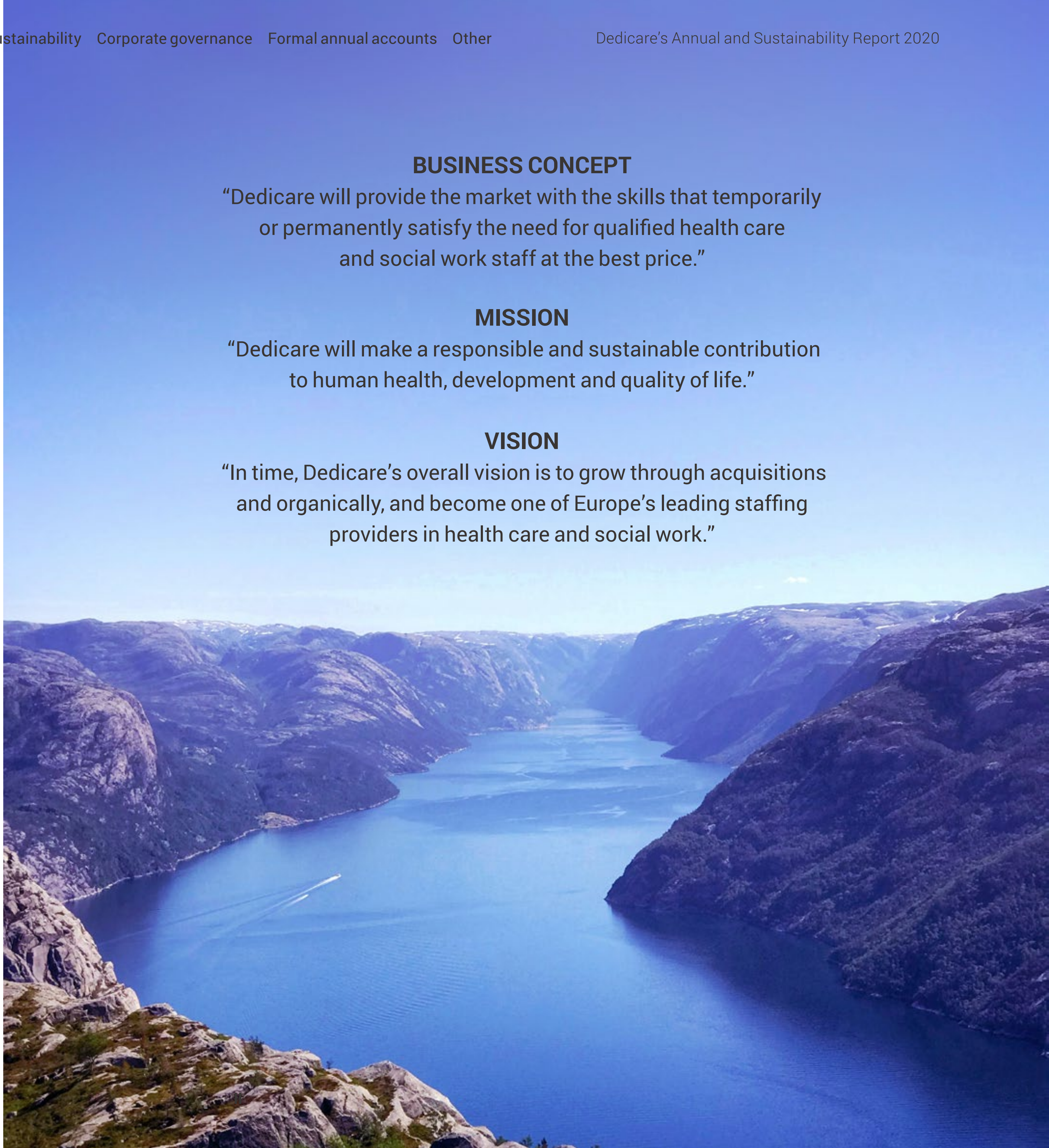
DEDICARE

Annual Report 2020

Contents



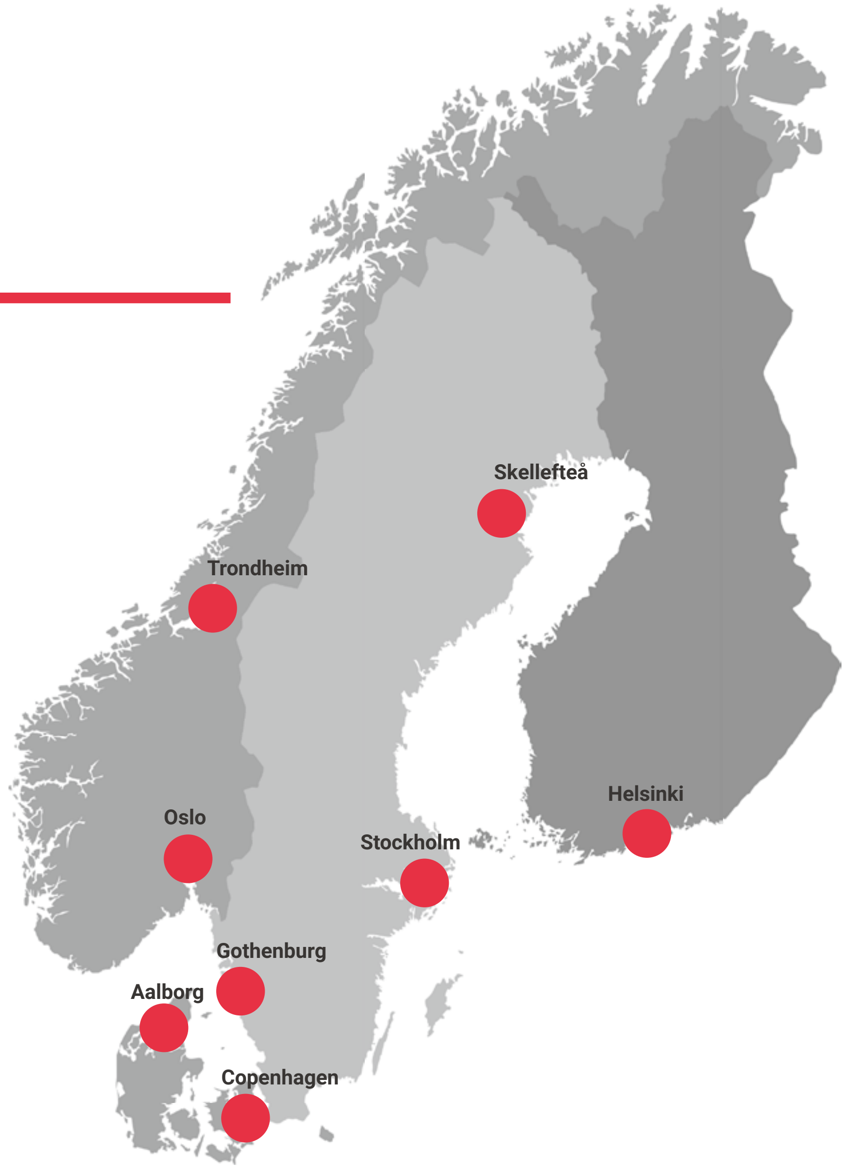
BUSINESS CONCEPT
"Dedicare will provide the market with the skills that temporarily or permanently satisfy the need for qualified health care and social work staff at the best price."
MISSION
"Dedicare will make a responsible and sustainable contribution to human health, development and quality of life."
VISION
"In time, Dedicare's overall vision is to grow through acquisitions and organically, and become one of Europe's leading staffing providers in health care and social work."

About Dedicare

Dedicare is the largest recruitment and staffing company in health care 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 having collective bargaining agreements in place for all employees in Sweden. In the rest of the Nordic region, employment terms are consistent with collective agreements.



1996 Dedicare incorporated with corporate name CSI Competence Sköterskejouren AB

2001 Poolia acquires CSI Competence Sköterske-jouren International AB, which then becomes Poolia Nurse

2002 Active Nurse of Norway acquired

2003 Start-up of Poolia Doctor

2007 Poolia Nurse and Poolia Doctor both change corporate name to Dedicare

2009 Start-up of Dedicare Doctor in Norway

2011 IPO on Nasdaq Stockholm

2013 Start-up of Dedicare Social Worker

2018–19 Operations in Finland and Denmark

2020 Dedicare acquires KonZenta Aps in Denmark

The year in brief

- **Revenue** was SEK 885.2 million (776.0) for the group, a 14.1 percent increase, mainly related to the acquisition of Dedicare A/S (KonZenta Aps), as well as the growth of the Norwegian operation. Revenue in Norway rose by 26.2 percent to SEK 397.4 million (314.9). In Sweden, revenue decreased by 15.4 percent to SEK 388.9 million (459.9). The main reason for the reduced revenue in Sweden is that the market for social worker staffing and doctors staffing, where planned care has been deferred, with the resulting cancellations. Revenue in Denmark increased to SEK 98.9 million (1.2), related to the acquisition of Dedicare A/S (KonZenta Aps).

- **Operating profit** amounted to SEK 43.8 million (35.3) for the group. Operating profit adjusted for non-recurring items of SEK 2.5 million of acquisition expenses, and SEK 4.5 million of provisioning for employer's contributions in Norway, amounted to SEK 50.8 million. The operating profit of the Norwegian operation was SEK 45.8 million (33.1), an increase of 38.4 percent. The operating profit of the Norwegian operation adjusted for non-recurring items of SEK 4.5 million of provisioning for employer's contributions, amounted to SEK 50.3 million.

The Swedish operation generated an operating loss of SEK –8.4 million (4.1), a sharp decrease. The operating loss adjusted for non-recurring items of SEK 2.5 million of acquisition expenses, was SEK –5.9 million. The lower earnings in Sweden are mainly due to reduced revenue and margin pressure on deals and amortization of intangible assets related to the acquisition in Denmark. The operating profit in Denmark was SEK 6.4 million (–1.9), related to the acquisition of Dedicare A/S (KonZenta Aps).

