stakeholder dialogue.

The following proposals for relevant sustainability aspects were identified:

- Diversity and gender equality
- Employment security
- Skills management of staff
- Environmental impact of business travel
- Environmental impact of office operations
- Customer satisfaction
- Business ethics and corruption
- Data and information security
- Charitable and social projects

Our stakeholders consisted of consultants, staff, Dedicare's management and Dedicare's Board of Directors. The stakeholders were judged as able to contribute valuable input regarding the sustainability aspects that are most relevant to Dedicare to focus on in its sustainability work.

The outcomes of the analysis indicated the following segments as highest priority:

- Diversity and gender equality
- Employment security
- Skills management of staff
- Customer satisfaction



## ***Governance and responsibility for sustainability aspects in operations***

The Board of Directors and CEO share overall responsibility for the sustainability work of operations. In this Report, Dedicare states targets and outcomes associated with the group's most material sustainability aspects. Our business management systems have been designed for compliance with ISO standards. We have ISO 14001 (Environment) and ISO 9001 (Quality) certifications. External and internal audits of our business management systems ensure that we maintain the quality-assured procedures and processes necessary to manage operations and their risks.

Dedicare has adopted policies for the environment and quality that are the foundation of our work on these segments in our operations. Our policies are reviewed and revised as necessary, as well as yearly, by Dedicare's management. The policies referred to here are for the operations of the whole Dedicare group.

The nature of operations implies that a high share of questions relevant to sustainability work lie within the human resources segment. Dedicare's management is responsible for procedures, processes and policies in these segments. During their induction programmes, new employees receive information on policies and guidelines that support them in their work.

Dedicare's CFO is responsible for procedures, processes and policies in quality assurance and environmental work.

Monitoring compliance externally insures that we are aware of, and comply with the environment and health & safety laws and standards that are relevant to our business. Once a year, our CFO presents the company's sustainability targets and performance to management. We jointly analyse quality and environmental targets and key indicators. Our targets are revised jointly with management.

For more information, refer to the Corporate Governance Report regarding the company's governance and responsibilities on page 28.



Material risks	<p><b>Environment</b></p> <p><b>Dedicare does</b> not regard the environment as a focus of its sustainability work. As a service provider, nor do we conduct any operations that impact the environment. However, we do believe that considering the environmental impact of our operations, and how we can work to reduce it, is a hygiene factor.</p>	<p><b>Social conditions including human resources issues</b></p> <p><b>Because our</b> operations largely mean that our temporary consultants work on customer assignments in health and social care, social conditions in the psychosocial working environment are important. We face risks such as high staff turnover, illness and ill-health of our employees, and a poor reputation on the labour market, unless we work continuously on those issues that affect our colleagues.</p>	<p><b>Respect for human rights</b></p> <p><b>Questions relating</b> to human rights in Dedicare's operations focus on segments such as equal pay and working conditions, and countering all types of discrimination. Human rights also relate to being aware of our colleagues' rights, and our obligations as an employer. As an employer, we need to work to achieve equal pay and other employment terms for our employees, regardless of gender or origin. Otherwise, we risk being a contributor to an increased pay gap between men and women on the labour market. We need to work to offer the same potential to women and men in terms of opportunities for parental leave, without this negatively impacting pay growth or career opportunities. We need to be clear about how we make selections based on skill in our recruitment process and customer dialogues.</p>	<p><b>Corruption and bribery</b></p> <p><b>We have zero</b> tolerance of corruption and bribery, as clearly stated in our recently produced anti-corruption policy. We regard the risk of bribery and corruption as low, because we regularly review work expenses. Expenses are subject to approval by first-line managers, and Dedicare's payroll function. Our policy states clear guidelines on what is approved as entertainment of customers.</p>
Risk management	<p><b>Our ISO 14001</b> environmental certification means that we work on identifying environmental targets in our operation that can reduce our environmental impact. We require our suppliers to also be environmentally certified, or operate a structured environmental management system.</p> <p>We have been distributing payslips and information to consultants digitally for a number of years, thus significantly reducing our paper consumption. We have also transferred to e-signing employment contracts, again reducing our paper consumption and mail processing. We use digital conferencing as far as possible to reduce business travel. In this way, we help create a more sustainable society.</p>	<p><b>Dedicare conducts</b> annual satisfaction surveys of consultants. Every business area receives survey results for its consultants, then preparing an action plan based on survey results.</p> <p>The process is similar for our internal staff, first-line managers review outcomes and prepare an action plan based on survey results.</p> <p>Our certified business management systems help us continuously improve and develop systematic processes.</p>	<p><b>We regularly review</b> the risks to our staff in terms of reconciling parenting and work, recruitment and promotion processes, working conditions, training and skills management, salaries and other employment terms.</p>	<p><b>Our anti-corruption</b> policy is communicated to all staff, and first-line managers are responsible for their staff complying. The relevant guidelines are clearly stated in this policy.</p>

## Identified sustainability segments

As stated above, the company's stakeholders selected diversity, gender equality, employment security, skills management of staff and employee satisfaction as priority sustainability segments for Dedicare's operations. Obviously, all segments are highly relevant in an operation such as ours, where job satisfaction and well-being are decisive to success.

### Gender equality and diversity

As an employer, we need to ensure that we work to promote gender equality and diversity, as well as countering discrimination and any other type of offensive special treatment.

#### Gender equality

In accordance with anti-discrimination legislation, Dedicare should promote women's and men's equal rights in matters of work, employment and other employment conditions, as well as development potential. With its employees, Dedicare should endeavour to even out and prevent differences in salaries and other employ-

ment terms between women and men that do work that is equal or equivalent, and promote equal opportunities for pay growth for women and men.

#### Diversity

To enable increased diversity in the company, we need to operate a selection and recruitment process minimising the risk of discrimination. We should never make demands that may be discriminatory. If a customer demands a temporary consultant to be of a specific gender, age, faith or religion, we should disregard such requirements. We will always hire on the basis of the customer's formal requirement specification. We believe that through a selection and recruitment process that counters discrimination, we will be able to increase the company's diversity.

#### Gender division of employees

The average number of employees in 2019 was 629 (658).

Under 2019 var könsfördelningen på In 2019, Dedicare's gender division was 80.0% (75.8) percent women and 20% (24.2) men.

The gender division of internal staff as of 31 December 2019 was 81.0% (82.0) women and 19.0% (18.0) men. The uneven gender division of our employees is largely due to most of the jobs we provide consultants in traditionally being female dominated.

#### Employment security

Dedicare is a member of the sector organisation Almega Kompetensföretagen. Membership involves an annual audit to remain as a member and authorised staffing company

#### Collective bargaining agreements control employment terms

Dedicare has collective bargaining agreements with the Swedish Association of Health Professionals, the Swedish Medical Association and Unionen. These collective bargaining agreements usually run from one to three years.

#### Sickness absence

Dedicare's sickness absence in 2019 was 3.21% (2.58). The sickness absence target

is below 3.0%, which accordingly, was not satisfied for the year.

We work largely on providing the right input at an early stage, and following up with interviews when a colleague has many instances of short-term absence, to avoid longer-term sickness absence.

#### Keep-fit subsidies

In Sweden, Dedicare offers subsidies for gym memberships or other qualifying keep-fit services to employees that have served over three months and have employment contracts intended to run for a minimum of six months.

We regularly remind our colleagues to use their keep-fit subsidies, because we believe it will improve their well-being, and thus, performance at work.

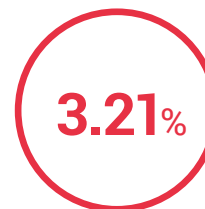
#### Customer satisfaction

Dedicare works continuously on achieving maximum customer satisfaction, which is one of the group's critical measures of quality, and is measured regularly in customer satisfaction surveys.

#### DIVERSITY



#### SICKNESS ABSENCE



#### CUSTOMER SATISFACTION





### ***Customer proposition***

Dedicare provides doctors, nurses, social workers and preschool staff, who are important for customers. The company's database of available consultants is very extensive, enabling effective matching with customer needs. Most of Dedicare's consultant managers are trained nurses and social workers, implying greater understanding of customer and consultant situations and needs. Customers also retain a single contact throughout their business relationship. Dedicare's fundamental principle is offering the right consultant with the right skills to the customer faster than the competition. The company's policy is to always respond on staffing an assignment within one hour. The customer can discontinue the assignment at any time if dissatisfied.

### ***Customer satisfaction surveys***

Once an assignment concludes, we follow up on customer satisfaction with the consultant, and with Dedicare's delivery. This is documented in our ERP system and subject to regular evaluation by consultant managers. Any variances and complaints are managed according to procedures that are part of our ISO 9001 quality system. We conduct a large-scale customer satisfaction survey each year, involving an email shot of regular questions to major customers. The outcome of this yearly customer satisfaction survey is presented to, and analysed by, group management, and potential variances from predetermined targets result in detailed plans for improvement. We also encourage customers to maintain ongoing dialogue with us on how they perceive our delivery capability.

### ***Tenders***

A high share of Dedicare's customer contracts are covered by framework agreements pursuant to the Swedish Public Procurement Act (LoU). Dedicare works continuously to satisfy the standards procurement bodies set, and assigns high priority to securing good

ratings in the quality metrics applying to tenders. To ensure we satisfy customer demands for quality in tendering, Dedicare has employed a specialist attorney that serves across all business areas to ensure we satisfy tendering standards.

### ***Skills management of staff***

Dedicare's employees are one of our main competitive edges. We work continuously to develop the skills of our colleagues.

### ***Job rotation and continuous development***

Our consultants get the opportunity for continuous skills development by our staffing operations enabling job rotation and gathering experience of different workplaces and methods. We offer our consultants ongoing training in CPR, diary systems and appropriate Internet training packages necessary to stay updated in their jobs. We also encourage and compensate our consultants to participate internal training offered on site with the customer.

### ***Training and reviewing internal staff***

Dedicare's internal staff are regularly appraised by first-line managers at monthly follow-ups and yearly performance reviews. Development requests are compiled and serve as the foundation for individual training programmes in segments including IT systems, labour law, public tenders, sales, leadership and recruitment.

When needed, we offer personal guidance with therapists. We put a high focus on creating personal career plans to promote continuous career development.

# Auditor's report on the statutory sustainability report

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

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019-01-01–2019-12-31 on pages 22-26 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

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

## Opinions

A statutory sustainability report has been prepared.

Stockholm March 20, 2020  
Grant Thornton Sweden AB

Mia Rutenius  
Authorized Public Accountant



# Corporate Governance Report

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## **Dedicare and its regulation—review**

Dedicare AB is a Swedish public limited company with its registered office in Stockholm. The company is the parent company of the Dedicare group. Since its initial public offering in May 2011, the company has implemented a system of governance based on the Swedish Companies Act, the Articles of Association, Nasdaq Stockholm's Rulebook for Issuers, and the Swedish Code of Corporate Governance (the "Code"). A summary of Dedicare's system of corporate governance follows.

## **The Swedish Code of Corporate Governance**

The Code should be applied by all Swedish companies listed for trading on a regulated marketplace. Nasdaq Stockholm is such a regulated marketplace. Dedicare applies the Code and has not decided on any instances of non-compliance.

For the present, the Board of Directors has decided to perform all the duties incumbent on remuneration and audit committees by itself as a whole. The Board's opinion is that this is expedient given the size and skills of the Board of Directors.

## **Annual General Meeting**

Shareholders' rights to make decisions within Dedicare are exercised at the Annual General Meeting (AGM), which is the company's chief decision-making body.

## **AGM 2019**

The most recent AGM was held on 25 April 2019 at Dedicare's head office at Ringvägen 100, 10th floor, Stockholm, Sweden.

Shareholders representing 75% of the votes and 52% of the capital participated at the Meeting. The Meeting re-elected a Board of Directors with the following members: Björn Örås, Anna Lefevre Skjöldebrand and Dag Sundström. The Meeting resolved to elect Eva-Britt Gustafsson as a Director. Kristian Faeste and Anna Stina Nordmark Nilsson reported that they were leaving the Board of Directors and were not re-elected. Björn Örås was re-elected as Chairman of the Board. The AGM also approved Directors' fees of SEK 400,000 (380,000) to the Chairman of the Board, and SEK 175,000 (165,000) to each of the other Directors.

For more information, see [www.dedicare.se](http://www.dedicare.se)

## **AGM 2020**

The AGM for the financial year 2019 will be held at the company's head office in Stockholm, Sweden, at 4 p.m. on 23 April 2020. The Annual Report will be available by 2 April 2019 at [www.dedicare.se](http://www.dedicare.se). Invitations to the AGM will be by announcement in the Swedish Official Gazette, and an advertisement in Swedish daily newspaper Svenska Dagbladet on 26 March 2020. The company's website states the latest date of receipt for those shareholders that wish to have a matter considered at the Meeting.

## **Board of Directors**

### **Responsibilities and working methods of The Board of Directors**

The Board of Directors is appointed by the AGM with a term of office until the end of the next AGM. The Board of Directors is responsible for the company's organisation and administration, continuously evaluates the group's financial situation, and appraises its executive management. The Board of Directors has adopted written rules of procedure that formalise matters including the number of Board meetings,



matters to be considered by the Board of Directors and the duties of the Chairman. The work of the Board of Directors is also formalised in applicable provisions of the Swedish Companies Act and the Code.

#### **Board of Directors—composition**

The Board of Directors should have a minimum of three and a maximum of ten members elected by the AGM. Such members are elected yearly at the AGM until the end of the following AGM. Otherwise, there are no stipulations in the Articles of Association on appointing or dismissing Directors. The Board of Directors' composition and members are in the section on the Board of Directors and senior executives.

#### **Board of Directors' independence**

Dedicare's Directors are considered independent of the company and its owners, apart from Björn Örås in his capacity as principal owner not being considered independent, and Dag Sundström, who is a Director of another company that is controlled by principal shareholder Björn Örås.

#### **Nomination Committee**

The AGM on 25 April 2019 resolved on Dedicare's Nomination Committee. The Nomination Committee should be appointed by the Chairman of the Board

contacting the company's three largest shareholders in terms of the vote by the end of the third quarter. These shareholders are entitled to each appoint a member of the Nomination Committee. If any of the three largest shareholders waive this entitlement, the next shareholder in order of size will be offered the opportunity to appoint a member of the Nomination Committee.

An owner's representative should serve as Chairman of the Nomination Committee. The Nomination Committee's term of office runs until a new Nomination Committee has been appointed.

Dedicare works on promoting gender equality and diversity, as has been considered in the Nomination Committee's consultation on proposals for the Board of Directors based on the requirements of the company's operations and development sets on the overall skills, experience and background of the Board of Directors. The Nomination Committee's proposal is based on item 4.1 of the Code, which has implications including versatility and breadth of Directors' skills, experience and backgrounds. This proposal also satisfies the goal of endeavouring for even gender division, because two of the five proposed Directors are women. If there are significant changes of control after the constitution of the Nomination Committee, the

composition of the Nomination Committee should be altered in accordance with the above principles. Changes to the Nomination Committee should be announced immediately.

The Nomination Committee should consult on, and submit proposals to, the AGM on the following matters:

- Election of a Chairman of the AGM
- Election of the Chairman of the Board and other Directors
- Directors' fees divided between the Chairman and other Directors
- Potential compensation for committee work
- Auditors' fees
- Where appropriate, election of auditors and deputy auditor
- Decision on principles for appointing a Nomination Committee

No fees should be payable to Nomination Committee members for service on the Nomination Committee. The Nomination Committee should not be entitled to charge the company for expenses for recruitment consultants, for example, or other expenses necessary for the Nomination Committee to perform its duties.

Dedicare's Nomination Committee was appointed on 3 October 2019. The

members of the Nomination Committee for the AGM 2020 are:

- Björn Örås, Chairman of the Board
- Angelica Hanson, AMF—Försäkringar och Fonder
- Monica Åsmyr, Swedbank Robur Fonder

Angelica Hanson was appointed Chairman of the Nomination Committee. Information on how shareholders can contact the Nomination Committee is at [www.dedicare.se](http://www.dedicare.se)

#### **Chairman of the Board**

The Chairman leads the work of the Board of Directors so it is conducted in accordance with laws and ordinances. The Chairman monitors operations in dialogue with the Chief Executive Officer and is responsible for the other Directors receiving satisfactory information and decision-support documentation for their work.