- **The operating margin** of the group was 5.0 percent (4.5). The operating margin adjusted for non-recurring items related to acquisition expenses and provisioning for employer's contributions was 5.7 percent.
- **The solidity** of the group was 35.2 percent (38.9), with the lower solidity due to a larger balance sheet total due to the acquisition of Dedicare A/S (KonZenta Aps). The solidity adjusted for non-recurring items related to acquisition expenses and provisioning for employer's contributions was 37.0 percent.
- **The number of employees** of the group was 678 (629), 40.8 percent being in Sweden, 52.2 percent in Norway, 7.0 percent in Denmark and 0.0 percent in Finland.
- **Dividend per share** proposed at SEK 2.50. The total dividend is SEK 23.5 million, or 86.4 percent of net profit for the year. The dividend for the financial year 2019 was cancelled after the Board of Directors decided to withdraw its dividend proposal for the AGM.

PROFIT FOR THE YEAR:
36,064
SEK thousand

Key indicators

	2020	2019	2018
Operating income, SEK thousand	885,195	775,988	812,017
Profit for the year, SEK thousand	36,064	26,435	38,234
Operating margin, %	5.7[1]	4.5	6.2
Solidity, %	37.0[1]	38.9	47.4
Number of employees	678	629	658
Dividend, SEK	2.50	0.00	4.00

[1] Reinstated for non-recurring items related to acquisition expenses and employer's contributions.

Highlights in the period

- **Lena Anderberg** was hired as new Business Area Manager for doctor staffing in Sweden. She took up her position in February 2020.
- **Dedicare signed** a purchase agreement for 100 percent of the shares of Danish staffing company Dedicare A/S (KonZenta Aps, corp. ID no. 36 42 03 40) on 5 March 2020. Dedicare A/S (KonZenta Aps) is a provider of care staffing across the Scandinavian care sector, focusing on specialists and senior physicians. Completion was on 1 April, and Dedicare A/S (KonZenta Aps) was consolidated into the Dedicare group effective the second quarter 2020. This company's turnover in April-December was SEK 98.7 million, and it reported profit after tax of SEK 5.7 million. This acquisition brings a stronger platform in Denmark, and is consistent with Dedicare's growth Strategy. More information in note 27 Business acquisitions.
- **Dedicare completed** the acquisition of Dedicare A/S (KonZenta Aps) on 1 April 2020, and in tandem with this, the Board of Directors took a decision on an issue in kind, supported by authorisation from an Extraordinary General Meeting (EGM) on 23 January 2020. This issue in kind is part of the purchase consideration for the acquisition of Dedicare A/S (KonZenta Aps), and involves 339,991 class B shares. The subscription price was set at SEK 44.66, based on a volume-weighted average share price for 30 trading days prior to 29 January 2020, which is five trading days from the date of publication of the letter of intent related to the acquisition of Dedicare A/S (KonZenta Aps). The shares were subscribed by the sellers (Carsten Vingaard, Kasper Madsen and Anders Sörensen) of Dedicare A/S (KonZenta Aps), who on subscription, undertook not to sell the shares for a two-year lock-up period.The reason for waiving shareholders' preferential rights is that the shares in this issue in kind constitute payment for the acquisition of Dedicare A/S (KonZenta Aps). The issue in kind implies a dilusion effect of some 3.6 percent. On completing the acquisition of Dedicare A/S (KonZenta Aps), Dedicare entered a DKK 45 million loan agreement with a financial institution, of which DKK 25 million (SEK 37 million) was realised in the period. The loan agreement has a three-year term, and was arranged to part finance the acquisition.
- **Due to the share issue** the number of shares of the company increased by 339,991, and the number of votes by 67, 998.2. After the chair issue, the total number of shares of the company is 9,395,397, of which 2,011,907 class A shares each with one (1) vote, and 7,383,490 Class B shares each with one-fifth (1/5) of a vote. The total number of votes of the company is 3,488,605.
- **Dedicare is monitoring progress** surrounding Covid-19, and continuously analysing the impact on its business. Because the change in our business environment is rapid, future effects are hard to assess. The pandemic has presented challenges including travel restrictions and high sickness absence rates for consultants, which has impacted our business negatively. For the full-year 2020, Dedicare received approximately SEK 4 million of central government subsidies from Covid-19 business support packages. Dedicare's view is that the central government subsidies have only covered a portion of the costs the company has incurred for increased sickness absence related to the pandemic. Overall, Dedicare has so far been able to reorient its business to address the potential effects of Covid-19, and at present, management does not see any risk of operations being unable to continue. More information on risks and uncertainties is on page 40.
- **Stockholm Region** health authority initiated a new doctor and nurse staffing tender in the fourth quarter 2019. Given the current Covid-19 situation, the Region decided to delay this tender, extending its current framework agreement until 31 December 2021 inclusive. The extended framework agreement has a four-month notice period.
- **Kasper Madsen** became Managing Director of Dedicare Denmark (KonZenta Aps) on 1 April, and is now a member of Dedicare's group management.
- **The AGM was held** at the company's premises on 23 April 2020. The AGM approved the proposal to authorise the Board of Directors to decide on the new issue of class B shares, convertibles and/or share warrants, on one or

more occasions in the period prior to the next AGM, with or without preferential rights for shareholders. The issue decision will be possible for payment in cash and/or provisions for contributions in kind, or with subscription possible by other means. Such issue may only occur on market terms. The number of shares, convertibles and/or share options issued with this authorisation may not involve dilution of more than 10.0 percent of the share capital based on the total number of outstanding shares at the time of the AGM.

- **Dedicare's Board of Directors** decided to withdraw its proposal for a dividend of SEK 2.60 per share to the AGM in light of the most recent progress in relation to the spread of Covid-19. This decision was based on the financial uncertainty prevailing on the market generally, and to ensure a stable capital base for Dedicare's operations in a period of turmoil in its business environment. The AGM approved the Board's amended proposal, and resolve not to pay any dividend for the financial year 2019.
- **Dedicare's dormant subsidiaries** Acapedia AB corp. ID no. 559036-9582, Doktor24 i Skandinavien AB corp. ID no. 556599-1634, Nurse24 AB corp. ID no. 556583-6466, and Dedicare Nurse Sverige AB corp. ID no. 559006-4456 were liquidated in the second quarter by sale to an external liquidator.
- **Dedicare initiated** an investigation of the treatment of employer's contributions in Northern Norway in the second quarter. Dedicare AS has been conducting staffing operations in Northern Norway since 2016, and in this context, incorporated a subordinate entity in Hammerfest with corp. ID no. 917 216 886. This region is covered by regulations that reduce employer's contributions. On the advice of external tax experts, Dedicare's view on the start-up date was that this operation satisfied the requirements to utilise reduced employer's contributions. In the context of evaluating the operation in northern Norway, in the second quarter of 2020, Dedicare discovered that the regulations for reduced employer's contributions could be interpreted differently, and accordingly, initiated a new investigation jointly with external consultants. As part of this investigation, Dedicare sent an open letter to the Norwegian Tax Agencies to obtain confirmation that its interpretation, and treatment, is correct. Dedicare provisioned a total of SEK 45 million plus interest and charges in the second and fourth quarters as a contingency for the Norwegian Tax Agencies ruling its treatment as erroneous. Dedicare AS's subordinate entity in Hammerfest was terminated effective 30 June 2020 in anticipation of a response from the Norwegian Tax Agencies. No response from the Norwegian Tax Agencies has been received, nor has there been any information on its potential timing.
- **Jenny Pizzignacco** left her role as Vice President of Business Development, and became Vice President of HR. No successor for the Business Development role will be appointed, as this was terminated after an internal reorganisation.
- **Dedicare was awarded** a new framework agreement covering all hospitals in Norway for doctor staffing. This framework agreement has a two-year term starting in mid-February 2021, and has a further two-year extension option.

p. 11

Drivers and challenges

A growing need for health care and social services is expected in the West, and partly because of an ageing population, and partly because people increasingly want fast access to health care and social services.

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

Planned health care has been deferred during the current pandemic, which has further extended health care waiting lists, causing pressure on health care systems in the Nordic countries.

p. 15

Our staff

Dedicare conducted its yearly employee satisfaction survey in autumn 2020, achieving good results and high employee satisfaction. Most of our in-house colleagues have backgrounds in health care or social work, which has proved to be a success factor in understanding the needs of our customers and consultants.

p. 18

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's objective is to be a pan-European player, mainly to be achieved through acquisitions. Dedicare acquired Dedicare A/S (KonZenta Aps) in 2020, further consolidating its platform in Denmark.

CEO's statement

"A year of pandemic, with positive and negative impacts on our business."

Turnover was SEK 885.2 million for 2020, the highest ever in Dedicare's history. Growth was 14.1 percent on the previous year. Our Norwegian operation grew fastest, although our acquisition in Denmark is also making a strong contribution to turnover growth. Operating profit was SEK 439 million, growth of 24.4 percent on the previous year, with the Norwegian operation also providing most of the year's operating profit.

Challenges in Sweden continue

Turnover in Sweden was SEK 388.9 million, down 15.4 percent on the previous year. The reduced revenue is largely due to our doctor staffing business being negatively impacted by the deferral of planned care during the current pandemic. Conversely, demand in nurse staffing increased in 2020. The operating loss in Sweden for 2020 was SEK –8.4 million, down by SEK 12.5 million on the previous year. The lower operating profit is mainly due to reduced revenue, sharper increased competition and margin pressure in our businesses, as well as amortization of intangible assets related to the Danish acquisition, which is reported in the Sweden segment. To reverse the negative trend in our Swedish business, we have started searching for a Country Manager for Sweden, whose main focus going forward will be on increasing turnover and profitability.

Stable progress in Norway

Turnover in Norway was SEK 397.4 million, an increase of 26.2 percent on the previous year. All the segments of our Norwegian business achieved growth in the year, and we are winning market shares, which is very positive. Operating profit for 2020 in Norway was SEK 45.8 million, a 38.4 percent increase on the previous year. These higher earnings are sourced from this operation's growth and better margins in our business.