The Chairman of the Board co-ordinates the annual appraisal of the Board of Directors and the work of the Chief Executive Officer, which is also communicated to the Nomination Committee. The Chairman also participates in appraisal and developmental issues regarding the group's senior executives. The Chairman of the Board represents the board externally and internally.

## Work of the Board of Directors

### Work of the Board of Directors in 2019

In the financial year 2019, the Board of Directors held eight scheduled meetings and one Board meeting following election. At these meetings, the Board of Directors considered the permanent agenda items for each Board meeting such as business conditions, market conditions, financial reporting, budget, forecast and projects. An appraisal of the Board of Directors, the work of the Board of Directors and the Chief Executive Officer was conducted at the final meeting of the year.

In addition, the Board analysed overall strategic issues relating to factors including the company's direction, business environment issues and growth prospects. The CEO and CFO are co-opted at all Board meetings, apart from on issues relating to

remuneration of senior executives, appointment of a new CEO and appraisal of the work of the Board of Directors and the CEO.

The Board of Directors includes the Directors elected by the AGM: Björn Örås (Chairman), Anna Lefevre Skjöldebrand, Dag Sundström and Eva-Britt Gustafsson.

### Committees

The Board of Directors has decided to serve as remuneration and audit committees as a whole itself, and accordingly, is responsible for these issues.

The Board of Directors' opinion is that it can effectively deal with remuneration and audit issues itself considering the number of Directors, the size of the company, and the majority of Directors being independent of the company and management. The matter of the appointment of committees

is reviewed each year at the Board meeting following election.

### Chief Executive Officer (CEO)

The CEO leads operations within the framework set by the Board of Directors. The rules of procedure of the Board of Directors and CEO were adopted in 2019, and formalise the CEO's role within the company. The CEO provides the necessary information and decision-support data for Board meetings. The CEO or his representative presents to the Board of Directors.

The CEO keeps the Board and Chairman continuously informed of the company's financial position and progress. The Board of Directors appraises the CEO's working methods and performance each year. Dedicare's Chief Executive Officer is Krister Widström.

### Group management Management

The group's executive management consists of the Managing Director/CEO, CFO, the Managing Director of the Norwegian subsidiary, the CIO, the Vice President of Business Development and business area managers.

Management holds regular meetings that monitor the company's operating activities. Control over the group's opera-

tions is exercised through channels including financial reporting from subsidiaries and regular contact with subsidiary managements.

### Internal governance and control

The Board of Directors is responsible for the company maintaining good internal controls and formalised procedures that ensure compliance with predetermined principles for financial reporting and internal controls, and that the company's financial reporting is prepared in compliance with laws, applicable accounting standards and other requirements of listed companies.

### Financial reporting

Interim reports and annual financial statements are considered by the Board of Directors and can be issued by the CEO on assignment from the Board of Directors.

The CEO is responsible for accounting within the group's companies being prepared consistent with law, and that funds are managed satisfactorily. The group prepares a monthly financial statement that is presented to the Board of Directors and group management.

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

### Board of Directors' composition and meeting attendance at regular meetings

Director	Elected	Position	Attendance
Björn Örås		Chairman	8/8
Anna Lefevre Skjöldebrand	2011	Director	8/8
Anna-Stina Nordmark Nilsson <sup>1)</sup>	2012	Director	3/8
Dag Sundström	2013	Director	7/8
Kristian Faeste <sup>1)</sup>	2017	Director	2/8
Eva-Britt Gustafsson <sup>2)</sup>	2019	Director	5/8

<sup>1)</sup> Kristian Faeste and Anna Stina Nordmark Nilsson requested to leave the Board at the AGM 2019.

<sup>2)</sup> Elected to the Board at the AGM 2019.

### Internal audit

The Board of Directors' opinion is that in addition to its existing procedures and functions for internal controls, Dedicare does not need to implement an independent internal audit function.

Monitoring conducted by the Board of Directors, management and external auditors is considered to satisfy this requirement at present. However, whether such a function is necessary to maintain satisfactory controls over the company is considered each year.

### Auditors

Accounting firm Grant Thornton Sweden AB was re-elected as auditor by the AGM on 25 April 2019. The term of office is until the end of the following AGM. The Auditor in Charge is Authorised Public Accountant Mia Rutenius. Mia Rutenius is not considered to have any relationship with Dedicare or associated companies of Dedicare that could affect auditor independence. Mia Rutenius is considered to possess the necessary skills to conduct her assignment as auditor of Dedicare.

Mia Rutenius reported the outcome of her audit at a Board meeting in 2020.

The company's external auditor reviews the Board of Directors' and CEO's administration and the annual accounts prepared.

The auditor also reviews certain other financial statements. The conclusions from the audit are presented in the Audit Report that is submitted to the AGM.

### The Board of Directors' review of internal controls over financial reporting

#### Control environment

The culture the Board of Directors and management communicate and operates from is the foundation of internal controls. Primarily, this includes integrity and ethical values, skills, management philosophy and style, organisational structure, responsibilities and authorisation, as well as policies and procedures. Decision paths, authorisation and responsibility being clearly defined and communicated between different levels of the organisation are an important part of the control environment. It is also important that control documentation in the form of internal policies and guidelines cover all identified material segments, and that these offer the necessary guidance to the various executives of Dedicare.

As part of maintaining good governance and control over financial reporting, Dedicare emphasises the importance of good skills and skills management in this segment. Relevant job descriptions and yearly appraisal interviews are part of this work.

### Risk assessment

Risk assessment identifies the material risks impacting internal controls over financial reporting, and the location of these risks at company, business entity and process level. There is a yearly risk review in tandem with producing a business plan, and preparing the annual accounts. This risk assessment results in control objectives, that support the satisfaction of the fundamental requirements of financial reporting, known as financial statement assertions. The risk assessment is updated regularly to capture changes that materially impact internal controls over financial reporting.

### Control activities

To prevent, discover and rectify misstatements and variances, control activities have been adopted in relation to the risks identified. Segments covered by control activities include:

1. Internal audits of management systems
2. Authorised approval of business transactions
3. ERP systems that impact on financial reporting
4. The accounting process, including financial statements and consolidated accounts

5. Significant, unusual or complex business transactions

### Information and communication

Dedicare's information and communication pathways are intended to be expedient and enable reporting and feedback from operations to the Board of Directors and management. Internal policies and guidelines are available in on Dedicare's intranet and are also communicated to relevant individuals in its organisation. Reporting shortcomings in internal controls is to the Board of Directors and management based on the assessed consequences of such shortcoming.

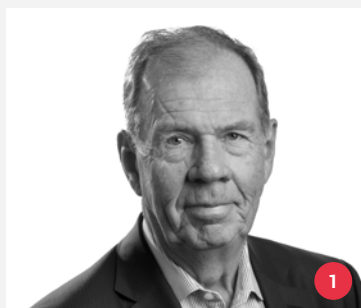
### Monitoring

Dedicare verifies that predetermined control activities are being conducted as intended. Dedicare's core values are reviewed yearly, when an emphasis is placed on the policies and instructions that illustrate management's and the Board of Directors' view of internal governance and controls.



# Board of Directors and senior executives

## Board of Directors



### 1. Björn Öräs

Chairman of the Board

**Board member since:** 2007

**Born in:** 1949

**Education:** B.Sc. (Econ.), Lund University

**Other current assignments:** entrepreneur and founder of Poolia and Uniflex, proprietor and founder of Bro Hof Slott & Golf Club. Chairman (C), Director (D) or CEO (CEO) of Bro Hof Destilleri AB (D/CEO), Bro Hof Golf AB (C), Bro Hof Hotell & Konferens AB (D/CEO), Bro Hof Slott AB (D/CEO), Poolia AB (C).

**Dedicare shareholdings:** 2,011,907 class A and 1,540,722 class B



### 2. Anna Lefevre Skjöldebrandt

**Board member since:** 2011

**Born in:** 1969

**Education:** LL.B. and economics graduate, Uppsala University

**Other current assignments:** Anna Lefevre Skjöldebrandt is CEO of Swedish Medtech Service Aktiebolag and chairs the Eucomed network of national medtech associations across Europe. Anna is also a Director of Eucomed, SIS AB, Swecare AB, Stiftelsen Swecare, the Swedish eHealth Agency and the Swedish Medical Products Agency's insight council.

**Dedicare shareholdings:** 1,800 class B



### 3. Dag Sundström

**Board member since:** 2013

**Born in:** 1955

**Education:** M.Sc.(Eng.), Engineering Physics, Royal Institute of Technology, Stockholm, M.B.A., Stockholm School of Economics

**Other current assignments:** Director of Poolia AB (Publ), International Swedish School AB (Raoul Wallenbergskolan), Djurö Krog AB and DS Holding AB.

**Dedicare shareholdings:** 1,000 class B



### 4. Madeleine Malmqvist Raukas

**Board member since:** 2020

**Born in:** 1967

**Education:** Human Resources and HR qualifications from the Stockholm School of Economics and Stockholm University

**Other current assignments:** Deputy CEO of Swedish Rail since 2012. Previously served as executive of several companies including Deputy CEO of Stockholms Lokaltrafik, Interim CEO of Waxholmsbolaget and CEO of SAS Ground Services Sweden AB.

**Dedicare shareholdings:** 0



### 5. Eva-Britt Gustafsson

**Board member since:** 2019

**Born in:** 1950

**Education:** B.A., Stockholm School of Economics

**Other current assignments:** Director of Svenska Spel AB since 2008, Director of the Swedish eHealth Agency since 2017 and Director of Statens Servicecenter since 2017.

**Dedicare shareholdings:** 0

## Auditor



### Mia Rutenius

**Audit firm:** Grant Thornton Sweden AB

**Auditor in Charge since:** 2018

**Other major assignments:** Poolia AB (publ), BioArctic AB (publ), Sportamore AB (publ)

## Senior executives



Rear from left: Berit Tromsdal, Armin Fejzic, Krister Widström, Jenny Pizzignacco,  
Front from left: Mattis Kjellin, Bård Kristiansen, Johanna Eriksson, Lena Anderberg, Maria Berglind  
(Pantea Zethelius currently on parental leave and not illustrated).

**Krister Widström** (born in 1962)  
**Title:** Managing Director/Chief Executive Officer  
**Employee since:** 2017  
**Professional experience:** senior positions with Poolia, CEO of Bro Hof Slott and Country Manager of Business Sweden, South Africa  
**Other current assignments:** Director of Dedicare subsidiaries  
**Dedicare shareholdings:** 3,355 class B

**Johanna Eriksson** (born in 1981)  
**Title:** CFO  
**Employee since:** 2019  
**Professional experience:** Background with Deloitte and as a CFO in the IT sector  
**Other current assignments:** Director of Dedicare subsidiaries  
**Dedicare shareholdings:** 0

**Jenny Pizzignacco** (born in 1979)  
**Title:** Vice President of Business Development  
**Employee since:** 2016  
**Professional experience:** Experience of Nasdaq and the staffing sector, formerly Interim CFO of Dedicare and CEO of Dedicare Nurse  
**Other current assignments:** Director of Dedicare subsidiaries and Deputy Director of Sekelskifte 1900 AB.  
**Dedicare shareholdings:** 196,070 class B

**Mattis Kjellin** (born in 1972)  
**Title:** CIO  
**Employee since:** 2018  
**Professional experience:** Experience of the staffing sector and senior positions in IT  
**Dedicare shareholdings:** 0

**Bård Kristiansen** (born in 1970)  
**Title:** CEO, Norway  
**Employee since:** 2017  
**Professional experience:** CEO of Medisinsk Vikarbyrå AS, Director of Adecco Helse AS  
**Other current assignments:** Chairman of BCK Consulting AS, Director of WayToGo AS  
**Dedicare shareholdings:** 0

**Armin Fejzic** (born in 1986)  
**Title:** Business Area Manager, Social Worker, Sweden  
**Employee since:** 2015  
**Professional experience:** Social services official  
**Other current assignments:** None  
**Dedicare shareholdings:** 0

**Pantea Zethelius** (born in 1987)  
**Title:** Business Area Manager Nurse, Sweden (on parental leave)  
**Employee since:** 2014  
**Professional experience:** Social services official  
**Other current assignments:** None  
**Dedicare shareholdings:** 0

**Maria Berglind** (born in 1974)  
**Title:** Interim Business Area Manager Nurse, Sweden  
**Employee since:** 2014  
**Professional experience:** Long-term experience of the healthcare and staffing sectors  
**Other current assignments:** None  
**Dedicare shareholdings:** 0

**Lena Anderberg** (born in 1973)  
**Title:** Business Area Manager Doctor, Sweden  
**Employee since:** 2020  
**Professional experience:** Vice President of Sales for Anticimex and Key Account Manager in various sectors  
**Other current assignments:** None  
**Dedicare shareholdings:** 0

**Berit Tromsdal** (born in 1962)  
**Title:** Business Area Manager Nurse, Norway  
**Employee since:** 2001  
**Professional experience:** management experience of hospitals and municipalities. Former CEO of ActiveNurse/Dedicare in the Norwegian start-up from 2001 until 2009.  
**Other current assignments:** Director of HMS-senteret Friskgården  
**Dedicare shareholdings:** 0

# Auditor's report on the corporate governance statement

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

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2019-01-01–2019-12-31 on pages 28-33 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

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

Stockholm March 20, 2020  
Grant Thornton Sweden AB

Mia Rutenius  
Authorized Public Accountant

# Administration Report

Dedicare AB (publ)  
corporate identity no: 556516-1501

## Operations

Dedicare is an authorised staffing company, whose main operations are temporary staffing of doctors, nurses social workers and preschool staff. The group is active in Sweden, Norway, Denmark and Finland, and has 89 employees in its administrative and sales organisation, and in 2019, provided a total of 540 doctors, nurses, social workers and preschool staff expressed as full-time equivalents (FTEs). The company's opinion is that Dedicare is the largest provider of temporary social worker staffing, and one of the largest in temporary staffing of nurses and doctors. In Norway, Dedicare is one of the largest temporary staffing providers of nurses. Its customers include all Sweden's 21 regional authorities, 4 regional authorities in Norway and over 150 municipalities across Sweden and Norway, as well as private sector companies.

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

## Significant events in the year

In 2019, the Norwegian operation was in high growth, while the Swedish operation was in decline. The group's revenue was down by 4.4% on the previous year. The revenue of the Swedish operation decreased by 16.9%, mainly due to market contraction in social worker staffing, while revenue in Norway increased by 21.5% across all segments. Margins narrowed in the year, mainly because of the shortage of consultants, causing increased payroll expenses, and partly due to greater competition involving reduced price levels.

In the first quarter, Dedicare Denmark was started up as a stage in Dedicare's overall vision of becoming one of Europe's leading staffing providers in healthcare and social work. Its initial focus was on temporary staffing of nurses. A stop on the use of external healthcare staffing providers was implemented, effective 1 October 2019, which had a negative impact on the Danish operation.

New working environment regulations in Norway came into effect on 1 January 2019, requiring all staff to be permanently employed. These new regulations did not have any financial effect on the Norwegian operation, but did involve some realignment of operating activities. In the second quar-

ter, Dedicare entered a new agreement with all Norway's hospitals, which has a four-year term. In the past four years, Dedicare has been the largest provider of nurses that worked on a consulting basis in Norwegian hospitals.

Dedicare decided to close its office in Umeå, northern Sweden in the third quarter, but will retain a presence and provide services to the Norrland region as previously.

Dedicare launched a new website in the year, offering a pan-Nordic presence with four websites. Consultants can view available assignments Nordic wide on all websites. Johanna Eriksson became CFO effective 1 September, replacing Jenny Pizzignacco, who returned to her role as the group's Vice President of Business Development.

On 25 October 2018, the Swedish Tax Agency ruled that healthcare staffing services should be subject to VAT, and these rules came into effect on 1 July 2019. This new treatment of VAT has an impact on private sector customers that are not permitted to deduct VAT. The regional health authorities (formerly county councils) are permitted to deduct VAT and will be unaffected. Dedicare's opinion is that these new rules have had little effect on operations, and that going forward, any earnings effect

will be limited because most of Dedicare's revenue is sourced from the public sector. The share of private sector customers reduced somewhat in the year.