Demand, primarily for doctor staffing, increased in the year as an effect of the pandemic, while the demand for preschool staff was eliminated during periods of school closure. The Norwegian operation was also impacted by the travel restrictions imposed by the Norwegian government, with large numbers of consultants travelling in from the rest of the Nordic region, but it succeeded in reorienting to address this.

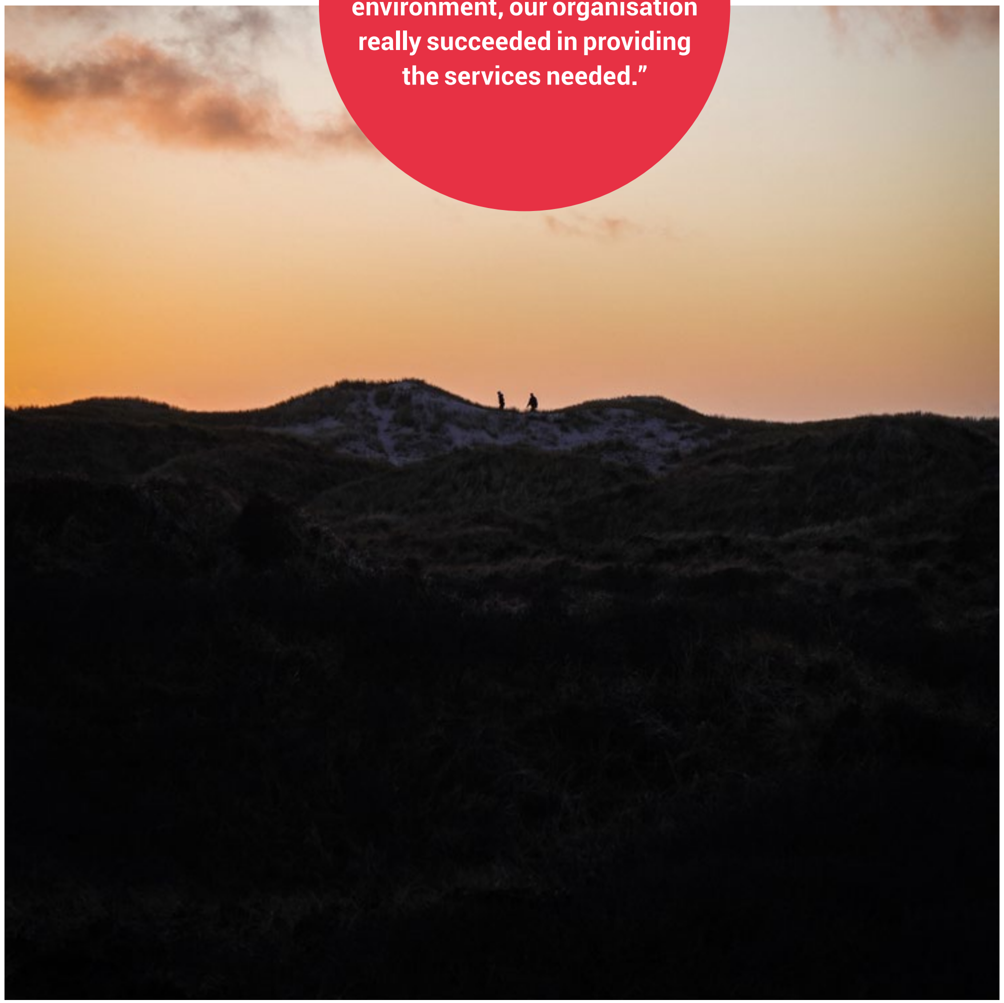
Acquisition increases our presence in Denmark

Turnover in Denmark was SEK 98.9 million, a SEK 97.9 million increase on the previous year, wholly attributable to the acquisition of Dedicare A/S (KonZenta Aps). The operating profit for Denmark for 2020 was SEK 6.4 million, up SEK 8.3 million on the previous year, also due to this acquisition.

The Danish operation is mainly focused on doctor staffing, with Dedicare having framework agreements

Krister Widström
Chief Executive Officer

“Considering the uncertainty Covid-19 brought to our business environment, our organisation really succeeded in providing the services needed.”



in place with four out of five regions for specialist doctors. The demand in doctor staffing decreased in 2020 due to the deferral of planned care, as an effect of the pandemic. The Danish operation also faced challenges from travel restrictions related to the pandemic, but has also succeeded in reorienting for these new conditions.

Progress in the year

Considering the uncertainty Covid-19 brought to our business environment, our organization really succeeded in providing the services needed in health care and social work. We saw demand fluctuate in both directions in health care staffing, and were presented with challenges of high sickness absence among consultants, and by the restrictions imposed periodically across the Nordic countries. Overall, our business did well during the pandemic, and demonstrated the capacity to reorient quickly for any future challenges. The underlying demand for our services is stable, and we think that the pressure on health care has increased further due to the pandemic.

In the year, we invested in a new matching tool, which utilises AI to help achieve faster and more efficient staffing processes for care providers and consultants. We’re proud to be first in Sweden to use this technology to improve staffing in health care and social work. We also consolidated our internal organisation by appointing an HR Manager. Our consultants and internal staff are our primary asset, and we will be intensifying our employer branding work to attract, retain and develop them.

I’d like to thank all my colleagues and consultants who have shown such great commitment with their skills in health and social care Nordic wide—thank you!

Krister Widström
Managing Director &
Chief Executive Officer

Health care staffing

Dedicare is the largest recruitment and staffing provider in health care and social work in the Nordic region, with operations in Sweden, Norway, Finland and Denmark.

Health care staffing, Nordics

A growing need for health care and social services is expected in the West, partly due to an ageing population, and partly because people are increasingly demanding fast access to health care and social services. A shortage of resources has been a challenge to health care in the Nordic countries for some time, and the pressure on health care systems has been intense. Dedicare thinks Covid-19 has lengthened health care waiting lists because planned care has been deferred, which is likely increase the load ahead.

Health care staffing, Europe

The health care staffing market in the European countries is diversified. The UK is the largest market, followed by the Netherlands and France. Dedicare views the Nordic markets for health care as relatively large in comparison.

Sweden

Sweden is our largest market, and according to Swedish local government organisation SKR, health care staffing was worth over SEK 5.7 billion in 2020. The growth on 2019 was 0.4 percent. Temporary health care staff are a very low share of total personnel expenses, and of the SEK 5.7 billion total, only 3.6 percent of total personnel expenses are in health care.[1]

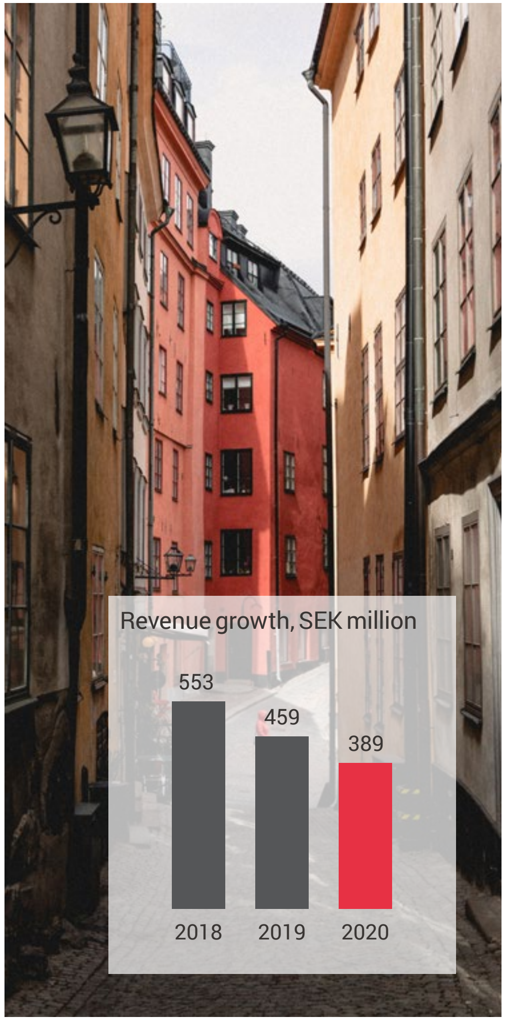
The staffing market contribution to health care and social work has become more significant over recent years, with the sector having nearly 100 businesses, of which some 40 are authorised, which means they apply the sector's collective bargaining agreements.

Growth rates have slowed in recent years. Local government organisation SKR has produced a program of measures entitled "Independence from Agency Staff in Health care," 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 percent to 2.0 percent.

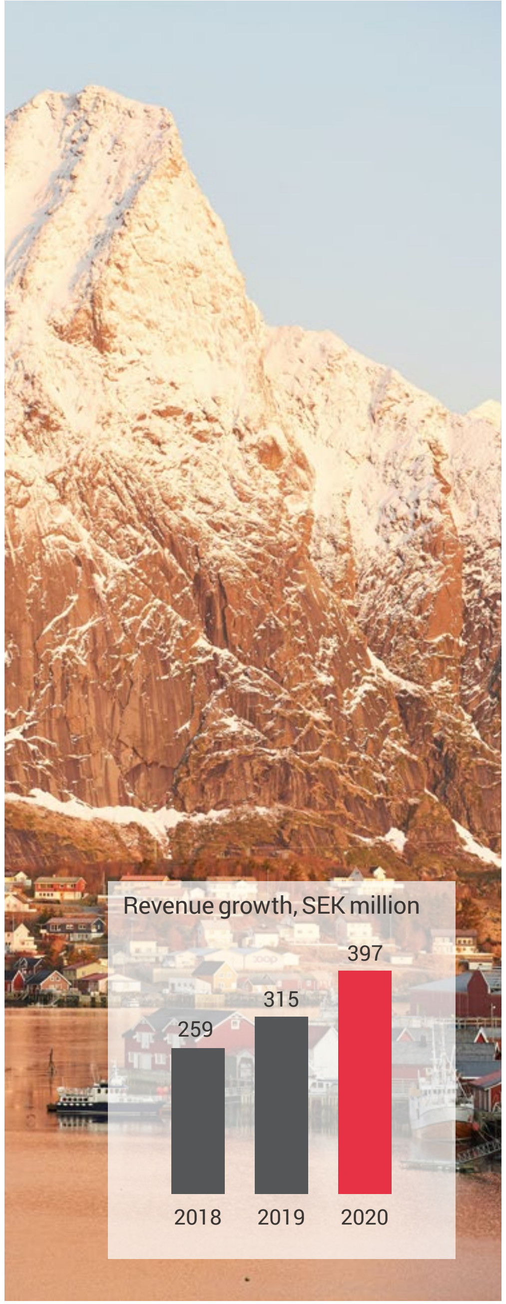
Health care staff are also supplied to municipalities and private care providers.Social worker staffing is mainly for municipalities.