## Results of operations and financial position

### Revenue

The group's revenue for the period decreased by 4.4% to SEK 776.0 million (812.0). Revenue for the period in Norway increased by 21.5% to SEK 314.9 million (259.2). In Sweden, revenue for the period decreased by 16.9% to SEK 459.4 million (552.9).

In Norway, revenue increased in all segments. In Sweden, the revenue decrease mainly relates to reduced social worker staffing.

### Results of operations

The group's operating profit for the period was SEK 35.3 million (50.2), and its operating margin was 4.5% (6.2). Operating profit in Sweden for the period decreased to SEK 5.75 million (27.9), with these lower earnings mainly due to reduced sales and higher salary levels. Operating profit in Norway for the period increased to SEK 33.1 million (22.3), mainly due to growth, increased efficiency and higher pricing.



## Financial position

The group's cash and cash equivalents as of 31 December 2019 were SEK 62.7 million. (58.2). The company has an SEK 20.0 million (20.0) overdraft facility, which was unused (0) at the end of the period. This overdraft facility was closed after the end of the reporting period. Cash flow from operating activities was SEK 47.0 million (18.6). The equity/assets ratio as of 31 December 2019 was 38.9% (47.4).

## Investments

The group's investments in non-current assets were SEK 1.7 million (4.6) in the period. They consist of investments in a new ERP system and booking system.

## Human resources

The average number of employees expressed as FTEs was 629 (658). This includes sub-contracting consultants, of which there were 101 (99) in the period January-December.

## Environment

The company does not conduct any operations subject to reporting or permits under the Swedish Environmental Code. One of the company's core values is "being a good corporate citizen," which means taking environmental responsibility is self-evident. The company holds ISO 14001:2004 environmental certification.

## Remuneration guidelines for senior executives

The Annual General Meeting (AGM) 2019 resolved on remuneration guidelines for senior executives. In 2019, the company's senior executives were the group manage-

ment, consisting of the Managing Director and Chief Executive Officer, the Chief Financial Officer, the Country Manager of Norway, Chief Information Officer, Vice President of Business Development, and Business Area Managers. For more information, see note 5.

The Board of Directors is proposing essentially unchanged remuneration principles for senior executives to the AGM 2020.

Dedicare should offer market employment terms & conditions that enable the company to hire and retain skilled staff.

Remuneration to senior executives should consist of basic monthly salary, variable compensation, pension and other customary benefits. Remuneration should be based on individual commitment and performance in relation to predetermined targets, individually and collectively for the whole company. Appraisal of individual performance is continuous.

### *Salary model for the Chief Executive Officer*

The Chief Executive Officer has a salary model based on a basic monthly salary and variable compensation of between 0 and 80% of basic salary. No more than 80% of salary is payable.

### *Variable salary agreements for other senior executives*

Other senior executives have a salary model based on basic monthly salary and variable compensation of between 0 and 40% of basic salary. A variable salary agreement applies, determined on the basis of expected performance in individual areas of responsibility, as well as the group's revenue and/or earnings growth during the previous calendar year. The salary of

senior executives should be market-based. Basic salary is normally subject to yearly review. Sick pay, vacation pay and pension is computed on actual salary outcomes. The AGM resolves on any share and share price-related incentive programs for senior executives.

### *Other compensation and employment terms*

The Chief Executive Officer has pension benefits corresponding to the premium level of the ITP plan (Supplementary Pensions for Salaried Employees). Other senior executives are covered by defined contribution pension plans that correspond to the premium level of the ITP plan. The retirement age of all senior executives is 65. The Chief Executive officer has a notice period of six months for termination initiated by the CEO and 12 months when initiated by the company.

For termination initiated by themselves and the company, the employment contracts of other senior executives stipulate entitlement to six-month notice periods. Monthly salary will be payable throughout the notice period, albeit less other salary accrued during the notice period.

There are no agreements regarding further severance pay for senior executives.

### *Departure from the guidelines*

The Board of Directors is entitled to depart from the above guidelines if it judges that there are special circumstances justifying this in an individual case.

### *Parent company*

The parent company conducts overall group management, administration, finance and IT management. The parent

company has an agreement with the subsidiary Dedicare Doctor AB, implying the operations of one being conducted on behalf of the other (Sw. kommissionärsavtal), which means that earnings from the subsidiary's operations are reported by the parent company. Revenue in the period was SEK 457.8 million (548.2), and profit after financial items was SEK 25.3 million (41.7). Most of the Swedish staffing operations are conducted in the parent company.

## The share

Dedicare's class B share had its initial public offering on Nasdaq Stockholm on 4 May 2011. On 31 December 2019, the share capital was SEK 4,527,703, divided between 9,055,406 shares, of which 2,011,907 class A shares and 7,043,499 class B shares, with a quotient value of SEK 0.50. Each share confers equal entitlement to the company's assets and profits. Class A shares carry one vote and class B shares carry one-fifth of a vote.

The Articles of Association stipulate no limitations on the transferability of shares. Nor are there any agreements between shareholders limiting the transferability of shares. All information on shareholders and the share is on page 19.

## Risks and uncertainties

### *Risk factors in brief*

Investing in shares is always associated with risk-taking. A large number of factors, within and beyond Dedicare's control, may negatively impact the company's share price.

In what follows, some of the risk factors and circumstances considered materially significant to Dedicare's future progress are reviewed, not ranked in order of importance,

and with no claim to completeness. Other risks that the company is not aware of, or the company currently considers as non-essential, may have a material impact on Dedicare's operations, financial position or results of operations.

### **Market-related risks**

#### ***Regulated operations***

The Swedish health and social care sectors are subject to extensive public regulation. Basically all Dedicare's operations are conducted in the regulated sector. This means that operations may be fundamentally impacted by new regulation or regulatory reform decided by Parliament, other elected bodies, or other authorities.

Such decisions may present obstacles to the company in conducting its operations to a significant degree, and negatively impact its potential to achieve profitability and growth.

#### ***Political risk***

In early-2018, the Swedish government presented a bill based on a welfare inquiry. On 8 June 2018, Sweden's parliament resolved on two commission findings that are fundamental to the welfare bill. Parliament elected to raise the standards applying to permits, and enacted simplified and more flexible tendering rules.

For Dedicare, this presents opportunities and risks. Opportunities because we have been wanting more stringent standards from the regional health authorities for some time, and risks because this may imply increased administrative costs.

### **Public funding and governance**

Essentially, healthcare in Sweden and Norway is publicly funded. The predominant share of Dedicare's sales are to the public sector. Dedicare's private sector customers are also largely active in the publicly funded health and social care sectors. Public funding means that cutbacks, savings, rationalisation or similar action at central, regional or municipal level may have a material negative impact on Dedicare's business.

Dedicare's operations can also be more heavily impacted by political control of health and social care. Additionally, from time to time, the question of tendering for staffing services in health and social care is, and has been, the subject of debate.

For example, in 2003, Stockholm County Council and some other county councils decided to discontinue purchasing services from staffing providers in healthcare. This decision meant that in the following year, the staffing market contracted by over 50% according to statistics provided by HR sector organisation Kompetensföretagen. Swedish local government body SKR has been working on a program of measures entitled *Oberoende av inhyrd personal inom hälso- och sjukvården* ('Independence from agency staff in health and social care'), which came into effect on 1 January 2019. Its objective is to reduce the cost share for agency staff in relation to employed staff from approximately 3.8% to 2%. Similar decisions and discussions appear in different segments, and at different levels. Because the majority of Dedicare's sales are to customers in the public sector, political or operationally based decisions may mean a more restrictive view of procure-

ment from staffing companies having a negative impact on Dedicare's operations and growth prospects.

### **Labour law**

The staff Dedicare appoints when staffing assignments are usually not permanently employed by Dedicare. Instead, Dedicare's staffing business is dependent on the labour law regulations and applicable collective bargaining agreements in those countries where the company conducts operations enabling staff to be hired on the terms and periods that apply to Dedicare's assignments. If regulations alter in a way that reduce the group's potential to conduct operations efficiently, the group's results of operations and growth potential may be negatively impacted. According to the EU directive on temporary agency work (2008/104/EC), prohibition or limitation of appointing workers provided by staffing companies can only be upheld by law, custom & practice and collective bargaining agreement if in the public interest. This Directive should have been implemented in member states, and thus also in Sweden, effective 2011.

The Norwegian parliament adopted new regulations in its working environment legislation, implying that agency staff should be permanently employed, and this applies effective 1 January 2019. These new regulations did not have any financial impact on the Norwegian operation, but did imply some realignment of operating activities.

### **A new sector**

Healthcare and social worker staffing is a fairly new sector in Sweden and Norway.

This implies a risk that participants that do not have the organisational resources and structure necessary to be able to provide high-quality services may appear. Individual players of this type may operate in a way that has a negative impact on public perceptions of staffing companies in healthcare and social work. In turn, this could negatively impact the potential of Dedicare's operations.

### **Competition**

The company is active in a competitive market. At present, there are something approaching 100 companies, of which some 40 are authorised staffing providers in Sweden. There are also a number of competitors in Norway. The company's competition consists of local, regional, national and multinational players. There is a risk that new players join the market, or existing players add to their offerings in a way that further increases competition on the market. The investments necessary to start a staffing operation in healthcare and social work are fairly minor compared to many other sectors. Increased competition may have a negative impact on the group's sales, profitability and growth.

### **Operational risks**

#### ***Dependence on major customers***

Dedicare has a small number of customers, which together, represent a high share of the company's total sales. The Norwegian South-eastern health authority (Helse Sør Øst) represented 14.0% (23.0) of total revenue in Norway. The largest customer in Sweden, the Stockholm regional health authority, represented 23.0% (14.0) of

total revenue in Sweden in 2019. Regional health authorities and municipalities often procure staffing services for all their units and operations in a single integrated tendering process. The same applies to the Norwegian public sector. These public tenders are strictly regulated in law, and generally, a number of priority suppliers are selected in order, who then become party to framework agreements. These agreements usually have a two-year term with a further maximum two-year extension option.

If Dedicare does not win tenders with major individual customers or falls in the priority ranking, this may have a temporary significant negative impact on the company's sales and profitability.

Additionally, it is not unusual for completed tenders to be subject to appeal, and that after such appeal, a court rules that the outcome of the tender must be changed, or the tender must be repeated. There can be no guarantee that Dedicare will be favoured once the tender is repeated, and if this were the case, this would have a negative impact on the company's sales and profitability.

#### **Staff shortages and salary increases**

Dedicare's staffing assignments are conducted by consultants employed or appointed temporally for individual assignments. There is a general shortage of doctors, nurses, social workers and preschool staff in Sweden and Norway, and several staffing providers are competing to attract the same people. A shortage of consultants may mean taking on and staffing assignments is problematic, which ultimately, may impact negatively on the

company's growth prospects. Additionally, a shortage of consultants maybe a salary driver, impacting the company's profitability. Nor is it certain that the company can fully offset such cost increases during the term of existing customer contracts.

#### **Contractual penalties**

Framework agreements with public sector customers in Sweden and Norway generally prescribe an obligation for Dedicare to pay fines, and in certain cases, additional expenses to the client if Dedicare is unable to complete an accepted assignment and deliver the agreed consultant.

#### **Tax**

Dedicare believes that it conducts operations in compliance with applicable tax regulations. However, the possibility that tax agencies may question Dedicare's current or previous treatment of taxes and charges cannot be ruled out. If this occurs, and tax agencies' claims are upheld, the company may incur additional taxes and charges.

On entering agreements with staff rendering services on a self-employed consulting basis, there is a risk that Dedicare becomes liable for taxes and social security contributions if these consulting enterprises do not fulfil their obligations. A large number of doctors and nurses from other countries work in the Norwegian operation. Dedicare believes that it complies with the laws and regulations in place for foreign staff, but there is a risk that the tax agency believes that these doctors and nurses should pay taxes and social security

contributions in another country. In some cases, this could involve higher social security contributions for Dedicare.

#### **Incorrect medical treatment and criticism**

When providing healthcare services, there is always a risk of errors and mistakes. If healthcare staff that Dedicare provides make a serious error, there is a risk that such shortcomings or stated shortcomings have a negative impact on the company's reputation. In turn, this can have negative consequences for the company's operations, sales and profitability.

#### **Acquisitions**

Dedicare's growth strategy includes the acquisition of other companies. However, there can be no guarantee that Dedicare can identify attractive acquisition candidates, or if acquisitions are executed, that Dedicare can integrate acquired entities efficiently. If acquisitions are executed and expected synergy effects are not achieved, or if Dedicare is otherwise unsuccessful in executing the integration process efficiently, operations, its results of operations and financial position may be negatively impacted.

#### **Financial risks**

##### **Currency risk**

Dedicare's presentation currency is Swedish kronor. A significant portion of the group's revenue, some 40.6% for the full year 2019, is generated in Norway. However, a significant portion of the payroll expenses of the Norwegian operation are paid in Swedish kronor, which gives rise to

transaction exposure. Additionally, Dedicare is exposed to the currency risk that arises on translation of foreign subsidiaries' balance sheets and income statements (translation exposure). Currently, the most important currency Dedicare is exposed to is Norwegian kroner, for sales and purchases.

Exchange rate fluctuations may have a negative impact on Dedicare's financial position and results of operations. Currency risks are not hedged.

##### **Credit and counterparty risk**

Credit and counterparty risk is the risk that a customer or counterparty in a transaction is unable to fulfil its obligations, thus causing the company losses. The company is exposed to credit and counterparty risk when, for example, investing surplus liquidity in financial assets, and in ordinary customer relationships. The effect of a counterparty or customer being unable to fulfil its obligations is that the company may be affected by a customer loss, or lose a capital investment, which would impact Dedicare's results of operations and financial position negatively.

##### **Liquidity risk**

Liquidity risk is the risk of potential difficulties in securing funds to fulfil Dedicare's obligations associated with financial instruments. At present, Dedicare's cash and cash equivalents are invested in accounts or short-term deposits with banks. At present, the company does not have any need for refinancing.

### Expected future progress

Dedicare expects future demand for the services the company offers to remain good. One uncertainty for the group lies in political decisions that may affect temporary staffing in the public sector.

### Sustainability Report

The Sustainability Report is on page 22 of the Annual Report.

### Corporate Governance Report

The Corporate Governance Report is on page 28 of the Annual Report.

### Significant events after the end of the financial year

For events after the end of the financial year, see note 31.

### Proposed appropriation of profit

The Board of Directors of Dedicare is proposing a dividend of SEK 2.60 (4.00) per share, or SEK 23.5 million (36.2) for payment as dividends to shareholders. The group's dividend policy stipulates that the yearly dividend over a business cycle should be at least 50% of net profit.

### The following funds are at the disposal of the Annual General Meeting (SEK).

Non-restricted equity in the parent company:

Profit brought/carried forward	11,379,085
Profit for the year	25,615,822
<b>Total</b>	<b>36,994,907</b>

The Board of Directors proposes that these funds are appropriated as follows (SEK):

Dividend to shareholders	23,544,056
Carried forward	13,450,851
<b>Total</b>	<b>36,994,907</b>

### Board of Directors' statement on proposed dividends

The Board of Directors makes the following reasoned statement pursuant to chap. 18 §4 of the Swedish Companies Act:

The Board of Directors believes that Dedicare's financial position is good, and that the proposed dividend does not prevent the company or group from fulfilling its commitments in the short and long term, nor preventing the company or group from completing necessary investments.

The group's cash and cash equivalents amount to SEK 62.7 million as of 31 December 2019, and the Group is expected to generate positive cash flow in 2020.

The dividend proposal considers the company's dividend policy, which states that yearly dividend should be a minimum of 50% of net profit. The proposed ordinary dividend is 89% of net profit. This dividend is justified by the group's strong Balance Sheet and confidence in the group's future progress. Additionally, the Board of Directors has considered the company's capability to fulfil current and anticipated payment obligations, and complete its investments. Against the background of the company's and group's operations continuing to be conducted profitably, the equity/assets ratio and liquidity are satisfactory. The group's equity ratio after the proposed dividend is 32.3%.

Regarding the company's and the group's results of operations and financial position otherwise, please refer to the Income Statements and Balance Sheets, Statements of Comprehensive Income, Cash Flow Statements and notes in the annual accounts.