Of the total market for health care staffing, Dedicare estimates that approximately 61.0 percent of the market's turnover is attributed to medical staffing, approximately 34.0 percent to nurses and approximately 5.0 percent to other occupational categories in health care.

The demand for social worker staffing also decreased. 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 subsequent years, the market for social workers staffing contracted sharply, but did stabilise somewhat in 2020.



[1] SKR: Bemanningstrend för inhyrd personal i hälso- och sjukvård 2020



Norway

Norway is the second largest market, and according to the Confederation of Norwegian Enterprise, NHO, health care staffing was worth some NOK 1.8 billion in 2020. This sector has nearly 50 Norwegian companies, of which about half are members of NHO. Many Swedish and Danish enterprises also compete on the Norwegian market.

Some political parties in Norway want to abolish or stringently regulate the staffing sector. The objective is full independence from it, although Dedicare foresees a substantial need for health care staffing ahead. This market saw no growth between 2013 and 2018, but market turnover was the highest ever in 2019. In 2020, the market expanded by another 12.0 percent on 2019.[1] Health care staffing made up some 10.6 percent of the total Norwegian staffing market, with Dedicare's share an estimated 20.6 percent. There are no statistics available on how Norway's staffing market divides between job categories. Dedicare estimates that some 30.0 percent of turnover is sourced from doctor staffing, about 50.0 percent from nurses, and about 20.0 percent divided between other job categories. Demand, primarily for doctor staffing, increased in 2020 as an effect of the pandemic, while the demand for preschool staff was eliminated during periods of school closure.

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 Sykhusinnkjøp. The framework agreement for nurses was renegotiated in 2019, with Dedicare subject to a new agreement with Sykehusinnkjøp on nurse staffing since 1 October 2019. Dedicare secured a new framework agreement covering all hospitals in Norway for doctor staffing in 2020, which applies from mid-February 2021. This framework agreement has a two-year term, and has a further two-year extension option.

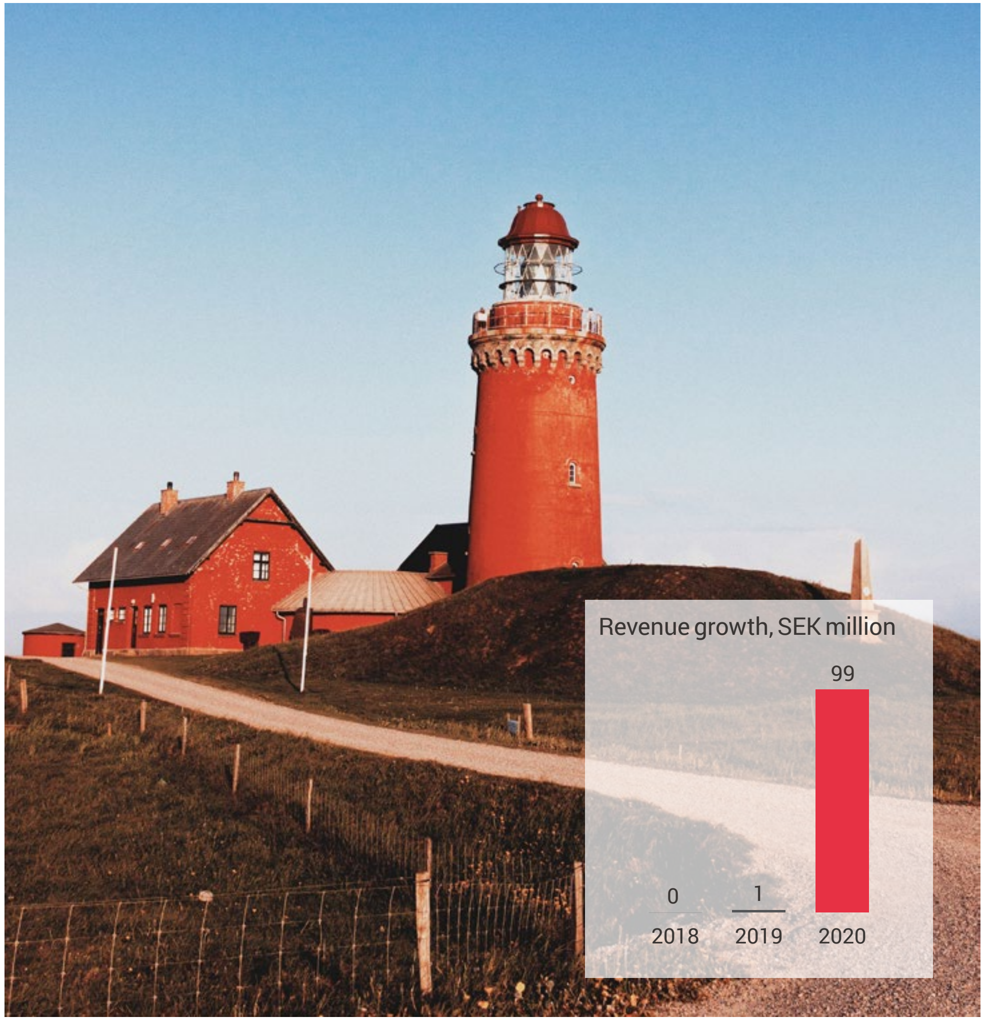
Framework agreements with municipalities

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 2016, and secured several new framework agreements in 2020.

[1] NHO: Statistikk fra bemanningsbransjen.

"Dedicare's acquisition in Denmark has helped it secure a stronger platform on the Nordic market."



Denmark

Dedicare executed a strategic acquisition of Danish staffing company Dedicare A/S (KonZenta Aps) in 2020, completing this transaction on 1 April. KonZenta Aps is a provider of health care staffing for the Nordic health care sector, focusing on specialists and senior physicians. This acquisition is consistent with the group's strategy, and brings the group a stronger platform on the Danish market. Dedicare's previous operations in Denmark have been integrated into Dedicare A/S.

A high share of health care staffing in Denmark is conducted by public tender, with these processes covering the nurse and doctor job categories. Contracts are normally for two years, with extension options. Dedicare has framework agreements with four of the five regions for specialist physicians.

The market for nurse staffing is currently undergoing consolidation because several regions have created in-house staffing functions, thus excluding private sector participants. Dedicare has framework agreements with a number of Denmark's larger and smaller hospitals, as well as private care providers.

No official market statistics for health care staffing are available in Denmark. Dedicare thinks that the doctor staffing market was worth some DKK 260 million in 2020, with the market for nurse staffing being far larger. The sector has nearly 50 companies, of which about half are subject to collective bargaining agreements.

The demand for doctor staffing decreased in 2020 because of planned care being deferred as an effect of the pandemic.

Drivers and challenges

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 health care is forecast to expand in future, so older people can avoid hospital admissions for care and treatment. Apart from greater pressure on health care 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.

New circumstances in health care

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 percent, compared to 8.2 percent in 1990. In a longer timeframe, health and medical care as a share of GDP has also increased.[1]

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 cost-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 health care 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 health care 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.

[1] SCB: Hälsoräkenskaper 2017

Business model, strategies and objectives

Business model

Staffing

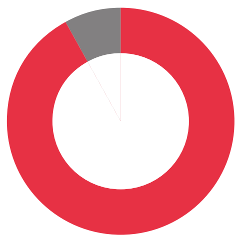
Dedicare's business model in recruitment and staffing has two main aspects; firstly hiring staff and ensuring that they are skilled and qualified, and secondly identifying and satisfying the needs of care providers.

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, psychologists 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.



"Dedicare is first in Sweden to use AI to improve health care and social work staffing, helping achieve faster and more effective staffing processes for care providers and consultants"

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, psychologists and preschool staff, and partly because Dedicare's consultant managers possess experience of health care 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, psychologists 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.

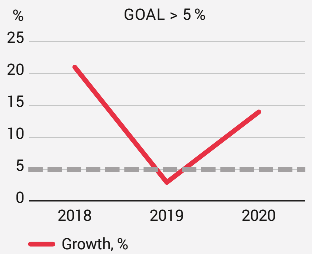
Skills guarantee—customers always have the option of discontinuing an assignment if unsatisfied at any time.

"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

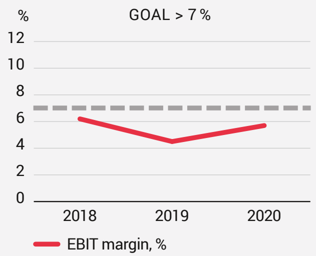
GROWTH

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



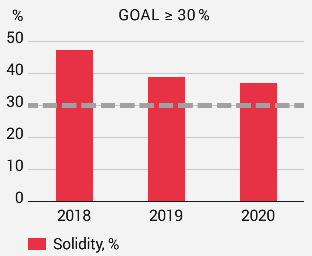
EBIT MARGIN

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



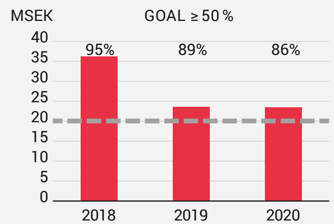
SOLIDITY

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 solidity should be at least 30 percent.



DIVIDEND POLICY

Dedicare's target is for its dividend to be at least 50 percent of net profit over a business cycle. For 2020, a dividend of SEK 2.50 is proposed, which corresponds to 86.4 percent of net profit for the year. Dividend for the financial year 2019 did not materialize since the Board decided to withdraw the proposal for a dividend to the Annual General Meeting.