The Board of Directors' opinion is that the proposed dividend will not prevent the company, or other companies within the group, from fulfilling their obligations, nor from completing necessary investments. Accordingly, the proposed dividend is justifiable considering the provisions of chap. 17 §3 second and third sections (principle of prudence) of the Swedish Companies Act.

Regarding the parent company's and the group's results of operations and financial position otherwise, please refer to the following statements and supplementary disclosures. All amounts are expressed in thousands of Swedish kronor unless otherwise stated.



# Financial Statements

## Consolidated Statement of Comprehensive Income

SEK 000	Note	1 Jan. 2019 31 Dec. 2019	1 Jan. 2018 31 Dec. 2018
<b>Operating income</b>			
Net sales	1	775,988	812,017
<b>Total</b>		<b>775,988</b>	<b>812,017</b>
<b>Operating expenses</b>			
Purchased services		–194,399	–190,745
Personnel expenses	5	–477,597	–504,969
Other external expenses	2, 3, 4	–62,245	–64,922
Depreciation, amortisation and impairment of tangible and intangible assets	13, 14	–6,442	–1,154
<b>Operating profit</b>		<b>35,305</b>	<b>50,227</b>
<b>Profit from financial investments</b>			
Other interest income and similar profit/loss items	7	229	87
Interest expenses and similar profit/loss items	8	–1,153	–593
<b>Profit after financial items</b>		<b>34,382</b>	<b>49,721</b>
Tax on profit for the year	10	–7,947	–11,487
<b>Profit for the year</b>		<b>26,435</b>	<b>38,234</b>
<b>Other comprehensive income</b>			
<i>Items reclassifiable to profit or loss</i>			
Translation differences		421	–
<b>Total comprehensive income for the year</b>		<b>26,856</b>	<b>38,234</b>
<b>Total profit for the year attributable to:</b>			
Equity holders of the parent		26,435	38,234
Basic earnings per share, SEK	11	2.92	4.22
Diluted earnings per share, SEK		2.92	4.22
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		26,856	38,234

## Consolidated Statement of Financial Position

SEK 000	Note	31 Dec. 2019	31 Dec. 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	12	7,333	6,230
Other intangible assets	13	2,881	1,768
		<b>10,214</b>	<b>7,998</b>
<b>Property, plant and equipment</b>			
Right-of-use assets	14	14,365	–
Equipment, tools, fixtures and fittings	14	2,579	3,461
		<b>16,944</b>	<b>3,461</b>
<b>Financial assets</b>			
Deferred tax assets	10	35	36
Deposits paid		4,307	4,300
		<b>4,342</b>	<b>4,336</b>
<b>Total non-current assets</b>		<b>31,500</b>	<b>15,795</b>
<b>Current assets</b>			
Accounts receivable	16	74,652	79,334
Tax asset		12,315	3,192
Other receivables		414	556
Prepaid expenses and accrued income	17	57,594	58,698
		<b>144,975</b>	<b>141,780</b>
Cash and cash equivalents	23	62,694	58,244
<b>Total current assets</b>		<b>207,669</b>	<b>200,024</b>
<b>TOTAL ASSETS</b>		<b>239,169</b>	<b>215,819</b>

SEK 000	Note	31 Dec. 2019	31 Dec. 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	4,528	4,528
Other paid-up capital		1,458	1,458
Translation reserves		-5,598	-6,018
Retained earnings		66,265	64,253
Profit for the year		26,435	38,234
<b>Total equity</b>		<b>93,088</b>	<b>102,455</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	10,155	–
Deferred tax liabilities	10	10,699	10,892
<b>Total non-current liabilities</b>		<b>20,854</b>	<b>10,892</b>
<b>Current liabilities</b>			
Lease liabilities	19	4,422	–
Accounts payable		4,883	3,103
Current tax liabilities		7,521	5,548
Other current liabilities	20	25,166	22,737
Accrued expenses and deferred income	21	83,235	71,084
<b>Total current liabilities</b>		<b>125,227</b>	<b>102,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239,169</b>	<b>215,819</b>

## Consolidated Statement of Cash Flows

SEK 000	Note	1 Jan. 2019 31 Dec. 2019	1 Jan. 2018 31 Dec. 2018
<b>Operating activities</b>			
Operating profit		35,305	50,227
Adjustment for non-cash items	22	5,583	1,200
Interest received		204	–
Interest paid		–1,127	–515
Income tax paid		–15,300	–14,100
<b>Cash flow from operating activities before changes in working capital</b>		<b>24,665</b>	<b>36,812</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(–) in accounts receivable		4,682	–7,680
Decrease(+)/increase(–) in receivables		1,246	–3,100
Decrease(–)/increase(+) in accounts payable		1,780	–1,112
Decrease(–)/increase(+) in current liabilities		14,580	–6,264
<b>Cash flow from operating activities</b>		<b>46,954</b>	<b>18,656</b>
<b>Investing activities</b>			
Purchase of intangible assets	13	–1,648	–1,410
Purchase of property, plant and equipment	14	–87	–3,187
<b>Cash flow from investing activities</b>		<b>–1,734</b>	<b>–4,597</b>
<b>Financing activities</b>			
Repayment of lease liability		–4,918	–
Cash deposits		–	–4,300
Dividend paid		–36,222	–45,277
<b>Cash flow from financing activities</b>		<b>–41,140</b>	<b>–49,577</b>
<b>Cash flow for the year</b>		<b>4,079</b>	<b>–35,518</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>58,244</b>	<b>93,723</b>
Exchange difference in cash and cash equivalents		371	39
<b>Cash and cash equivalents at end of year</b>	23	<b>62,694</b>	<b>58,244</b>
<b>Available cash and cash equivalents net of blocked bank balances</b>		<b>62,694</b>	<b>58,244</b>

## Consolidated Statement of Changes in Equity

SEK 000	Attributable to equity holders of the parent				
	Share capital	Other paid-up capital	Translation reserve	Profit brought/carried forward	Total equity
Opening balance, 1 January 2019	4,528	1,458	-6,018	102,487	102,455
<b>Comprehensive income</b>					–
Profit for the year	–	–	–	26,435	26,435
<b>Other comprehensive income</b>					–
<i>Items reclassifiable to profit or loss</i>					–
exchange differences	–	–	420	–	420
<b>Total other comprehensive income</b>	–	–	<b>420</b>	–	<b>420</b>
<b>Total comprehensive income</b>	–	–	<b>420</b>	<b>26,435</b>	<b>26,855</b>
<b>Transactions with equity holders</b>					
Dividends	–	–	–	-36,222	-36,222
Exercise of share warrants	–	–	–	–	–
<b>Total transactions with equity holders</b>	–	–	–	<b>-36,222</b>	<b>-36,222</b>
<b>Closing balance, 31 December 2019</b>	<b>4,528</b>	<b>1,458</b>	<b>-5,598</b>	<b>92,700</b>	<b>93,088</b>

SEK 000	Attributable to equity holders of the parent				
	Share capital	Other paid-up capital	Translation reserve	Profit brought/carried forward	Total equity
Opening balance, 1 January 2018	4,528	1,458	-6,056	109,530	109,460
<b>Comprehensive income</b>					
Profit for the year	–	–	–	38,234	38,234
<b>Other comprehensive income</b>					
<i>Items reclassifiable to profit or loss</i>					
Exchange differences*	–	–	38	–	38
<b>Total other comprehensive income</b>	–	–	<b>38</b>	–	<b>38</b>
<b>Total comprehensive income</b>	–	–	<b>38</b>	<b>38,234</b>	<b>38,272</b>
<b>Transactions with equity holders</b>					
Dividends*	–	–	–	-45,277	-45,277
Exercise of share warrants	–	–	–	–	–
<b>Total transactions with equity holders</b>	–	–	–	<b>-45,277</b>	<b>-45,277</b>
<b>Closing balance, 31 December 2018</b>	<b>4,528</b>	<b>1,458</b>	<b>-6,018</b>	<b>102,487</b>	<b>102,455</b>

\* Correction, dividend paid 2018



## Parent Company Income Statement

SEK 000	Note	1 Jan. 2019 31 Dec. 2019	1 Jan. 2018 31 Dec. 2018
<b>Operating income</b>			
Net sales	1	457,766	548,206
		<b>457,766</b>	<b>548,206</b>
<b>Operating expenses</b>			
Purchased services		-174,624	-178,463
Personnel expenses	5	-250,040	-311,349
Other external expenses	2, 3, 4	-28,245	-29,876
Depreciation, amortisation and impairment of tangible and intangible assets	13, 14	-1,345	-992
<b>Operating profit</b>		<b>3,512</b>	<b>27,526</b>
<b>Profit from financial investments</b>			
Profit/loss from participations in group companies	6	24,925	17,416
Other interest income and similar profit/loss items	7	7,175	11,798
Interest expenses and similar profit/loss items	8	-10,354	-15,058
<b>Profit after financial items</b>		<b>25,258</b>	<b>41,682</b>
Appropriations	9	809	-4,563
Tax on profit for the year	10	-451	-4,600
<b>Profit for the year</b>		<b>25,616</b>	<b>32,519</b>
<b>Other comprehensive income</b>			
<i>Items reclassifiable to profit or loss</i>			
Translation differences		-	-
<b>Total comprehensive income for the year</b>		<b>25,616</b>	<b>32,519</b>

## Parent Company Balance Sheet

SEK 000	Note	31 Dec. 2019	31 Dec. 2018
<b>ASSETS</b>			
Non-current assets			
Intangible assets			
Other intangible assets	13	2,881	1,768
		<b>2,881</b>	<b>1,768</b>
 Property, plant and equipment			
Equipment, tools, fixtures and fittings	14	2,136	2,901
		<b>2,136</b>	<b>2,901</b>
 Financial assets			
Participations in group companies	15	21,636	21,033
Cash deposits		4,308	4,300
		<b>25,944</b>	<b>25,333</b>
<b>Total non-current assets</b>		<b>30,961</b>	<b>30,002</b>
 Current assets			
Accounts receivable	16	45,556	54,570
Tax assets		12,217	2,873
Other receivables		166	556
Prepaid expenses and accrued income	17	31,237	37,323
		<b>89,176</b>	<b>95,322</b>
 Cash and bank balances	23	54,919	51,940
<b>Total current assets</b>		<b>144,095</b>	<b>147,262</b>
<b>TOTAL ASSETS</b>		<b>175,056</b>	<b>177,264</b>

SEK 000	Note	31 Dec. 2019	31 Dec. 2018
<b>EQUITY AND LIABILITIES</b>			
Equity			
Restricted equity			
Share capital	18	4,528	4,528
Statutory reserve		20	20
		<b>4,548</b>	<b>4,548</b>
 Non-restricted equity			
Share premium reserve		1,458	1,458
Retained earnings*		9,921	13,623
Profit for the year		25,616	32,519
		<b>36,995</b>	<b>47,600</b>
<b>Total equity</b>		<b>41,543</b>	<b>52,148</b>
 Untaxed reserves	9	48,710	49,554
 Current liabilities			
Accounts payable		5,611	2,145
Liabilities to group companies*		29,860	22,679
Other current liabilities	20	12,631	13,269
Accrued expenses and deferred income	21	36,701	37,469
		<b>84,804</b>	<b>75,562</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>175,056</b>	<b>177,264</b>

\* Correction, dividend paid 2018

## Parent Company Cash Flow Statement

SEK 000	Note	1 Jan. 2019 31 Dec. 2019	1 Jan. 2018 31 Dec. 2018
<b>Operating activities</b>			
Operating profit		3,512	27,526
Adjustment for non-cash items	22	-1,595	-1,420
		<b>1,917</b>	<b>26,106</b>
Interest received		847	822
Interest paid		-1,085	-1,276
Income tax paid		-9,795	-11,299
<b>Cash flow from operating activities before change in working capital</b>		<b>-8,116</b>	<b>14,353</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in accounts receivable		9,014	-2,754
Decrease(+)/increase(-) in receivables		6,476	507
Decrease(-)/increase(+) in accounts payable		3,466	-1,035
Decrease(-)/increase(+) in current liabilities		4,179	-10,731
<b>Cash flow from operating activities</b>		<b>15,019</b>	<b>340</b>
<b>Investing activities</b>			
Purchase of intangible assets	13	-1,648	-1,429
Purchase of property, plant and equipment	14	-46	-2,952
Purchase of subsidiary	15	-	-100
Dividend received from subsidiary	6	25,918	17,416
Group contribution paid	9	-35	-
<b>Cash flow from investing activities</b>		<b>24,189</b>	<b>12,935</b>
<b>Financing activities</b>			
Deposits paid		-8	-4,300
Dividend paid		-36,222	-45,277
<b>Cash flow from financing activities</b>		<b>-36,230</b>	<b>-49,577</b>
<b>Cash flow for the year</b>		<b>2,979</b>	<b>-36,302</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>51,940</b>	<b>88,242</b>
<b>Cash and cash equivalents at end of year</b>	23	<b>54,919</b>	<b>51,940</b>
<b>Available cash and cash equivalents net of blocked bank balances</b>		<b>54,919</b>	<b>51,940</b>

## Parent Company Statement of Changes in Equity

SEK 000	Share capital	Statutory reserve	Share premium reserve	Profit brought/ carried forward	Profit for the year	Total equity
Opening balance, 1 January 2018	4,528	20	1,458	10,678	48,222	64,906
Appropriation of earnings, according to AGM resolution	–	–	–	48,222	–48,222	–
<b>Comprehensive income</b>						
Profit for the year	–	–	–	–	32,519	32,519
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive income</b>	–	–	–	–	<b>32,519</b>	<b>32,519</b>
Transactions with equity holders						
Dividend*				–45,277		–45,277
<b>Total transactions with equity holders</b>	–	–	–	<b>–45,277</b>	–	<b>–45,277</b>
<b>Closing balance, 31 December 2018</b>	<b>4,528</b>	<b>20</b>	<b>1,458</b>	<b>13,623</b>	<b>32,519</b>	<b>52,148</b>

\* Correction, dividend paid 2018

SEK 000	Share capital	Statutory reserve	Share premium reserve	Profit brought/ carried forward	Profit for the year	Total equity
Opening balance, 1 January 2019	4,528	20	1,458	13,623	32,519	52,148
Appropriation of earnings, according to AGM resolution				32,519	–32,519	–
<b>Comprehensive income</b>						
Profit for the year	–	–	–	–	25,616	25,616
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive income</b>	–	–	–	–	<b>25,616</b>	<b>25,616</b>
Transactions with equity holders						
Dividend				–36,222		–36,222
<b>Total transactions with equity holders</b>	–	–	–	<b>–36,222</b>	–	<b>–36,222</b>
<b>Closing balance, 31 December 2019</b>	<b>4,528</b>	<b>20</b>	<b>1,458</b>	<b>9,921</b>	<b>25,616</b>	<b>41,543</b>

\* Correction, dividend paid 2018



# Notes

## Supplementary disclosures

### General information

The consolidated accounts and annual accounts of Dedicare AB (publ) for the financial year 2019 were approved by the Board of Directors and Chief Executive Officer for publication on 20 March 2020. Parent company Dedicare AB (publ) has its registered office in Stockholm, Sweden, at Ringvägen 100 10th floor, 118 60 Stockholm, Sweden. The class B shares of Dedicare AB (publ) have been listed on Nasdaq Stockholm since May 2011. The consolidated accounts and annual accounts will be definitively adopted at the parent company's Annual General Meeting on 23 April 2020.

Dedicare is an authorised staffing company, whose main operation is temporary staffing of doctors, nurses, social workers and preschool staff. The company is active in Sweden, Norway, Denmark and Finland.

The composition of the group is stated in note 15.

### Accounting policies

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the EU for application within the EU. Additionally, the group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Groups.

### New or revised IFRS and interpretation statements 2019

IFRS 16 Leases replaces IAS 17 Leases and three associated interpretation statements (IFRIC 4, Determining Whether an Arrangement Contains a Lease, SIC 15, Operating Leases—Incentives and SIC 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease).

IFRS 16 introduces a right-of-use model and means that for the lessee, basically all leases should be recognised in the Balance Sheet as a right of use and a lease liability. Potential exemptions are arrangements with lease terms of 12 months or less, and leases of low value. Depreciation of the assets and interest expenses on the liability are recognised in the Income Statement.