CUSTOMER SATISFACTION

Dedicare's objective is that 90 percent of its customers should rate it as satisfactory or better. We also encourage customers to maintain a continuous dialogue with us on how they perceive our delivery capability.

TARGET

>90%

PERFORMANCE 2020

>90%

Dedicare's offering

"Dedicare is the largest recruitment and staffing company in health care and social work in the Nordic region."

Offering

Dedicare can achieve the greatest possible efficiency by focusing on recruiting, sales and delivery. Dedicare is a recruitment and staffing provider with its main operations in recruiting and staffing doctors, nurses, social workers, psychologists and preschool staff. The group is active in Sweden, Norway, Finland and Denmark. Converted to full-time equivalents (FTEs), operations had **591 doctors, nurses, social workers, psychologists and preschool staff,** as well as 87 internal employees. Dedicare is one of the largest staffing companies in health care and social work in Sweden and Norway. Its customer base includes all Sweden's 21 regional health authorities, 4 Norwegian regional health authorities, 4 regions in Denmark, 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. An acquisition was conducted in Denmark in 2020, further increasing Dedicare's presence on the Danish market. Health care staffing is conducted in all countries. Dedicare offers social worker staffing in Sweden, and preschool staffing in Norway via the Acapedia brand.

Dedicare operates through three offices in Sweden (Stockholm, Gothenburg and Skellefteå), two offices in Norway (Trondheim and Oslo), one office in Finland (Helsinki) and one office in Denmark (Ålborg and Copenhagen). Staffing is an efficient way to address difficult underlying resource situations

simply and flexibly. Dedicare consultants 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, psychologist, doctor or preschool 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.

At present, Dedicare only offers recruitment services for doctors, nurses and social work staff on the Swedish market.

High-quality and effective processes are a success factor

Dedicare is focused on developing and documenting its processes, and holds ISO 9001, ISO 14001 and ISO 45001 certifications. These are prerequisites for the company maintaining high quality and effective operations. Well-established processes and working methods are a pre-requisite for growth.

IT – the main focus in the year was on digitalising, streamlining operations and a sharper focus on IT 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 variety of back office rationalisation projects, and continued investments in tools 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. ISO 27001 was the starting-point of this work to adapt operations to the optimal standard.

Dedicare's customers

Sweden

Dedicare's customers are companies and other organisations that provide health care and social work services. In Sweden, this means regional health authorities, municipalities, as well as private sector health and social care providers. In 2020, municipalities and regional health authorities represented

91.0 percent (92.0) of Dedicare's revenue, with private health and social care providers generating 9.0 percent (8.0).

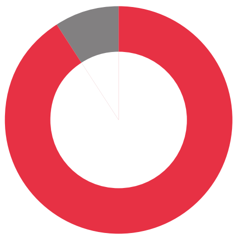
The largest customer, Stockholm County Council (now the Stockholm Regional Health Authority), represented some 23.8 percent (26.4) of total revenue in Sweden in 2020.

Norway

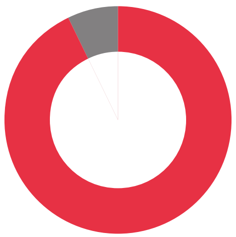
Dedicare's customer base in Norway consists of regional health authorities through the collective purchasing organisation Sykehusinnkjøp. In 2020, municipalities and regional authorities provided some 93.0 percent (95.0) of revenue, and private sector players, 7.0 percent (5.0). Dedicare's largest customer is Helse Sør Øst (South-Eastern regional authority), representing some 13.0 percent (13.9) of the total revenue in Norway in 2020.

Denmark

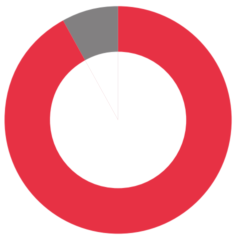
The main customers in Denmark are public hospitals, providing some 92.0 percent (99.5) of revenue, and private hospitals representing 8.0 percent (0.5). Dedicare's largest customer is the North Jutland regional authority, which generated some 23.0 percent (0.0) of total revenue in Denmark in the period April-December 2020.



- Municipalities and regional health authorities, 91.0 %
- Private care providers, 9.0 %



- Municipalities and regional health authorities, 93.0 %
- Private care providers, 7.0 %



- Municipalities and regional health authorities, 92.0 %
- Private care providers, 8.0 %

Dedicare's employees

Employee satisfaction survey

Dedicare conducts a yearly employee satisfaction survey of the staff that work in-house at its offices. In the 2020 survey, a total of 98.0 percent (95.0) of staff stated that they were either satisfied or very satisfied with Dedicare as an employer. Since February 2020, Dedicare has also been conducting employee satisfaction surveys among consultants after concluding each assignment. Dedicare consultants' average ratings in 2020 were 9 on a 10-point scale. The positive outcome of these employee satisfaction surveys for 2020, covering in-house staff and consultants, is very positive, because Dedicare regards satisfied staff as one of the single most critical success factors in the sector.

Skills development

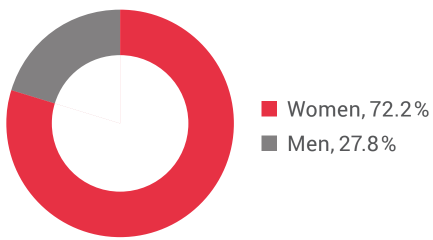
To keep our business evolving, continuous and planned skills development of our staff is critical. Accordingly, skills development is an important point on the agenda of yearly appraisal interviews, where managers and in-house Dedicare staff discuss potential. A range of training options occurred in 2020, including sales and leadership training packages. Many consultants choose Dedicare precisely for the opportunities for skills development. Dedicare can offer consultants a wide variety of assignments, and there is great potential to develop. We also offer our consultants the dedicated training input they need, which may be about maintaining necessary skills, such as CPR, or may involve more practical packages such as learning new administrative systems, such as medical record systems.

Gender division of employees

The average number of employees in 2020 was 678 (629). The gender division in Dedicare was 72.2 percent (80.0) women and 27.8 percent (20.0) men in 2020. Generally, the uneven gender division of our staff is due to most job categories that we staff being traditionally female dominated.

98%
SATISFACTION

678
EMPLOYEES



Core values that make a difference

COMMITED

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

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

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

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 most exciting thing is that my job is different from one day to the next."

I've never regretted becoming a nurse, it's a varied profession with a lot of different duties, and great responsibility for meeting patient needs. As an agency nurse, you get to see a lot of different workplaces, and I like the feeling of security Dedicare gives me by always being ready to hear the questions I have.

Yvonne Santamans, *nurse*

"I control my working-hours, and can work more or less during certain periods."

My work as a consultant is independent and changeable. The best thing are the challenges I face in my different assignments, and the fact that I meet so many different people. My skills are appreciated, and I feel that I'm contributing something that makes a difference. I can choose how much I want to work myself, and I like to work efficiently, focusing on my duties, which you can do as a consultant.

Carina Åsling, *psychologist*

"The best thing is making a difference."

By being a consultant, I not only get the opportunity to help my clients, but also at workplaces that need relief. I get a chance to bring my skills, while also developing myself. You get to choose when and where you want to work, and represent a well-recognised provider that shows trust and commitment.

Rosil Aljanabi, *social worker*

"My experience creates a benefit."

It's important for me to feel I'm making a difference by helping others. I have 50 years' experience as a doctor, which benefits my patients and colleagues. My collaboration with Dedicare is secure and professional, and my contact with my consultant manager is positive.

Arne Juland, *doctor*

Dedicare's shareholders and share

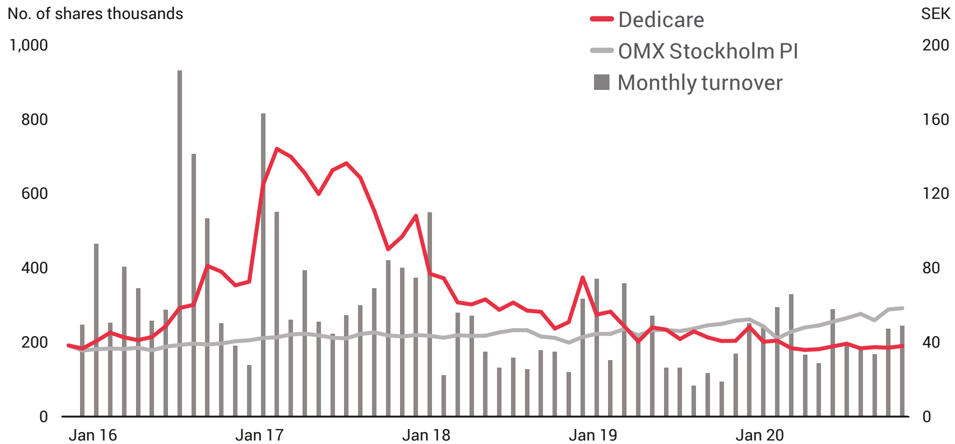
The share

Dedicare's class B share had its initial public offering on Nasdaq Stockholm on 4 May 2011. On 31 December 2020, the share capital was SEK 4,697,699, divided between 9,395,397 shares, of which 2,011,907 class A shares and 7,383,490 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.

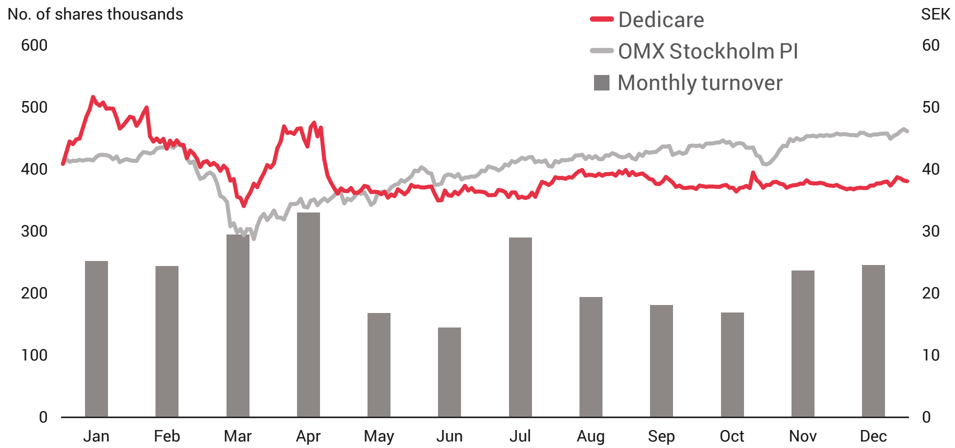
Share price and turnover, 2016–2020



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	7,900	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
April 2020	New issue of class B	339,991	9,395,397	2,011,907	7,383,490	169,996	4,697,699

Share price and turnover in the year



Share price performance

The year high was SEK 52.4, and the low was SEK 32.0. The closing price at year-end was SEK 38.1.