Mapping of the group's leases is complete, and management has evaluated the effects of the transition. Dedicare has decided to apply the modified retrospective approach, which means that comparative figures are not restated. The group has decided to apply transition relief for short-term arrangements and arrangements of low value. The group has decided not to include direct expenditure for measuring right-of-use of operating leases present on the date of initial adoption (DOIA) of IFRS 16, which is 1 January 2019. As of this date, the group has also decided to measure the right of use at the same amount as the lease liability, restated for any prepaid or accrued lease payments as of this date.

instead of impairment testing of the right-of-use asset as of the DOIA, the group has utilised historical assessments of whether a lease is an onerous contract prior to the adoption of IFRS 16. The incremental borrowing rate for lease liabilities reported pursuant to IFRS 16 on adoption of IFRS 16 is 3%.

### Reconciliation between balance sheet items pursuant to IAS17 and IFRS16 as of 1 January 2019

	Carrying amount 31 Dec. '18, IAS 17	Effect of IFRS 16 transition	Carrying amount 1 Jan. '19, IFRS16
Right-of-use assets	–	19,379	19,379
<b>Total right-of-use assets</b>	<b>–</b>	<b>19,379</b>	<b>19,379</b>

The following is a reconciliation between the total obligation for operating leases as of 31 Dec. '18, and the lease liability recognised as of 1 Jan. '19:

Future obligations as of 31 Dec. '18, according to annual accounts	19,546
Discounted by implicit interest rate as of 1 Jan. '19	–1,243
Plus finance lease liabilities reported as of 31 Dec. '18	
Less—exemptions for:	
Short-term lease arrangements	–950
Plus—reasonably certain extension periods	2,026
<b>Future obligations as of 1 January 2019</b>	<b>19,379</b>

### New or revised IFRS and interpretation statements, 2020 and beyond

New or revised standards and new interpretation statements that have been published but not yet come into effect are not expected to have any material impact on the consolidated financial statements on first-time adoption.

### Consolidated accounts

The consolidated accounts include parent company Dedicare AB and those companies that Dedicare exerts a controlling influence over. Controlling influence requires influence (right to make decisions) over another company, and the capability to exercise this right to make decisions, and to be exposed, or entitled, to variable returns. Normally, controlling influence exists when the parent company holds over 50% of the votes of another company directly or indirectly.

The consolidated cost of the subsidiary is determined through an acquisition analysis relating to the acquisition. This analysis determines the cost of shares, partly the fair value of the identifiable acquired

assets and liabilities taken over on the acquisition date. The cost of the subsidiary consists of the total of the fair value of the assets received, liabilities arising or taken over and issued equity instruments presented as payment in exchange for the acquired net assets directly attributable to the acquisition, as of the acquisition date.

Cost also includes the fair value of all assets and liabilities that result from an agreement on contingent consideration. Acquisition-related expenses are recognised in profit or loss as they occur.

Individual companies' untaxed reserves are recognised in the Consolidated Balance Sheet divided between equity (reserves) and provisions for tax. The tax attributable to the change in untaxed reserves for the year is recognised in the Income Statement as deferred tax.

Intra-group gains and balances are eliminated in the consolidated accounts.

#### **Translation of foreign subsidiaries' income statements and balance sheets**

When preparing consolidated accounts, foreign operations' balance sheets are translated from their functional currency to Swedish kronor at closing day rates. Income statements are translated at average rates of exchange for the period. The translation differences arising are recognised in translation reserve in other comprehensive income, and classified as a translation reserve in equity. The accumulated translation difference is transferred and recognised as a portion of the gain or loss in the case of the foreign operation being divested. Goodwill attributable to the acquisition of operations with a functional currency other than Swedish kronor is treated as an asset and liability in the acquired operation's currency, and translated at the closing day rate.

#### **Revenue recognition**

IFRS 15 Revenue from Contracts with Customers applies to financial years beginning 1 January 2018, and replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 applies a common model of revenue recognition for almost all revenue arising from contracts with customers, apart from leases, financial instruments and insurance policies. The basic principle of revenue recognition pursuant to IFRS 15 is that a company should recognise revenue in a way that reflects the transfer of the promised good or service to the customer, at the amount the company expects to receive in exchange for transferring the promised goods or services. Revenue is recognised when the customer obtains control over the good or service.

Dedicare recognises revenue in a way that reflects the transfer to the customer in terms of control over the promised service. On temporary staffing, this is over time, and for recruitment, at a specific point in time. Revenue is recognised that the amount the group expects to be entitled to in exchange for transferring the promised service to the customer.

#### **Operating segments**

Dedicare's operating segments report in a way that is consistent with internal reporting to, and followed up by, the group's Chief Executive Officer. Operations are divided into the geographical regions of Sweden, Norway and New Markets (Finland and Denmark). The accounting policies applied for segment reporting are consistent with those the group applies.

#### **Leases**

As stated in the section on new or revised IFRS, the group has applied the modified retrospective approach for adopting IFRS 16, and accordingly, comparative figures have not been restated. Consequently, this means that comparative figures for 2018 are reported pursuant to IAS 17 and IFRIC 4.

*Accounting policy applicable effective one 1 Jan. '19:*

#### **The group as lessee**

The group judges whether an arrangement is a lease, or contains a lease, for all arrangements entered on 1 Jan. '19. A lease is defined as "an arrangement, or part of an arrangement, that transfers the right of use of an asset (the underlying asset) for a specific time in exchange for compensation." To apply this definition, the group judges whether the arrangement satisfies requirements in three assessments of whether:

The arrangement contains an identified asset that is either specifically identified in the arrangement or implicitly specified by being identified at the time when the asset was made available to the group.

The group is entitled to essentially all the economic rewards that arise through usage of the identified asset or throughout the period of tenure, considering the group's entitlements within the arrangement's defined area of application.

The group is entitled to control usage of the identified asset throughout the period of tenure. The group judges whether it is entitled to control "how and for which purpose" the asset is to be used throughout the period of tenure.

#### **Measurement and recognition of leases as lessor**

At the lease commencement date, the group recognises a right of use and a lease liability in the Statement of Financial Position. The right of use is measured at cost, which is the total the lease liability is originally measured at, any initial direct expenditure the group incurs, an estimate of the group's expenditure for disassembly and disposal of the asset at the end of the lease term, and any lease payments paid before beginning the lease (less any benefits received).

The group depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients in IFRS 16. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the Statement of Financial Position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in non-current and current liabilities.

Accounting policies applied prior to 1 Jan. '19:

### The group as lessee

#### Finance leases

Management makes an assessment of the substance of a lease, and whether the group is essentially transferring all risks and rewards associated with ownership of the leased asset. Key factors to consider include the length of the lease in relation to the asset's economic useful life, the present value of minimum lease payments in relation to the fair value of the asset, and whether the group obtains rights of ownership to the asset at the end of the lease term.

For leases on buildings and land, minimum lease payments are first divided into each component based on the relative fair values of each lease interest. Each component is then evaluated separately to judge whether it should be treated as a finance lease. This is with consideration to the fact that land usually has an indefinite economic useful life.

See note 14 for depreciation methods and useful lives of assets held through finance leases. The interest portion of lease payments is recognised as a financial expense/interest expense directly against profit or loss over the lease term.

#### Operating leases

All other leases are treated as operating leases. When the group is lessee, lease payments relating to operating leases are expensed on a straight-line basis over the lease term. Associated expenses such as maintenance and insurance are expensed as they occur.

#### Tax

The tax expense or tax revenue for the period consists of current tax and deferred tax. Current tax is computed on taxable earnings for a period. Deferred tax is computed based on what is known as the balance sheet approach, which involves a comparison between the carrying amounts and tax value of assets and liabilities.

The difference between these values is multiplied by the tax rate that is expected to apply for the period when the tax is realised/settled, which generates an amount for deferred tax. Deferred tax assets are recognised in the Balance Sheet to the extent it is likely that these amounts can be used against future taxable earnings.

Individual companies' untaxed reserves are recognised in the Consolidated Balance Sheet divided between equity (reserves) and deferred provision for tax. In the Income Statement, the tax attributable to the change in untaxed reserves for the year is recognised as deferred tax.

Deferred tax assets are recognised in the Balance Sheet to the extent it is judged that amounts can be used against future taxable surpluses. Deferred tax assets and liabilities are offset when they relate to tax to be debited by the same tax agency, and when the group intends to settle the tax with a net amount.

#### Non-current assets

Non-current assets are recognised at cost less plan depreciation and impairment taken based on a judgement of these assets' useful lives.

Depreciation/amortisation according to plan is as follows:

Equipment, tools, fixtures and fittings	20–33%
Other intangible assets	20–33%

The residual value and useful lives of assets are tested at each reporting date and adjusted as required.

#### Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency have been measured at closing day rates, and unrealised exchange gains and exchange losses are included in profit or loss.

Unrealised exchange gains on non-current receivables and liabilities are offset against unrealised exchange losses as excess exchange gains or losses are recognised as financial income or financial expense in profit or loss.

#### Financial instruments

A financial instrument is each form of an agreement that gives rise to a financial asset or financial liability. Financial assets in the Balance Sheet are accounts receivable, accrued contracted revenues and cash and cash equivalents. Financial liabilities are accounts payable and accrued contracted expenses. The group does not hold any derivative instruments. Financial assets and financial liabilities are recognised when the group becomes a contract party to the financial instrument's contract terms. Financial assets are derecognised from the Balance Sheet when the contracted rights relating to the financial assets cease, or when the financial asset and all material risks and rewards are transferred. A financial liability is derecognised from the Balance Sheet when it is extinguished, i.e. when it is discharged, cancelled or expired. Financial assets and liabilities are initially measured at fair value. Financial assets and liabilities are classified in the amortised cost, fair value through profit or loss and fair value through other comprehensive income categories. For the periods included in the financial statements, all financial assets or liabilities are categorised as amortised cost. After first-time recognition, financial assets classified in the category of amortised cost are measured at amortised cost by applying the effective interest method. There is no discounting if the effect of discounting is immaterial. Financial assets and liabilities are offset and recognised at a net amount in the Balance Sheet only when there is a legal right of offset the reported amounts and there is an intention to settle them at a net amount or simultaneously realise the asset and settle the liability.

IFRS 9 Financial Instruments applies to financial years beginning on 1 January 2018, and replaces existing standards related to financial instruments. No material effects that have an impact on the consolidated financial statements were noted on transition, apart from the categories of financial assets being amended.

#### Alternative performance measures

The group applies ESMA guidelines for APMs. The group's APMs are defined according to these guidelines on page 67.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash balances with financial institutions and short-term liquid investments with terms from acquisition dates of less than three months, which are exposed to only an insignificant risk of value fluctuations. Cash and cash equivalents are recognised at nominal amount.

#### Accounts receivable

Accounts receivable are recognised net after provisioning for expected bad debt. The expected term of accounts receivable is short, and accordingly, they are recognised at nominal amount without discounting according to the method for amortised cost. The group uses a simplified methodology for recognising accounts receivable and other receivables, as well as contract assets, and recognises expected credit losses for the remaining term. In its computation, the group uses its historical experience, external indicators and forward-looking information to compute expected credit losses. The reserved amount is recognised in profit or loss.

### **Other receivables**

Other receivables are amounts that occur when the company provides funds without the intention of conducting trade with the right of claim. If the expected holding period is less than one year, they are other current receivables.

### **Liabilities**

Dedicare's accounts payable and other liabilities are classified as other liabilities and measured at amortised cost. Any borrowing costs are recognised in the profit or loss allocated over the loan term, by applying the effective interest method. Non-current liabilities have an expected term of more than one year, while current liabilities have a term of less than one year. The expected term of accounts payable is short, and accordingly, these liabilities are recognised at nominal amount without discounting.

### **Provisions**

A provision is recognised in the Balance Sheet when there is an obligation, it is likely that an outflow of resources will be necessary to settle the obligation, and the amount can be measured reliably. Provisions are made at an amount that is the best estimate of the amount necessary to settle the existing obligation on the reporting date. Where the effect of when in time payment is made is material, provisions are computed by discounting the expected future cash flow by an interest rate before tax that reflects current market estimates of the time value of money, and if appropriate, the risks associated with the liability. Provisions are re-evaluated at each reporting date.

### **Cash Flow Statement**

The Cash Flow Statement has been prepared in accordance with the indirect method, pursuant to IAS 7.

### **Employee benefits**

Employee benefits in the form of salaries, paid vacation, paid sickness absence etc, as well as pensions, are accounted as they accrue. Pensions and other compensation after employment terminates are classified as defined contribution or defined benefit. The ITP 2 plan's defined benefit pension obligations for retirement and survivors' pensions (or survivors' pensions) for salaried employees in Sweden are vested through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 'Accounting of the ITP 2 pension plan funded through insurance with Alecta,' this is a defined benefit, multi-employer plan. The group's and parent company's pension expenses and disclosures regarding the ITP plan with Alecta are stated in note 5.

### **Impairment**

Impairment tests of the group's assets is conducted at each reporting date. If this is the case, the asset's residual value is computed. Goodwill has been allocated to cash-generating units, and jointly with intangible assets not in use, is subject to yearly impairment tests, even if there are no indicators of impairment. However, impairment tests are conducted more often if there are indicators that impairment has occurred. Recoverable amount is the greater of the value in use in operations and the value that would be obtained if the asset was sold to an independent party, net realisable value. Value in use is the present value of all payments received and made relating to the asset in the period this is expected to be used in operations, plus the present value of the net realisable value at the end of the useful life. If the computed recoverable amount is less than carrying amount, the asset is impaired to its recoverable amount. Impairment is recognised in profit or loss. Impairment is reversed if the assumptions that led to the original impairment change, and mean that the impairment is no longer

justified. Impairment is not reversed so that the carrying amount exceeds what would have been recognised after deducting for plan depreciation if no impairment had been taken. A reversal of impairment is recognised in profit or loss. Goodwill impairment is not reversed.

### **Goodwill**

Goodwill is the amount by which cost exceeds the fair value of the group's share of the acquired subsidiary's identifiable assets at the acquisition date. If the fair value of expected assets, liabilities and contingent liabilities exceeds cost, the surplus is immediately recognised as revenue in profit or loss. Goodwill has an indefinite useful life and is recognised at cost less accumulated impairment. On the sale of an operation, goodwill attributable to this operation is recognised in the computation of gain or loss on sale.

### **Intangible assets acquired in a business combination**

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

The cost of such intangible assets is their fair value at the acquisition date. The intangible assets from the acquisition consist of the value of the customer contracts included in the acquisition. The amortisation period is based on an assessment conducted in the acquisition analysis, which is based on historical experience and estimated average term of customer contracts, which is approximately five years. This estimate is evaluated each year, and did not change after the acquisition date. After first-time recognition, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and any accumulated impairment in the same way as separately acquired intangible assets.

### **Earnings per share**

Basic earnings per share are computed by dividing the gain or loss attributable to holders of ordinary shares of the parent (numerator) by the weighted average number of outstanding ordinary shares (denominator) in the period. There is no dilution. See note 11.

### **Parent company accounting policies**

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and RFR2 Accounting for Legal Entities, and applicable statements from the Swedish Financial Reporting Board. RFR 2 implies that in the annual accounts of the legal entity, the parent company should apply all IFRS and statements as endorsed by the EU, as far as this is possible within the auspices of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, considering the relationship between accounting and taxation. The recommendation states the exemptions and supplements to be made from and to IFRS. The amendments of RFR 2 Accounting for Legal Entities that have come into effect and apply for the financial years 2018 and 2019 did not have/ will not have any material impact on the parent company's financial statements. The parent company's accounts are consistent with the group's policies, apart from what is stated below.

### **Tax**

The parent company accounts untaxed reserves including deferred tax liability. However, untaxed reserves are divided between deferred tax liability and equity in the consolidated accounts..

### Participations in subsidiaries

Participations in subsidiaries are recognised according to the cost method. Acquisition-related costs for subsidiaries, which are expensed in the consolidated accounts, are part of the cost of participations in subsidiaries. The carrying amount of participations in subsidiaries is subject to impairment tests when there are indicators of impairment.

### Accounting of group contributions and shareholders' contributions

The parent company accounts group contributions as appropriations. Shareholders' contributions are accounted directly against the equity of the recipient and capitalised in shares and participations of the parent company to the extent impairment is not required.