Number of shareholders

Dedicare had 6,170 shareholders as of 31 December 2020. Dedicare gained 126 new shareholders and lost 233 shareholders in the year.

Shareholder structure

Most of Dedicare's shareholders are domiciled in Sweden. As of 31 December 2020, 90.5 percent of shareholders were in Sweden, 5.1 percent in the rest of the Nordic region, 4.0 percent in the rest of Europe, 0.3 percent in the US, and 0.1 percent in the rest of the world.

Dividend and dividend policy

The Board of Directors of Dedicare is proposing a dividend of SEK 2.50 per share, or SEK 23.5 million for payment as dividends to shareholders. The group's dividend policy stipulates that the yearly dividend over a business cycle should be at least 50.0 percent of net profit. The dividend for the financial year 2019 was cancelled after the Board of Directors decided to withdraw its dividend proposal to the AGM.

Incentive programmes

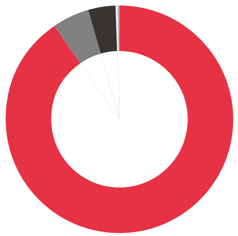
At present, Dedicare has no active incentive programmes.

Major shareholders

Dedicare AB's ten largest shareholders as of 31 December 2020 are:

Shareholder	No. of shares	Votes, %
Örås, Björn	2,011,907	57.67
Rödgladan AB	1,540,722	8.83
Healthinvest Partners AB	850,000	4.87
AMF - Försäkring och Fonder	834,679	4.79
Swedbank Robur Fonder	358,638	2.06
Sparekassen Kronjylland	226,661	1.30
Pizzignacco, Jenny	196,070	1.12
Avanza Pension	195,235	1.12
Örås, Caroline	177,000	1.01
Ålandsbanken AB	174,828	1.00

Shareholder base



- Sweden, 90.5%
- Rest of Nordics, 5.1%
- Rest of Europe, 4.0%
- USA, 0.3%
- Rest of world, 0.1%

Source: www.euroclear.com

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

Sustainability

Sustainability Report

"Social conditions and human resources issues are priority segments"

This is Dedicare's Sustainability Report, which is for the financial year 2020. 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 for recruitment and 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 doctors, nurses, social workers, psychologists 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 helps 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), ISO 9001 (Quality) and 45001 (Health & Safety) 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.

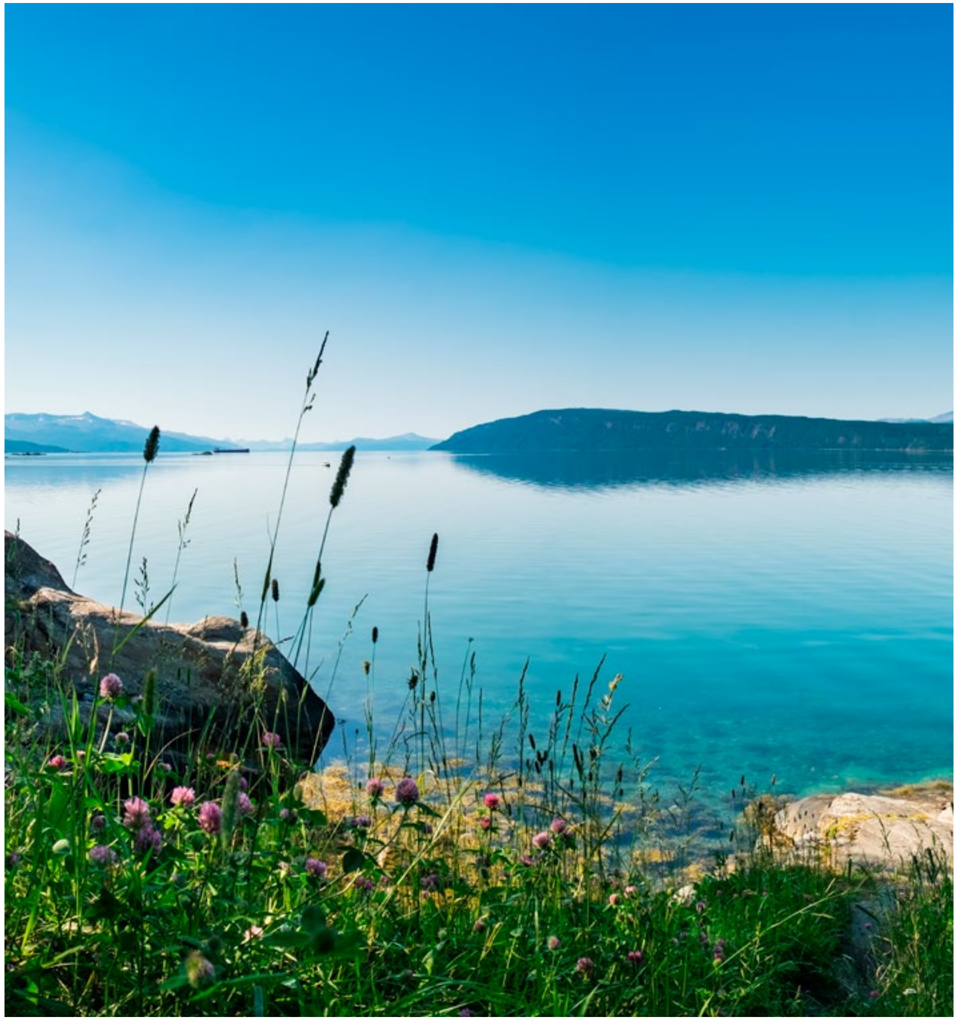
Dedicare has adopted policies for the environment and quality that are the foundation of our work on these segments in our operations. Our policies are reviewed and revised as necessary, as well as yearly, by Dedicare's management. The policies referred to here are for the operations of the whole Dedicare 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 ensures 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 30.



	ENVIRONMENT	SOCIAL CONDITIONS INCLUDING HR ISSUES	RESPECT FOR HUMAN RIGHTS	CORRUPTION AND BRIBERY
Material risks	**Dedicare does 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.	**Because our 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.	**Questions relating 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.	**We have zero 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.
Risk management	**Our ISO 14001 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. 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.	**Dedicare conducts** annual satisfaction surveys of consultants. Every business area receives survey results for its consultants, then preparing an action plan based on survey results. The process is similar for our internal staff, first-line managers review outcomes and prepare an action plan based on survey results. Our certified business management systems help us continuously improve and develop systematic processes.	**We regularly review 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.	**Our anti-corruption 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.

Identified sustainability segments

The company's stakeholders have 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 employment 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 2020 was 678 (629). In 2020, Dedicare's gender division was 72.2 percent (80.0) women and 27.8 percent (20.0) 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. In Norway, Dedicare is a member of sector organisation NHO (Naeringslivets Hovedorganisasjon).

Collective bargaining agreements regulate employment terms

In Sweden, 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. In other Nordic countries, Dedicare offers all employees employment conditions similar collective bargaining agreements.

Sickness absence

Dedicare's sickness absence in 2020 was 2.2 percent (2.9). The sickness absence target is below 3.0 percent, which accordingly, was fulfilled for the year. The sickness absence for internal employees decreased in the year, while the sickness absence of external consultants increased as an effect of Covid-19.

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.

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. In the most recent satisfaction survey, the majority of Dedicare customers stated that they were satisfied with Dedicare as a provider.

DIVERSITY

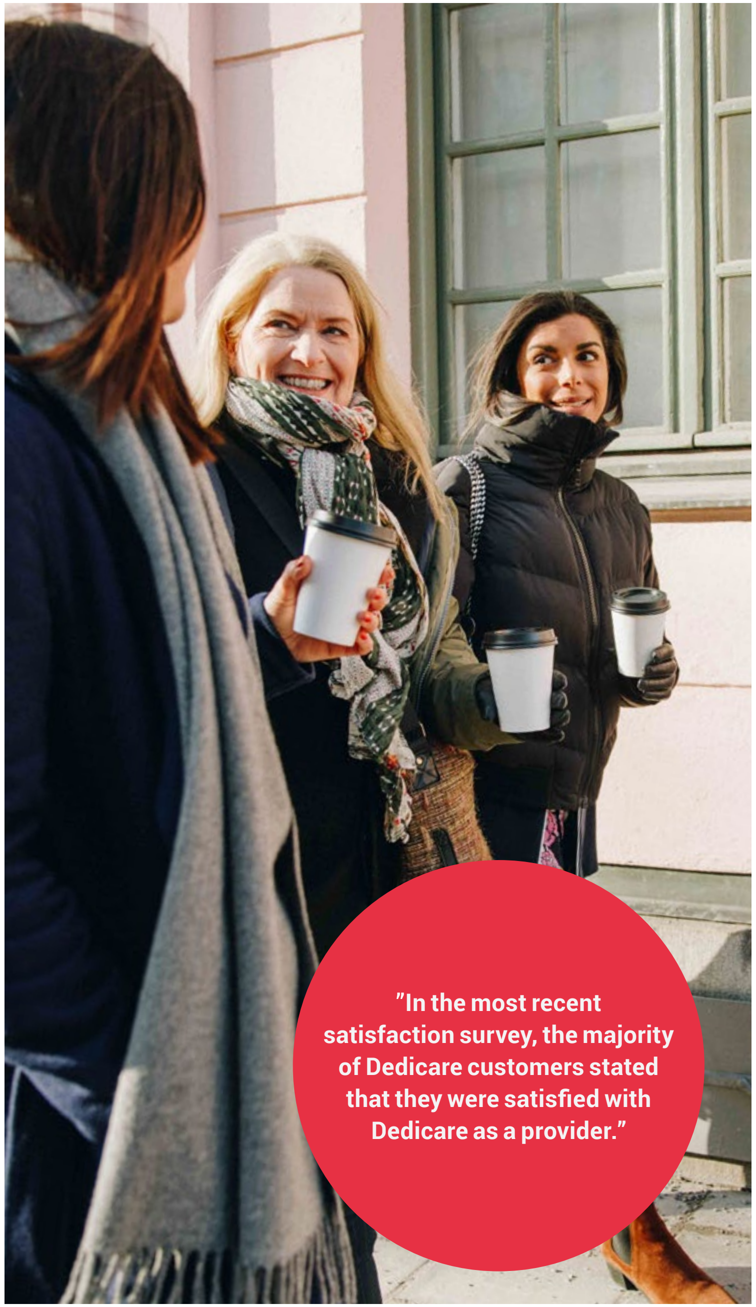
GENDER DIVISION

27.8%

72.2%

SICKNESS ABSENCE

CUSTOMER SATISFACTION



Customer proposition

Dedicare provides doctors, nurses, social workers, psychologists 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 specialist procurement professionals in all business areas to ensure we satisfy tendering standards.

Skills management of staff

Dedicare's employees are one of the group's main competitive edges, and we work continuously on developing 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 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 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 2020-01-01–2020-12-31 on pages 24–28 and that it has been prepared in accordance with the Annual Accounts Act.

Tha 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 19, 2021
Grant Thornton Sweden AB

Mia Rutenius
Authorized Public Accountant

Corporate Governance Report

Dedicare and its governance — 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 2020

The most recent AGM was held on 23 April 2020 at Dedicare's head office at Ringvägen 100, 10th floor, Stockholm, Sweden. Because of the current situation regarding Covid-19, the company decided to offer shareholders the option of postal voting, in accordance with the exemption rules that became effective in the year. Shareholders representing 78.3 percent of the votes and 59.1 percent of the capital participated at the Meeting. The Meeting re-elected a

Board of Directors with the following members: Björn Öräs, Anna Lefevre Skjöldebrand, Dag Sundström, Eva-Britt Gustafsson and Madeleine Raukas. Björn Öräs was re-elected as Chairman of the Board. The AGM also approved Directors' fees of SEK 410,000 (400,000) to the Chairman of the Board, and SEK 180,000 (175,000) to each of the other Directors.

For more information,
see www.dedicare.se

AGM 2021

The AGM for the financial year 2020 will be held at the company's head office in Stockholm, Sweden, at 4 p.m. on 22 April 2021. The Annual Report will be available by 19 March 2021 at 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. 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.

Nomination Committee

The AGM on 23 April 2020 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 5 November 2020. TheMembers of the Nomination Committee for the AGM 2021 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*

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 2020

In the financial year 2020, the Board of Directors held seven 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, Eva-Britt Gustafsson and Madeleine Raukas.

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 2020, 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.

Board of Directors' composition and meeting attendance at regular meetings

Director	Election	Position	Attendance
Björn Örås	2007	Chairman	8/8
Anna Lefevre Skjöldebrand	2011	Director	8/8
Dag Sundström	2013	Director	8/8
Eva-Britt Gustafsson	2019	Director	8/8
Madeleine Raukas	2020	Director	8/8

Group management

Management

The group's executive management consists of the Managing Director/CEO, CFO, the Managing Directors of the Norwegian and Danish subsidiaries, the CIO, the Vice President of Human Resources and Business Area Managers.

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

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 23 April 2020. 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 2021.

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

Björn Örås
Chairman
Board member since: 2007
Born in: 1949
Education: B.Sc. (Econ.), Lund University
Other current assignments: Chairman of Bro Hof Golf AB, and Chairman and Managing Ditector of Bro Hof Slott AB.
Dedicare shareholdings, direct and through companies: 2,011,907 class A and 1,540,722 class B

Anna Lefevre Skjöldebrandt
Board member since: 2011
Born in: 1969
Education: LL.B. and economics graduate, Uppsala University
Other current assignments: CEO of Swedish Medtech Service Aktiebolag, Chairman of the Board of Sweden Medtech4Health AB, Board member of European sector organisation Cocir, Board member of the Swecare Foundation and member of the Clinical Trials Committee. Also a member of the Swedish Government Offices' collaboration council for life sciences.
Dedicare shareholdings: 1,800 class B

Dag Sundström
Board member since: 2013
Born in: 1955
Education: 1955
Education: M.Sc.(Eng.), Engineering Physics, Royal Institute of Technology, Stockholm, M.B.A., Stockholm School of Economics
Other current assignments: Chairman of the Board of International Swedish School AB (Raoul Wallenbergskolan), Chairman of the Board of DS Holding AB, and Chairman of the Board of Dag Sundström Consulting AB.
Dedicare shareholdings: 1,000 class B

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

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, and Director of Statens Servicecenter since 2017.
Dedicare shareholdings: 0

Auditors

Mia Rutenius
Audit firm: Grant Thornton Sweden AB
Auditor in Charge since: 2018
Other significant assignments: BioArctic AB (publ), Poolia AB (publ)

Senior executives










Krister Widström
(born in 1962)
Title: Managing Director/ Chief Executive Officer
Employee since: 2017
Professional experience: senior positions with Poolia, MD of Bro Hof Slott and Country Manager of Business Sweden, South Africa
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
Dedicare shareholdings: 0

Jenny Pizzignacco
(born in 1979)
Title: Vice President of Human Resources
Employee since: 2016
Professional experience: Experience of Nasdaq and the staffing sector, formerly Interim CFO of Dedicare and CEO of Dedicare Nurse
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: Managing Director, Norway
Employee since: 2017
Professional experience: CEO of Medisinsk Vikarbyrå AS, Director of Adecco Helse AS
Dedicare shareholdings: 0

Armin Fejzic
(born in 1986)
Title: Business Area Manager, Social Worker, Sweden
Employee since: 2015
Professional experience: social services official
Dedicare shareholdings: 0

Kasper Madsen
(born in 1979)
Title: Managing Director, Denmark
Employee since: 2020
Professional experience: VP of Nordic Sales Agito, MD of Agito Sverige, partner and owner of KonZenta Aps.
Dedicare shareholdings: 113,330 class B

Maria Berglind
(born in 1974)
Title: Interim Business Area Manager Nurse, Sweden
Employee since: 2014
Professional experience: Long-term experience of the health care and staffing sectors
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
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.
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 2020-01-01–2020-12-31 on pages 30–35 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 19, 2021
Grant Thornton Sweden AB

Mia Rutenius
Authorized Public Accountant

Annual Accounts 2020

Administration Report

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

Operations

Dedicare is an authorised recruitment and staffing company, whose main operations are temporary staffing of doctors, nurses, social workers, psychologists and preschool staff. The group is active in Sweden, Norway, Denmark and Finland, and has 87 employees in its administrative and sales organisation, and in 2020, provided a total of 591 doctors, nurses, social workers, psychologists and preschool staff expressed as full-time equivalents (FTEs). The company's opinion is that in Sweden, 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, 4 regional authorities in Denmark, 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

The Norwegian operation saw high growth in 2020, while the Swedish operation experienced a continued downturn. The effects of Covid-19 have presented challenges including travel restrictions, increased sickness absence rates among consultants and the deferral of planned care, which have had a negative impact on operations. Dedicare thinks that Covid-19-related government support totalling some SEK 4 million has not covered the expenses the group has incurred. Overall, Dedicare has been able to reorient operations to address the potential effects of Covid-19 so far, and at present, management sees no risk that it will be unable to manage operations in future.

The group's revenue increased by 14.1 percent on the previous year, related to expansion of the Norwegian operation and the acquisition of the Danish operation. The revenue of the Swedish operation reduced by 15.4 percent, mainly due to contraction of the market for social worker staffing, and a reduction in doctor staffing as an effect of Covid-19, as planned care has been deferred. Revenue in Norway increased by 26.2 percent across all segments, with doctor staffing having the highest growth. The operating margin expanded in the year, mainly related to the growth of the Norwegian operation, and the Danish operation acquired in the year.

Dedicare acquired Dedicare A/S (KonZenta Aps) on 1 April. KonZenta Aps is a provider of health care staffing for the Scandinavian health care sector, focusing on specialists and senior physicians. Kasper Madsen was appointed President of the Danish operation on completion on 1 April. This acquisition brings a stronger platform in Denmark, and is consistent with Dedicare's growth strategy. Dedicare's existing operation in Denmark has been integrated into Dedicare A/S (KonZenta Aps). More information on the acquisition is on page 3, and in note 27 Business acquisitions.

The AGM approved the proposal to authorise the Board of Directors to decide on the new issue of class B shares, convertibles and/or share warrants, on one or more occasions in the period prior to the next AGM, with or without preferential rights for shareholders. The issue decision will be possible for payment in cash and/or provisions for setoff, or with subscription possible by other means. Such issue may only be on market terms. The number of shares, convertibles and/or share options issued with this authorisation may not involve dilution of more than 10.0 percent of the share capital based on the total number of outstanding shares at the time of the AGM.

Dedicare's Board of Directors decided to withdraw its proposal for dividends for the financial year 2019 in light of the most recent progress in the spread of Covid-19. The AGM approved the Board's proposal.

In the second quarter, Dedicare initiated an investigation on the treatment of employer's contributions in Northern Norway. This Region is subject to regulations on reduced employer's contributions, with Dedicare taking the view that its operations satisfy the standards for these regulations in consultation with external tax experts. Dedicare discovered that the regulations could be interpreted differently during the second quarter, and sent an open letter to the Norwegian authorities to gain confirmation that its interpretation and treatment was correct. Dedicare provisioned a total of SEK 4.5 million plus interest and charges in the second quarter, in the event that the Norwegian authorities view its treatment as erroneous. No response as yet been received from the Norwegian Tax Agencies, and the investigation is ongoing.