### Financial instruments

The parent company does not apply the provisions of IFRS 9, due to the relationship between accounting and taxation.

## Note 1 Segment information and disclosures on categories of revenue

Dedicare's operating segments are reported in a manner consistent with internal reporting, that is reported to, and followed up by, the group's Chief Executive Officer. Dedicare monitors operations divided between the operating segments of Sweden, Norway and New Markets (Finland and Denmark). The accounting policies applied in segment reporting are consistent with those the group applies. All revenue in the following table is from external customers. The country division into segments corresponds to the country from which the external revenue is sourced. In the Sweden segment, the largest customer is Stockholm County Council (now Region Stockholm), with sales of SEK 105,411,000 (23.0%). The largest customer in the Norway segment represents SEK 43,889,000 (14.0%).

Allocation of net sales, SEK 000	Public		Private		Total	
	2019	2018	2019	2018	2019	2018
Sweden	422,257	458,866	37,191	93,985	459,448	552,850
Norway	298,080	238,434	16,847	20,733	314,927	259,167
New Markets	1,597	–	16	–	1,613	–
<b>Total</b>	<b>721,934</b>	<b>697,299</b>	<b>54,054</b>	<b>114,718</b>	<b>775,988</b>	<b>812,017</b>

Revenue per operating segment, SEK 000	Group		Moderbolaget	
	2019	2018	2019	2018
Sweden	459,448	552,850	456,562	548,206
Norway	314,927	259,167	–	–
New Markets	1,613	–	1,204	–
<b>Total</b>	<b>775,988</b>	<b>812,017</b>	<b>457,766</b>	<b>548,206</b>

Operating profit per operating segment	Group	
	2019	2018
Sweden	5,747	28,580
Norway	33,081	22,357
New Markets	–3,523	–710
<b>Operating profit</b>	<b>35,305</b>	<b>50,227</b>
Financial income and expenses	–2,727	–1,649
Eliminations	1,803	1,143
<b>Earnings before tax</b>	<b>34,382</b>	<b>49,721</b>

Assets	Group	
	31 Dec. 2019	31 Dec. 2018
Sweden	152,673	160,913
Norway	87,282	68,783
New Markets	322	332
Elimination	–1,108	–14,209
<b>Total</b>	<b>239,169</b>	<b>215,819</b>

Liabilities	Group	
	31 Dec. 2019	31 Dec. 2018
Sweden	56,186	53,206
Norway	66,246	49,249
New Markets	5	20
Elimination	23,644	10,889
<b>Total</b>	<b>146,081</b>	<b>113,364</b>

Investments	Group	
	2019	2018
Sweden	1,694	4,381
Norway	40	216
New Markets	–	–
<b>Total</b>	<b>1,734</b>	<b>4,597</b>

Depreciation and amortisation of tangible and intangible assets	Group	
	2019	2018
Sweden	6,264	992
Norway	178	162
New Markets	–	–
<b>Total</b>	<b>6,442</b>	<b>1,154</b>

## Note 2 Intra-group purchases and sales, etc.

	Group 2019	Parent company 2019	Group 2018	Parent company 2018
Purchases	–2,870	–2,870	–	–
Sales	2,870	–	–	–



### Note 3 Audit fees and reimbursement

SEK 000	Group		Parent company	
	2019	2018	2019	2018
Grant Thornton Sweden AB				
Auditing	600	582	525	582
Other auditing in addition to audit	98	—	89	—
Tax consultancy	45	—	7	—
Other	—	—	—	—
<b>Total</b>	<b>743</b>	<b>582</b>	<b>621</b>	<b>582</b>

Fees and reimbursement of the group's auditors expensed in the period are stated above. Auditing means statutory audit of the annual accounts and accounting records, as well as the Board of Directors' and Chief Executive Officer's administration, other duties incumbent on the company's auditor, and advice or other services resulting from observations from such review, or performance of other similar duties. Tax consultancy is advisory services on tax-related issues. Other is advisory services not related to one of the above categories.

### Note 4 Leases

The parent company is party to lease arrangements on vehicles and photocopiers. All leases consist of, and are accounted as, operating leases, which means that these payments are allocated on straight-line basis over the lease term. The expense for leasing copiers and vehicles in terms of lease payments in the year was SEK 338,000 (199,000). The group also disposes over premises subject to contracted yearly rent of SEK 4,514,000 (5,102,000).

Future non-cancellable lease payments and premises rent amount to:

SEK 000	Group		Parent company	
	2019	2018	2019	2018
Within one year	—	5,352	3,926	4,131
More than one year but within five years	—	16,220	15,704	12,643
More than five years	—	—	—	—
<b>Total</b>	<b>—</b>	<b>21,572</b>	<b>21,649</b>	<b>16,774</b>

### Note 5 Number of employees, salaries, other benefits and social security expenses

Average no. employees	2019		2018	
	No. of employees	Of which men	No. of employees	Of which men
Parent company				
Sweden	333	71	407	109
<b>Total, parent company</b>	<b>333</b>	<b>71</b>	<b>407</b>	<b>109</b>
Subsidiaries				
Sweden	3	1	2	1
Norway	289	55	249	49
New Markets	4	—	—	—
<b>Total, subsidiaries</b>	<b>296</b>	<b>56</b>	<b>251</b>	<b>50</b>
<b>Total, group</b>	<b>629</b>	<b>127</b>	<b>658</b>	<b>159</b>

Division between senior executives on reporting date	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Women:				
Directors	2	2	2	2
Other members of management incl. CEO	4	3	3	3
Men:				
Directors	2	3	2	3
Other members of management incl. CEO	4	2	2	1
<b>Total</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>9</b>

Salaries, benefits, etc.	2019		2018	
	Salary and other benefits	Soc. sec. exp. (of which pens expenses)	Salary and other benefits	Soc. sec. exp. (of which pens expenses)
Parent company	180,298	71,495	221,707	87,552
		(13,117)		(18,965)
Subsidiaries	196,575	25,147	175,220	21,024
		(2,583)		(643)
<b>Total, group</b>	<b>376,873</b>	<b>96,642</b>	<b>396,927</b>	<b>108,546</b>
of which pension expense		(15,700)		(19,608)

Salary and other benefits by country and between Directors, etc. and employees	2019		2018	
	Board of Directors and CEO (of which bonus etc.)	Other employees	Board of Directors and CEO (of which bonus etc.)	Other employees
Parent company				
Sweden	2,961	177,337	2,819	218,888
Subsidiaries				
Sweden	—	1,878	—	—
Norway	1,353	193,344	1,057	174,163
<b>Total, subsidiaries</b>	<b>1,353</b>	<b>195,222</b>	<b>1,057</b>	<b>174,163</b>
(of which bonus etc.)	—	—	—	—
<b>Total, group</b>	<b>4,314</b>	<b>372,559</b>	<b>3,876</b>	<b>393,051</b>

SEK 548,000 (508,000) of the parent company's pension expenses relate to the Board of Directors and CEO. The company's outstanding pension obligation to this group is SEK 0 (0).

SEK 579,000 (546,000) of the parent company's pension expenses relate to the Board of Directors and CEO. The company's outstanding pension obligation to this group is SEK 0 (0).

**Note 5 Number of employees, salaries, other benefits and social security expenses, cont.**

**ITP2 Insurance with Alecta**

Premiums for defined benefit retirement and survivors' pensions are individually measured, dependent on factors including salary, previously accrued pension and expected remaining length of service. The expected charges in 2020 for ITP2 policies arranged with Alecta are SEK 5,679,000. The group's share of the total savings premium in this plan, and the group's share of the total number of active members of the plan are 0.01246% and 0.03011% respectively (2018: 0.049 and 0.046 respectively).

The collective consolidation ratio is the market value of Alecta's assets as a percentage of insurance obligations computed according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. Normally, the collective consolidation ratio can vary between 125 and 155%. If Alecta's collective consolidation ratio is less than 125% or more than 155%, action should be taken to enable the consolidation ratio to return to the normal interval. Given low consolidation, actions may be to increase the agreed price for new subscription and increase existing benefits. Given high consolidation, actions may be to introduce premium reductions. At year-end 2019, Alecta's surplus expressed as the collective consolidation ratio was 148% (142).

**Remuneration guidelines for senior executives**

The AGM 2019 approved guidelines for remunerating senior executives, in accordance with the Board of Directors' proposal. In the year, the Board of Directors served as a remuneration committee.

Dedicare should offer market employment terms enabling the company to hire and retain skilled professionals. Compensation to senior executives should consist of basic monthly salary, variable compensation, pension and other customary benefits. Compensation is based on individual commitment and performance in relation to predetermined targets, both individually and collectively for the whole company. Appraisal of individual performance is on a continuous basis.

**Salary model for the Chief Executive Officer**

The Chief Executive Officer had a salary model in the period based on basic monthly salary and variable compensation of between 0 and 80% of basic salary. For 2019, the group's CEO had variable salary of SEK 0 (0).

**Variable salary agreements for other senior executives**

A salary model based on a basic monthly salary and variable compensation is applied for other senior executives. The variable compensation for senior executives varied between zero and 40% of basic salary. Variable salary of SEK 584,000 (0) was paid in 2019.

Sick pay, vacation pay and pensions were based on actual salary outcomes.

**Other benefits and employment terms**

The CEO has pension benefits corresponding to the premium level of the ITP plan. Other senior executives are covered by defined contribution pension plans that essentially correspond to the premium level of the ITP plan. The retirement age of all senior executives is 65. The CEO has a notice period of six months for termination initiated by the CEO, and 12 months when initiated by the company.

For termination initiated by themselves or the company, senior executives' employment contracts confer entitlement to six-month notice periods. Monthly salary will be payable throughout this period, but subject to deductions for other salary received during the notice period.

There are no agreements on further severance pay for senior executives.

**Departure from the guidelines**

The Board of Directors is entitled to depart from the above guidelines if the Board judges that there are special circumstances that justify this in an individual case.

**Compensation to the Board of Directors and group management**

	Salary/ Directors' fee	Variable- salary	Other benefits	Pension expenses	Total
<b>2019</b>					
Björn Örás (Chairman of the Board)	393	–	–	–	393
Kristian Faeste (Director)	69	–	–	–	69
Anna Lefevre Skjöldebrand (Director)	165	–	–	–	165
Anna–Stina Nordmark Nilsson (Director)	69	–	–	–	69
Dag Sundström (Director)	165	–	–	–	165
Chief Executive Officer	2,100	–	–	548	2,648
Other senior executives (8)	6,961	584	–	1,068	8,613
<b>Total</b>	<b>9,922</b>	<b>584</b>	<b>–</b>	<b>1,616</b>	<b>12,122</b>

	Salary/ Directors' fee	Variable- salary	Other benefits	Pension expenses	Total
<b>2018</b>					
Björn Örás (Chairman of the Board)	379	–	–	–	379
Kristian Faeste (Director)	160	–	–	–	160
Anna Lefevre Skjöldebrand (Director)	160	–	–	–	160
Anna–Stina Nordmark Nilsson (Director)	160	–	–	–	160
Dag Sundström (Director)	1,800	–	–	508	2,308
Chief Executive Officer	4,307	–	–	1,206	5,513
<b>Other senior executives (4)</b>	<b>7,126</b>	<b>–</b>	<b>–</b>	<b>1,714</b>	<b>8,840</b>

**Total**

**Note 6 Profit/loss from participation in group companies**

	Parent company	
	2019	2018
Dividend from subsidiary Dedicare AS	21,687	14,343
Dividend from subsidiary Dedicare Doctor AS	4,231	3,073
Impairment of shareholders' contribution, Dedicare OY	–993	–
<b>Total</b>	<b>24,925</b>	<b>17,416</b>

## Note 7 Other interest income and similar profit/loss items

	Group		Parent company	
	2019	2018	2019	2018
Interest income	229	87	866	822
Exchange differences	–	–	6,309	10,976
<b>Total</b>	<b>229</b>	<b>87</b>	<b>7,175</b>	<b>11,798</b>

SEK 738,000 (767,000) of the parent company's other interest income and similar profit/loss items consist of revenues from the other group companies.

## Note 8 Interest expenses and similar profit/loss items

	Group		Parent company	
	2019	2018	2019	2018
Interest expenses	–1,127	–560	–1,085	–1,277
Exchange differences	–26	–33	–9,269	–13,781
<b>Total</b>	<b>–1,153</b>	<b>–593</b>	<b>–10,354</b>	<b>–15,058</b>

SEK 731,000 (1,010,000) of the parent company's other interest expenses and similar profit/loss items are expenses to other group companies.

## Note 9 Appropriations and untaxed reserves

	Parent company	
	2019	2018
<b>Appropriations</b>		
Change, tax allocation reserve	1,127	–3,559
Difference between book and plan depreciation	–283	–1,004
Group contribution paid	–35	–
<b>Total</b>	<b>809</b>	<b>–4,563</b>

	Parent company	
	31 Dec. 2019	31 Dec. 2018
<b>Untaxed reserves</b>		
Tax allocation reserve	47,379	48,507
Accumulated excess depreciation	1,330	1,047
<b>Total</b>	<b>48,710</b>	<b>49,554</b>

## Note 10 Tax on profit for the year

	Group		Parent company	
	2019	2018	2019	2018
The following components are included in the tax expense:				
Current tax	–8,182	–10,497	–451	–4,520
Deferred tax	235	–990	–	–81
<b>Total tax on profit for the year</b>	<b>–7,947</b>	<b>–11,487</b>	<b>–451</b>	<b>–4,601</b>
Reported profit before tax	34,382	49,721	26,067	37,119
Tax at applicable tax rate for the parent company 21.4% (22)	–7,358	–10,939	–5,578	–8,166
<b>Tax effect of:</b>				
Restatement of tax, previous year				
Non-deductible expenses	–236	–273	–417	–266
Non-taxable revenue		–	5,544	3,831
Change in deferred tax on temporary differences	235	–	–	–
Effect of loss carry-forwards	–346	–	–	–
Differences in tax rates	–242	–275	–	–
<b>Reported tax</b>	<b>–7,947</b>	<b>–11,487</b>	<b>–451</b>	<b>–4,601</b>

### Deferred tax assets

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Deferred tax assets relate to the following items:				
Temporary differences	35	36	–	–
<b>Total</b>	<b>35</b>	<b>36</b>	<b>–</b>	<b>–</b>

### Deferred tax not accounted for

	Group	
	31 Dec. 2019	31 Dec. 2018
<b>Deferred current tax assets</b>		
Related to unused loss carry-forwards	616	584
<b>Deferred current tax assets not accounted for</b>	<b>616</b>	<b>584</b>

Deferred tax assets are recognised in the Consolidated Balance Sheet for unused loss carry-forwards to the extent they are expected to be used. In Finland, tax assets are 616,000 (584,000), of which 0 (0) have been accounted. The time limitation for tax assets in Finland is divided between the years 2020-2029. The tax rate in Finland is 20%.

## Deferred tax liabilities

	Group	
	31 Dec. 2019	31 Dec. 2018
<b>The group's deferred tax liabilities relate to the following items:</b>		
Untaxed reserves	10,699	10,889
Deferred tax liabilities	–	3
<b>Total</b>	<b>10,699</b>	<b>10,892</b>

## Note 11 Earnings per share

	Group	
	2019	2018
Profit for the year SEK 000	26,435	38,234
No. of shares, average, before dilution	9,055,406	9,055,406
No. of shares, average, after dilution	9,055,406	9,055,406
Basic earnings per share, SEK	2.92	4.22
Diluted earnings per share, SEK	2.92	4.22
Proposed dividend per share, SEK	2.60	4.00
Proposed dividend, SEK 000	23,544	36,222

## Note 12 Goodwill

	Group	
	31 Dec. 2019	31 Dec. 2018
Opening cost	6,230	6,068
Restatement at closing day rate	1,103	162
<b>Closing accumulated cost</b>	<b>7,333</b>	<b>6,230</b>
<b>Closing carrying amount</b>	<b>7,333</b>	<b>6,230</b>

Consolidated goodwill as of 31 Dec. 2019 is SEK 7,333,000 (6,230,000), and relates wholly to the acquisition of Dedicare AS.

Goodwill has been allocated to those cash-generating units that are expected to benefit from the synergies of the acquisition, and correspond to the level at which goodwill is monitored in internal controls. Goodwill as of 31 Dec. 2019 relates to Dedicare AS and to the Norway segment, and it is the level where the impairment test is conducted.

Goodwill impairment tests are conducted yearly, and when there are indicators of impairment. Goodwill is tested for impairment by computing the value in use of the cash-generating units that the goodwill has been allocated to. These computations proceed from estimated future cash flows based on financial budgets approved by the Board of Directors and cover the forthcoming three-year period after the reporting date, and for the following two-year period, management makes its own judgement. Perpetual growth of 2% (2) has been applied subsequently. The critical assumptions forming the basis of the impairment tests are based on historical experience and management's judgement of the future, and mainly consist of the market growth that creates the potential for sales growth, the growth of doctors' and nurses' salaries that impact expenses, operating margin and discount rate. The discount

rate before tax reflects the specific risks applying to the different segments, and in the impairment test is 12.8% (14.0). Based on the assumptions utilised for the impairment test as of the reporting date, no impairment was identified, and a reasonable change in any of these assumptions would not cause impairment. The value in use of Dedicare AS substantially exceeds reported the goodwill value.

## Note 13 Other intangible assets

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Opening cost	3,698	2,341	3,698	2,269
Purchases	1,648	1,429	1,648	1,429
Sales/retirements	–	–72	–	–
<b>Closing accumulated cost</b>	<b>5,346</b>	<b>3,698</b>	<b>5,346</b>	<b>3,698</b>
Opening amortisation	–1,930	–1,672	–1,930	–1,606
Sales/retirements	–	66	–	–
Amortisation for the year	–535	–324	–535	–324
<b>Closing accumulated amortisation</b>	<b>–2,465</b>	<b>–1,930</b>	<b>–2,465</b>	<b>–1,930</b>
<b>Closing carrying amount</b>	<b>2,881</b>	<b>1,768</b>	<b>2,881</b>	<b>1,768</b>

## Note 14 Equipment, tools, fixtures and fittings

	Group			Parent company	
	31 Dec. 2019		31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	Other equipment	Rights of use	Total	Equipment	Equipment
Opening cost 1 Jan. '19	4,995	–	4,995	2,292	4,184
Adjustment on adoption of IFRS 16	–	19,283	19,283	–	–
Purchases	87	–	87	3,375	46
Sales/retirements	–	–	–	–672	–
Exchange rate fluctuations	25	–	25	–	–
<b>Closing accumulated cost</b>	<b>5,107</b>	<b>19,283</b>	<b>24,390</b>	<b>4,995</b>	<b>4,230</b>
Opening depreciation	–1,534	–	–1,534	–994	–1,283
Sales/retirements	–	–	–	446	–
Exchange rate fluctuations	–8	–	–8	–	–
Depreciation for the year	–986	–4,918	–5,904	–986	–811
<b>Closing accumulated depreciation</b>	<b>–2,528</b>	<b>–4,918</b>	<b>–7,446</b>	<b>–1,534</b>	<b>–2,094</b>
<b>Closing carrying amount</b>	<b>2,579</b>	<b>14,365</b>	<b>16,944</b>	<b>3,461</b>	<b>2,136</b>

The group leases office premises to conduct operations. Apart from short-term leases and leases where the underlying assets have low value, the right-of-use asset and lease liability are recognised in the Statement of Financial Position. Variable lease payments not affecting an index or price are excluded from the initial computation of the lease liability and asset. The group classifies its rights of use in the rights of use category (see note 14).

## Note 14 Equipment, tools, fixtures and fittings – Cont

Generally, leases are limited, where there is no contracted right for the group to sub-let the assets to another party, and the group is the only party that disposes over the assets. Leases are either non-cancellable or can only be cancelled for payment of a significant cancellation fee. Some leases include an option to purchase the underlying assets at the end of the lease term, or for an extension of the lease term. The group may not sell or submit the underlying asset as collateral. The group is obliged to maintain the office building in good condition and return it to its original condition at the end of the lease term. The group is also obliged to insure the leased assets and pay expenses for their maintenance in accordance with leases.

The following table reviews the group's leases based on the type of right of use recognised in the Statement of Financial Position:

Right-of-use asset	No. of right-of-use assets	Interval, remaining maturity	Average remaining lease term	No. of leases with extension option	No. of leases with buy-out option	No. of leases with indexed payments	No. of cancellable leases
Office building	8	1–3	2	4	–	1	8
<b>Total</b>	<b>8</b>	<b>1–3</b>	<b>2</b>	<b>4</b>	<b>–</b>	<b>1</b>	<b>8</b>

Future minimum lease payments as of 31 Dec. 2019 are as follows:

Minimum lease payments	Within 1 yr.	1–2 yrs.	2–3 yrs.	3–4 yrs.	4–5 yrs.	After 5 yrs.	Total
<b>31 Dec. 2019</b>							
Lease payments	5,202	4,688	4,165	1,234	–	–	15,289
Financial expenses	–371	–231	–102	–8	–	–	–712
<b>Total present value</b>	<b>4,831</b>	<b>4,457</b>	<b>4,063</b>	<b>1,226</b>	<b>–</b>	<b>–</b>	<b>14,577</b>

The group has decided not to report a lease liability for short-term leases (leases with an expected lease term of 12 months or less), and for leases for which the underlying asset is of low value. Payments for such leases are expensed on a straight-line basis. Additionally, some variable lease payments are not permitted for accounting as lease liabilities, and accordingly, these are also expensed as they occur.

Costs for lease payments not included in the computation of lease liabilities are as follows:

Leases not accounted as a liability	Group 31 Dec. 2019
Short-term leases	245
Leases with underlying assets of low value	–
Variable lease payments	–
<b>Total</b>	<b>245</b>

As of 31 December, the group's total current lease obligations were SEK 4,422,000

Expensed variable lease payments not included in the computation of lease liability include rent based on revenue from the underlying asset and payments for office equipment. There are several reasons for variable payment terms including minimising expenses for IT equipment that is seldom used. Variable lease payments are expensed in the period they occur.

As of 31 December 2019, the group had entered leases that have not yet commenced. Total future cash flow for leases not yet commenced amounted to:

Type of asset	SEK 000
Office building	2,597
<b>Total</b>	<b>2,597</b>

Total cash flow relating to leases for financial years ending on 31 December 2019 was SEK 5,557,000 (0).

Additional information on right of use by asset category is as follows:

	Carrying amount 31 Dec. 2019	Amortisation
Office buildings	14,365	4,918

## Note 15 Participations in group companies

	Parent company	
	2019-12-31	2018-12-31
Opening carrying amount	21,033	19,576
Acquisition of subsidiary Nomaid AB	–	100
Shareholders' contribution paid till Dedicare OY	1,596	1,357
Impairment	–993	–
<b>Closing carrying amount</b>	<b>21,636</b>	<b>21,033</b>

Dedicare conducted an impairment test of Finnish subsidiary Dedicare OY, resulting in impairment of SEK 993,000 (0).

Corporate name	No. of shares	Share of equity, %	Book value
Dedicare AS	3,956	100	9,844
Dedicare Doctor AB	1,000	100	100
Dedicare Oy	1,000	100	1,960
Dedicare Doctor AS	905	100	9,232
Doctor24 i Skandinavien AB	1,000	100	100
Nurse24 AB	1,000	100	100
Dedicare Nurse Sverige AB	1,000	100	100
Acapedia AB	1,000	100	100
Nomaid AB	1,000	100	100
<b>Total</b>			<b>21,636</b>



## Note 15 Participations in group companies – Cont.

Name	Corp ID no.	Reg. office	Equity	Profit/loss
Dedicare AS	982529786	Stjördal (Norway)	5,337	559
Dedicare Doctor AB	556583-9742	Stockholm	100	–
Dedicare Oy	2219561-1	Helsinki	317	–1,596
Dedicare Doctor AS	983077196	Stjördal (Norway)	15,699	333
Doctor24 i Skandinavien AB	556599-1634	Stockholm	2,786	–
Nurse24 AB	556583-6466	Stockholm	2,089	2
Dedicare Nurse Sverige AB	559006-4456	Stockholm	102	2
Acapedia AB	559036-9582	Stockholm	1,032	–
Nomaid AB	559164-6103	Stockholm	126	29

## Note 16 Accounts receivable

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>Receivables not considered uncertain</b>				
Not due	69,565	66,329	43,261	47,752
1–30 days	3,207	11,516	1,489	6,270
31–90 days	1,690	930	703	496
91–180 days	95	616	89	52
>180 days	96	–57	13	–
<b>Total</b>	<b>74,652</b>	<b>79,334</b>	<b>45,556</b>	<b>54,570</b>
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Accounts receivable, gross	74,689	79,941	45,556	54,570
Opening reserve for expected bad debt	–72	–973	–	–691
Reserves in the period	–	–1,331	–	–
Reversed reserves	36	797	–	691
Closing reserve for expected bad debt	–36	–72	–	–
<b>Accounts receivable, net</b>	<b>74,652</b>	<b>79,334</b>	<b>45,556</b>	<b>54,570</b>

Payment terms of customer invoices are 30 days. SEK 1,917,000 (1,490,000) of the group's total accounts receivables are more than 30 days overdue. Net of deducting the doubtful debt reserve, the group's accounts receivable more than 30 days overdue amount to SEK 1,881,000 (1,418,000). The parent company's accounts receivable more than 30 days overdue amount to SEK 805,000 (548,000). Net of the doubtful debt reserve, the parent company's accounts receivable more than 30 days overdue amount to SEK 805,000 (548,000).

Companies regularly estimates the need for the doubtful debt reserve at individual level.

The group applies the simplified approach of IFRS 9 to measure expected credit losses. The group's credit loss model uses the expected loss risk for the remaining term of all accounts receivable and contract assets. The model is based on historical credit losses over the expected lifetime of accounts receivable and forward-looking estimates. Based on history of realised credit losses, the historical loss risk has an insignificant effect on the credit loss, and accordingly, the provision for doubtful debt is based on individual estimates.

## Note 17 Prepaid expenses and accrued income

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Prepaid rent	128	2,782	1,029	1,018
Accrued contracted revenue	55,742	54,653	29,067	35,650
Other prepaid expenses	1,724	1,263	1,141	655
<b>Total</b>	<b>57,594</b>	<b>58,698</b>	<b>31,237</b>	<b>37,323</b>

Accrued revenue is revenue for services rendered not invoiced as of the reporting date.

## Note 18 Share capital

Date	Transaction	Change in no. of shares	Total no. of shares	Class A shares	Class B shares	Change in share capital	Total share capital
Oct '95	Incorporation	–	5,000	–	–	–	50,000
Nov '98	Bonus issue	–	5,000	–	–	50,000	100,000
Mar '11	Split 1:40	195,000	200,000	–	–	–	100,000
Mar '11	Bonus issue	8,717,706	8,917,706	–	–	4,358,853	4,458,853
Mar '11	Division between class A and B shares	–	8,917,706	2,011,907	6,905,799	–	4,458,853
Apr '15	New issue of class B shares for incentive programme	72,900	8,990,606	–	72,900	36,450	4,495,303
Mar '17	New issue of class B shares for incentive programme	64,800	9,055,406	2,011,907	7,043,499	32,400	4,527,703

Dedicare's registered share capital as of 31 December 2019 is SEK 4,527,703 (4,527,703), divided between 2,011,907 (2,011,907) class A shares and 7,043,499 (7,043,499) class B shares. The quotient value is SEK 0.50 per share and all shares are fully paid up. Each class A share carries one vote and each class B share carries one-fifth of a vote.

## Note 19 Leases

Lease liabilities recognised in the Statement of Financial Position are as follows:

	Group 31 Dec. 2019
Current	4,422
Non-current	10,155
<b>Total</b>	<b>14,577</b>

## Note 20 Other current liabilities

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
VAT liability	5,344	3,516	4,864	3,048
Liability for personal income tax and social security contributions	19,822	19,217	7,767	10,217
Other liabilities	–	4	–	54
<b>Total</b>	<b>25,166</b>	<b>22,737</b>	<b>12,631</b>	<b>13,319</b>

## Note 21 Accrued expenses and deferred income

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Accrued vacation pay	27,022	21,628	3,648	3,345
Accrued social security contributions	11,710	9,514	11,710	8,092
Accrued payroll expenses	29,006	24,906	8,096	12,216
Other contracted liabilities	15,497	15,036	13,247	13,816
<b>Total</b>	<b>83,235</b>	<b>71,084</b>	<b>36,701</b>	<b>37,469</b>

## Note 22 Non-cash items

	Group		Parent company	
	2019	2018	2019	2018
Depreciation and amortisation	6,442	1,154	1,345	1,031
Impairment of receivable, subsidiaries	–	–	–	–
Exchange difference, internal receivables and liabilities	–	–	–2,940	–2,828
Other items	–859	46	–	377
<b>Total</b>	<b>5,583</b>	<b>1,200</b>	<b>–1,595</b>	<b>–1,420</b>

## Note 23 Cash and cash equivalents

	Group		Parent company	
	2019-12-31	2018-12-31	2019-12-31	2018-12-31
Cash and bank balances	62,694	58,244	54,919	51,940
<b>Total</b>	<b>62,694</b>	<b>58,244</b>	<b>54,919</b>	<b>51,940</b>

The parent company has an overdraft facility of SEK 20.0 million (20.0). As of 31 December, SEK 0 (0) of this overdraft facility had been used. SEK 8.0 million (9.9) of the group's cash and cash equivalents as of 31 December 2019 had been blocked for a guarantee commitment in the Norwegian operation. This amount is accounted as a pledged asset.

## Note 24 Financial assets and liabilities

	Group	Parent company
	31 Dec. 2019	31 Dec. 2019
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	62,694	54,919
Accounts receivable	74,652	45,556
Accrued contracted revenue	55,742	29,067
<b>Total</b>	<b>193,088</b>	<b>129,542</b>

<b>Financial liabilities measured at amortised cost</b>		
Liabilities to group companies	–	29,860
Accounts payable	4,883	5,611
Accrued contracted liabilities	15,496	13,248
<b>Total</b>	<b>20,379</b>	<b>48,719</b>

Book value of each category of financial instrument

	Group	Parent company
	31 Dec. 2018	31 Dec. 2018
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	58,244	51,940
Accounts receivable	79,334	54,570
Accrued revenue	54,019	35,649
<b>Total</b>	<b>191,597</b>	<b>142,159</b>

<b>Financial liabilities measured at amortised cost</b>		
Liabilities to group companies	–	22,679
Accounts payable	3,103	2,145
Accrued expenses	15,041	13,821
<b>Total</b>	<b>18,144</b>	<b>38,645</b>

Because of short maturities, carrying amount is considered a good approximation of fair value for all financial assets and liabilities.

## Note 25 Pledged assets and contingent liabilities

	Group		Parent company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>Pledged assets for guarantee commitment</b>				
Cash and cash equivalents	8,029	9,912	–	–
<b>Total pledged assets</b>	<b>8,029</b>	<b>9,912</b>	<b>–</b>	<b>–</b>
<b>Total pledged assets and contingent liabilities</b>	<b>8,029</b>	<b>9,912</b>	<b>–</b>	<b>–</b>

As of 31 December 2019, SEK 8.0 million (9.9) is a guarantee commitment for the Norwegian operation. This amount is accounted as a pledged asset.

## Note 26 Critical estimates and judgements for accounting purposes

Estimates and judgements are evaluated regularly and based on historical experience and other factors including expectations of future events considered reasonable in prevailing circumstances. Dedicare makes estimates and assumptions about the future. By definition, the estimates for accounting purposes that are the consequence of them will seldom be consistent with actual outcomes. The estimates and assumptions that involve a significant risk of material restatements of carrying amounts of assets and liabilities in following financial years are discussed below.

### Goodwill impairment tests

Each year, Dedicare examines whether goodwill is impaired, pursuant to its accounting policies. However, impairment tests are conducted more often if there are indications that value impairment may have occurred in the year. The recoverable amount of cash-generating unit has been determined by computing value in use.

Based on the assumptions forming the basis of impairment tests as of the reporting date, no impairment was identified, and a reasonable change in one of these assumptions would not cause any impairment. More information in note 12.

## Note 27 Transactions with related parties

Information on transactions with the Board of Directors and management is in note 5. Dedicare's Chairman and largest shareholder, Björn Öräs, is also Chairman and principal shareholder of the company Poolia. Dedicare Director Dag Sundström is also a Director of Poolia AB. Dedicare has utilised Poolia's services for recruiting administrative staff on market terms. In 2019, Dedicare incurred expenses of SEK 257,000 (363,000) from Poolia. No material transactions with related parties occurred in the year, or after year-end, apart from dividend paid.

## Note 28 Financial risk management

Through its operations, the group is exposed to various financial risks: currency risk, credit and counterparty risk, and liquidity risk. The group's policy for managing these risks is to endeavour to minimise potential risks to the group's results of operations. Risk management is conducted centrally, according to the policies and guidelines adopted.

### Valutarisk

Currency risk is the risk of future cash flows and results of operations varying due to changes in foreign exchange rates. Dedicare's presentation currency is Swedish kronor (SEK). However, a significant share of the group's revenue, some 40.6% for the full year 2019, is generated in Norway. The Norwegian subsidiaries invoice in local currency, but a portion of their personnel expenses are denominated in SEK. This means that Dedicare is exposed to the currency risk that occurs on translation of foreign subsidiaries' balance sheets and for exchange rate fluctuations having negative or positive effect on operating profit. Translation of foreign operations' net assets is from NOK to SEK. Currency risks are not hedged.

In 2019, translation of foreign subsidiaries amounted to SEK 420,000 (0).

A 5% change in the exchange rate of the NOK would impact on the group's earnings and have an effect on sales of SEK +/-15.7 million (+/-4), and by SEK 0 million (+/-0) on the group's comprehensive income for the year.

The following exchange rates have been applied	2019		2018	
	Average	Reporting date	Average	Reporting date
NOK	1.07	1.06	1.06	1.02
EUR	10.59	10.43	10.25	10.27

### Interest risk

Interest risk is the risk that a change in market interest rates as a negative impact on the group's net interest income. The group's exposure to interest risk was limited as of the reporting date. Dedicare has no significant holdings of interest-bearing financial liabilities. The group has a granted overdraft facility of SEK 20.0 million (20.0), SEK 0 million of which had been utilised on the reporting date. The overdraft facility was closed after the end of the reporting date. interest-bearing financial assets mainly consist of non-restricted bank funds.

### Credit and counterparty risk

Credit and counterparty risk is the risk that a customer or counterparty in a transaction is unable to fulfil its obligations, and the company then incurring a loss. The company is exposed to credit and counterparty risk when, for example, surplus liquidity is invested in financial assets, and in tandem with regular customer relations. In Dedicare's case, this latter credit risk is limited because several customers are in the public sector, and otherwise, there are no concentrations of credit risk for the company in relation to any specific customer, counterparty or geographical region. The effects of a customer being unable to fulfil its obligations are that the company may be affected by a customer loss or lose a capital investment, which would have a negative impact on Dedicare's results of operations and financial position. The group's and parent company's maximum exposure to credit risk is judged to correspond to the carrying amount of all financial assets, and is stated in the table on page 61.

### Liquidity risk

Liquidity risk consists of difficulties in accessing funds to fulfil Dedicare's commitments associated with financial instruments. Dedicare's cash and cash equivalents are currently invested in accounts or short term deposits with banks. Dedicare has no need for refinancing at present.

### Growth—target

Within staffing, Dedicare endeavours to outgrow its existing markets. This ambition will primarily be achieved through organic growth. However, growth may be acquisition led. Dedicare also expects to grow by starting upon new markets in Europe, which will mainly be through acquisitions.

### Operating margin—target

Dedicare's target is for its operating margin over a business cycle to be above 7.0%. In the long term, staffing in Sweden and Norway are considered to have similar profitability potential. However, in the short term, political decisions and other exogenous factors on each market may exert a negative impact on the group's operating margin.

### Equity/assets ratio—target

The group should have a strong capital base, and its operations should mainly be financed with equity. Simultaneously, the nature of operations do imply a limited need for capital. Against this background, Dedicare considers that its minimum equity/assets ratio should be 30%.

### Dividend policy—target

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

### Maturity analysis, financial assets and liabilities

	Group				Parent company			
	Up to one month	Longer than one month but max. three months	Longer than three months but max. one year	Longer than one year but max. five years	Up to one month	Longer than one month but max. three months	Longer than three months but max. one year	Longer than one year but max. five years
<b>2019</b>								
<b>Assets</b>								
Accounts receivable	72,772	1,690	190	–	44,750	703	102	–
Accrued income	–	55,742	–	–	–	29,067	–	–
<b>Total assets</b>	<b>72,772</b>	<b>57,432</b>	<b>190</b>	<b>–</b>	<b>44,750</b>	<b>29,770</b>	<b>102</b>	<b>–</b>
<b>Liabilities</b>								
Liabilities to group companies	–	–	–	–	–	–	29,860	–
Accounts payable	4,883	–	–	–	5,611	–	–	–
Accrued expenses	15,496	–	–	–	13,248	–	–	–
<b>Total liabilities</b>	<b>20,379</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18,859</b>	<b>–</b>	<b>29,860</b>	<b>–</b>
	Group				Parent company			
	Up to one month	Longer than one month but max. three months	Longer than three months but max. one year	Longer than one year but max. five years	Up to one month	Longer than one month but max. three months	Longer than three months but max. one year	Longer than one year but max. five years
<b>2018</b>								
<b>Assets</b>								
Accounts receivable	77,844	930	560	–	54,022	495	53	–
Accrued income	–	54,653	–	–	–	35,649	–	–
<b>Total assets</b>	<b>77,844</b>	<b>55,583</b>	<b>560</b>	<b>–</b>	<b>54,022</b>	<b>36,144</b>	<b>53</b>	<b>–</b>
<b>Liabilities</b>								
Liabilities to group companies	–	–	–	–	–	–	22,679	–
Accounts payable	3,103	–	–	–	2,145	–	–	–
Accrued expenses	15,036	–	–	–	13,816	–	–	–
<b>Total liabilities</b>	<b>18,139</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15,961</b>	<b>–</b>	<b>22,679</b>	<b>–</b>

Because of short maturities, carrying amount is considered a good approximation of fair value for all financial assets and liabilities. All flows are reported undiscounted.

## Note 29 Management of capital

Capital is equity. The group's objective for managing its capital is to ensure the group's continued existence and room to act, and ensure that shareholders also continue to receive returns on their invested assets. To maintain and adapt its capital structure, the group can pay out funds. Dedicare's target is for its dividend to be at least 50% of net profit over a business cycle.

## Note 30 Proposed appropriation of the company's earnings

Funds at the disposal of the Annual General Meeting: SEK 36,994,907

These funds are appropriated as follows:

The Board of Directors proposes a dividend to shareholders: SEK 23,544,056

The Board of Directors proposes that the following funds are carried forward, SEK 13,450,851

## Note 31 Post balance sheet events

Lena Anderberg was appointed as new Business Area Manager of Doctor Staffing in Sweden. She takes up employment in February 2020.

The EGM on 23 January elected Madeleine Malmqvist Raukas as a new Director of Dedicare.

An EGM on 23 January resolved to authorise the Board of Directors to decide on the new issue of class B shares on one or more occasions until the following AGM, with or without preferential rights for shareholders. More information is on the company's website.

On 5 March, Dedicare signed a purchase agreement on 100% of the shares of Danish staffing company KonZenta Aps (corporate ID no. 36 42 03 40). KonZenta is a provider of healthcare staffing to the Scandinavian care sector, focusing on specialists and senior physicians. Completion is planned for 1 April, and KonZenta will be consolidated into the Dedicare group effective the second quarter 2020. KonZenta has expected sales of some SEK 120 million for the split financial year 2019/20. This acquisition offers a more secure platform in Denmark, and is consistent with Dedicare's growth strategy. Completion balances are not available at present, because an acquisition analysis and measurement of goodwill and other intangible assets associated with the acquisition have not yet been prepared.

Dedicare is following developments relating to Covid-19 (Corona) and continuously analysing the potential impact on its operations. At present, any effects are hard to assess.

The Board of Directors and Chief Executive Officer hereby certify that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, and give a true and fair view of the company's financial position and results of operations. The Board of Directors and Chief

Executive Officer also certify that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and give a true and fair view of the group's financial position and results of operations.

The Administration Report of the group and parent company gives a true and fair view of the group's and parent company's operations, financial position and results of operations, and reviews material risks and uncertainty factors facing the parent company and companies in the group. As stated below, the annual accounts and consolidated accounts were approved for issue by the Board of Directors on 20 March 2020. The Consolidated Income Statement and Balance Sheet, and the Parent Company Income Statement and Balance Sheet, will be subject to adoption at the Annual General Meeting on 23 April 2020.

Stockholm, Sweden, 20 March 2020.

Krister Widström  
Chief Executive Officer

Björn Örås  
Chairman

Dag Sundström  
Director

Eva-Britt Gustafsson  
Director

Anna Lefevre Skjöldebrand  
Director

Madeleine Malmqvist Raukas  
Director

Our Audit Report was presented on 20 March 2020  
Grant Thornton Sweden AB

Mia Rutenius  
Authorised Public Accountant



# Auditor's report

To the general meeting of  
the shareholders of Dedicare AB (Publ)  
Corporate identity number 556516-1501

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Dedicare AB (Publ) for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 35-62 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Revenue recognition

#### Description

The Group's reported revenues as at December 31, 2019 is MSEK 776 and mainly includes compensations related to staffing services. Revenue is recognized when the income can be calculated reliably and when it is likely that the economic benefits will pass over to the Group, which normally occurs when the service is performed. Revenue recognition is based on information from the company's time-accounting system, which calculates revenue based on time worked. The process related to revenue recognition is done on a monthly basis and contains manual operation. There is

therefore a risk of errors unless control procedures are in place to mitigate the risk. Our assessment is that the risks associated with completeness and occurrence have a major impact on financial reporting. For further information on accounting policies for revenue recognition, see page 49 in the annual report.

### How our audit addressed this key audit matter

Our audit has included the following audit procedures but were not limited to these:

- Audit of accounting principles, understanding of significant processes and critical business systems and assessment of the company's internal control environment
- Audit of accrued income focusing on completeness of data transfer between systems as well as audit of supporting documents and reconciliation to invoices
- Audit of revenue transactions on a sample basis to verify existence against payment, that price agrees to customer agreement and that revenues are recognized in the period when performance obligations are fulfilled
- Audit of completeness in revenues during the financial year through reconciliation of transactions in time accounting system to accounting system

- Analytical audit procedures of monthly revenues and development of revenues and margins to identify significant fluctuations.
- We have audited that the information provided in the annual report corresponds in all essential aspects with the requirements of the Annual Accounts Act and IFRS.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–34 and 66–68. The Board of Directors and the Managing Director are responsible for the other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## **Report on other legal and regulatory requirements**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Dedicare AB (Publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and

the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

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

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

### **Responsibilities of the Board of Directors and the Managing Director**

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring

manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

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

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

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Grant Thornton Sweden AB, Box 7623, SE-103 94 Stockholm, was appointed auditor of Dedicare AB (publ) by the general meeting of the shareholders on April 24, 2019 and has been the company's auditor since April 24, 2017.

Stockholm, March 20, 2020  
Grant Thornton Sweden AB

Mia Rutenius  
Authorized Public Accountant

# Five-year summary

The following table states condensed financial information for the financial years 2015–2019.

SEK 000	2019	2018	2017	2016	2015
<b>Condensed Income Statement, continuing operations</b>					
Operating income	775,988	812,017	785,230	650,104	573,224
Operating expenses	–740,683	–761,790	–707,775	–580,593	–533,830
Operating profit	35,305	50,227	77,455	69,511	39,394
Financial items	–924	–506	529	–476	–730
Profit after financial items	34,382	49,721	77,984	69,035	38,664
Taxes	–7,947	–11,487	–17,906	–16,096	–8,894
<b>Profit for the year</b>	<b>26,435</b>	<b>38,234</b>	<b>60,078</b>	<b>52,938</b>	<b>29,770</b>
<b>Condensed Balance Sheet, continuing operations</b>					
<b>Assets</b>					
Goodwill	7,333	6,230	6,068	6,435	5,806
Other non-current assets	24,167	9,565	1,967	2,639	3,477
Current receivables	144,975	141,780	131,272	139,510	97,527
Cash and cash equivalents	62,694	58,244	93,723	83,698	83,100
<b>Total assets</b>	<b>239,169</b>	<b>215,819</b>	<b>233,030</b>	<b>232,282</b>	<b>189,910</b>
<b>Equity and liabilities</b>					
Equity	93,088	102,455	109,460	121,691	101,742
Non-current liabilities	20,854	10,892	10,072	6,839	4,278
Current liabilities	125,227	102,472	113,498	103,752	83,890
<b>Total equity and liabilities</b>	<b>239,169</b>	<b>215,819</b>	<b>233,030</b>	<b>232,282</b>	<b>189,910</b>
<b>Key indicators</b>					
Operating margin, %	4.55	6.20	9.90	10.70	6.90
Equity/assets ratio, %	38.92	47.47	47.00	52.40	53.60
Return on equity, % <sup>1</sup>	27.90	36.65	53.40	50.40	34.90
Return on total assets, % <sup>1</sup>	14.80	22.39	34.10	34.80	27.20
Average number of employees	629	658	632	508	479

<sup>1)</sup> Alternative performance measures not defined according to IFRS.

# Other information

## Alternative performance measures

SEK 000	Group		
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2017
Net profit	26,435	38,234	60,078
Average equity	94,760	104,320	112,492
Return on equity, %	27.90	36.65	53.40
Profit after financial items	34,382	49,721	77,984
Average total assets	232,328	222,020	229,902
Return on total assets, %	14.80	22.39	34.10

## Definitions

### Number of employees, average

Total hours worked in the period divided by scheduled working hours for a full-time employee. The number of employees includes subcontracting consultants.

### Operating margin

Operating profit as a percentage of operating income.

### Equity/assets ratio

Equity including minority interest as a percentage of total assets.

### Return on total assets

Profit after financial items plus financial expenses as a percentage of average total assets

### Return on equity

Net profit divided by average equity.

### Average equity

Average accounted equity.



# Shareholder information

## Invitation to Annual General Meeting

The shareholders of Dedicare AB (publ) are hereby invited to the Annual General Meeting (AGM) at 4 p.m. on Thursday 23 April 2020 at the company's head office in Stockholm, Sweden.

## Notification

Shareholders intending to participate in the AGM should firstly be recorded in the share register maintained by Euroclear Sweden AB by no later than 17 April 2020, and secondly have notified Dedicare by no later than 17 April 2020.

## Notification of participation in the AGM should be addressed to:

Dedicare AB  
FAO: CFO  
Ringvägen 100  
118 60 Stockholm  
Sweden  
e-mail: johanna.eriksson@dedicare.se

Notifications should state the shareholder's name, telephone number, personal or corporate identity number, number of shares held and number of assistants. For entitlement to participate at the AGM, shareholders with nominee-registered shares are required to re-register their holdings in their own names so that their shares are registered in their name in good time prior to 17 April 2020.

## Financial information

Interim Report, January–March	23 April 2020
AGM for the financial year 2019	23 April 2020
Interim Report, April–June	15 July 2020
Interim Report, July–September	23 October 2020
Financial Statement, January–December	9 February 2021

## Dividend

The Board of Directors is proposing a dividend of SEK 2.60 per share to shareholders. The proposed record date is 27 April 2020. If the AGM approves this proposal, the dividend is scheduled for payment from Euroclear Sweden AB on 30 April 2020.

**Dedicare Sweden**

Stockholm  
Ringvägen 100  
118 60 Stockholm  
Sweden

Örebro  
Stenbackevägen 6  
702 25 Örebro  
Sweden

Gothenburg  
Mässans gata 10  
Box 5243  
402 24 Gothenburg  
Sweden

Skellefteå  
Kanalgatan 77  
931 34 Skellefteå  
Sweden

**Dedicare Norway**

Oslo  
Kronprinsens gate 5  
0251 Oslo  
Norway

Stjørdal  
Kjøpmannsgata 24C  
Postboks 41  
7500 Stjørdal  
Norway

**Dedicare Finland**

Kalevankatu 6  
00100 Helsinki  
Finland

**Dedicare Denmark**

Borupvang 3  
2750 Ballerup  
Denmark

[www.dedicare.se](http://www.dedicare.se)