Dedicare was awarded a new framework agreement covering all hospitals in

Norway for doctor staffing in the fourth quarter. This framework agreement has a four-year term starting on 1 February 2021.

More information on significant events in the year is on page 3.

Results of operations and financial position

Revenue

The group's revenue for the period increased by 14.1 percent to SEK 885.2 million (776.0). Revenue for the period in Norway increased by 26.2 percent to SEK 397.4 million (314.9). In Sweden, revenue for the period decreased by 15.4 percent to SEK 388.9 million (459.9).

In Sweden, the revenue decrease mainly relates to reduced social worker staffing, as well as reduced doctor staffing as an effect of Covid-19, because planned care has been deferred. In Norway, revenue increased across all segments, with doctor staffing having the highest growth. Revenue in Denmark increased to SEK 98.9 million (1.2), related to the acquisition of Dedicare A/S (KonZenta Aps). Dedicare A/S (KonZenta Aps) was consolidated effective the second quarter 2020.

Results of operations

The group's operating profit for the period was SEK 43.8 million (35.3), and its operating margin was 5.0 percent (4.5). Operating profit adjusted for non-recurring items of SEK 2.5 million of acquisition expenses and SEK 4.5 million of provisioning for employer's contributions in Norway, was SEK 50.8 million, with an operating margin of 5.7 percent. The improved earnings are due to the operation's growth and wider-margin business.

The operating loss in Sweden for the period was SEK –8.4 million (4.1), with the operating loss adjusted for non-recurring items of SEK 2.5 million of acquisition expenses being SEK –5.9 million. The lower earnings in Sweden are mainly due to reduced revenue and margin pressure in this business. The operating profit in Norway for the period increased to SEK 45.8 million (33.1). The operating profit of the Norwegian operation adjusted for provisioning of employer's contributions of SEK 4.5 million was SEK 50.3 million.

The operating profit for the period in Denmark was SEK 6.4 million (–1.9), relating to the acquisition of Dedicare A/S (KonZenta Aps).

Financial position and cash flow

The group's accounts receivable increased to SEK 92.8 million (74.7) for the period. Deferred income and accrued expenses increased to SEK 76.3 million (57.6) for the period. The group's cash and cash equivalents as of 31 December 2020 were SEK 100.3 million (62.7). The higher cash and cash equivalents are partly due to no dividend being paid in the period, unlike the previous year. Non-current liabilities were SEK 21.9 million (0.0), of which provisions were SEK 38.9 million (0.0) and non-current liabilities to credit institutions were SEK 21.9 million. (0.0). The increase in non-current liabilities is mainly due to the supplementary purchase consideration and loan related to the acquisition of Dedicare A/S (KonZenta Aps). Cash flow from operating activities was SEK 40.0 million (47.0), with the decrease mainly because of the change in current receivables and liabilities. Cash flow from investing activities was SEK –26.5 million (–1.7), with the decrease sourced from Dedicare's acquisition of Dedicare A/S (KonZenta Aps) in the year. On completing this acquisition, Dedicare entered a loan agreement totalling DKK 45 million with a financial institution, of which DKK 25 million (SEK 37 million) was realised in the period. This loan agreement has a three-year term, and was arranged to part-finance the acquisition. The loan arranged increased the group's cash flow from financing activities in the year to SEK 25.8 million (–41.4).

The solidity as of 31 December 2020 was 35.2 percent (38.9). The solidity adjusted for non-recurring items of acquisition expenses of SEK 2.5 million and employer's contributions of SEK 4.5 million, was 37.0 percent.

Investments

The group's investments in non-current assets were SEK 2.5 million (1.7) in the year, relating to investments in a new reporting tool, and an investment in office equipment.

Dedicare acquired Danish company Dedicare A/S (KonZenta Aps), completing the transaction on 1 April 2020, which increased the parent company's financial assets by SEK 23.9 million in the period January-December 2020. This acquisition also increased intangible assets by SEK 17.7 million for customer contracts, SEK 5.0 million for databases, and SEK 58.2 million for goodwill. More information is in note 27 Business acquisitions.

For a five-year comparison of the group's results of operations and financial position, see page 74.

Human resources

The average number of employees expressed as FTEs was 678 (629). This includes subcontracting consultants, of which there were 118 (101) in the period January-December. More information is in the Sustainability Report on page 23.

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.

More information is in the Sustainability Report on page 23.

Remuneration guidelines for senior executives

The Annual General Meeting (AGM) 2020 resolved on remuneration guidelines for senior executives. In 2020, the company's senior executives were the group management, consisting of the President and Chief Executive Officer, the Chief Financial Officer, the Country Managers of Norway and Denmark, the Chief Information Officer, Vice President of Human Resources, 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 2021.

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 cash salary, variable cash compensation, pension benefits and other 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 cash compensation of between 0 and 80 percent of basic salary. The targets of the variable cash compensation should relate to outcomes of the group's revenue and earnings growth. The targets of the variable cash compensation should also be defined so a minimum performance level is required, whereby performance below this level does not trigger any variable cash compensation. Variable cash compensation is measured yearly, and no more than 80 percent of salary is payable. Sickness pay, vacation pay and pension are computed on the actual salary outcome.

Salary model for other senior executives

Other senior executives have a salary model based on basic cash salary and variable cash compensation of between 0 and 40 percent of basic salary. Variable cash compensation is measured for a period, quarterly for Business Area Managers, and yearly for the rest of group management. The targets of the variable cash compensation should relate to outcomes of the group's and individual business area's revenue and earnings growth, and additional clearly defined individual targets determined on the basis of expected performance in individual areas of responsibility, for example growth targets or profitability targets. The targets for variable cash compensation should also be defined so a minimum performance level is required, whereby performance below this level does not trigger any variable cash compensation.

Sickness pay, vacation pay and pension are computed on the actual salary outcome. 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 387.1 million (457.8), and profit after financial items was SEK 39.0 million (25.3). 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 2020, the share capital was SEK 4,697,699, divided between 9,395,397 shares, of which 2,011,907 class A shares and 7,383,490 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 21.

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 Nordic 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.

Some political parties in Norway want to abolish or stringently regulate the staffing sector. The objective is full independence from agency staff. With a change of government, the sector may be affected, although Dedicare foresees a substantial need for health care staffing ahead.

Public funding and governance

Essentially, health care in the Nordic region 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.

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 percent to 2.0 percent. 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 procurement from staffing companies having a negative impact on Dedicare's operations and growth prospects.

Labour law

Often, the staff Dedicare appoints when staffing assignments are 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.

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, nearly 50 companies in Norway, of which about half a members of NHO, and nearly 50 companies in Denmark, of which about half are party to collective bargaining agreements. There are also many Swedish and Danish enterprises that compete on the Norwegian market. The investments necessary to start a health care and social work agency are fairly modest compared to many other sectors. Increased competition may have a negative impact on the group's sales, profitability and growth.

Covid-19

The pandemic has caused uncertainty in Dedicare's business environment. Change is rapid and the financial effects on operations are hard to assess. Planned care has been deferred, causing reduced demand in some job categories, as well as increased sickness absence rates among consultants. Restrictions introduced may have a negative impact on operations and require rapid realignment in response. Overall, Dedicare has been able to reorient its operations so far to address the potential effects of Covid-19, and at present, management does not see any risk of being unable to continue in future.

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 13.0 percent (13.9) of total revenue in Norway. The largest customer in Sweden, the Stockholm regional health authority, represented 23.8 percent (23.0) of total revenue in Sweden in 2020. In Denmark, the North Jutland regional health authority, where 23.0 percent (0.0) of revenue is generated, was the largest customer in the period April-December. 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 and Danish public sectors. 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 the Nordic region generally prescribe an obligation for Dedicare to pay penalties, 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
There is always a risk of errors and mistakes when delivering health care services. If health care 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 acquisitions in Europe. 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 44.9 percent for the full year 2020, 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 23 of the Annual Report.

Corporate Governance Report

The Corporate Governance Report is on page 30 of the Annual Report.

Significant events after the end of the financial year

For events after the end of the financial year, see note 36.

Proposed appropriation of profit

The Board of Directors of Dedicare is proposing a dividend of SEK 2.50 per share, or SEK 23.5 million for payment as dividends to shareholders. The group's dividend policy stipulates that the yearly dividend over a business cycle should be at least 50.0 percent of net profit. The dividend for the financial year 2019 was cancelled after the Board of Directors decided to withdraw its dividend proposal to the AGM.

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

Non-restricted equity in the parent company:

Profit brought/carried forward	52,008,910
Profit for the year	38,452,633
Total	90,461,543

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

Dividend to shareholders	23,488,493
Carried forward	66,973,050
Total	90,461,543

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 100.3 million as of 31 December 2020, and the group is expected to generate positive cash flow in 2021.

The dividend proposal considers the company's dividend policy, which states that yearly dividend should be a minimum of 50.0 percent of net profit. The proposed ordinary dividend is 86.4 percent 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 solidity and liquidity are satisfactory.

The group's solidity adjusted for non-recurring items as stated in the annual accounts after the proposed dividend is 32.9 percent. 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.

Consolidated Statement of Comprehensive Income

SEK thousand	Note	1 Jan. 2020 31 Dec. 2020	1 Jan. 2019 31 Dec. 2019
Operating income			
Net sales	1	885,195	775,988
Total		**885,195**	**775,988**
Operating expenses			
Purchased services		−216,811	−194,399
Personnel expenses	5	−542,869	−477,597
Other external expenses	2, 3, 4	−70,194	−62,245
Depreciation, amortisation and impairment of tangible and intangible assets	13, 14,15,16	−11,499	−6,442
Operating profit		**43,822**	**35,305**
Profit from financial investments			
Other interest income and similar profit/loss items	7	6,064	229
Interest expenses and similar profit/loss items	8	−2 340	−1,153
Profit after financial items		**47,545**	**34,382**
Tax on profit for the year	10	−11,482	−7,947
Profit for the year		**36,064**	**26,435**
Other comprehensive income			
Items reclassifiable to profit or loss			
Translation differences		−8,935	421
Total comprehensive income for the year		**27,129**	**26,856**
Total profit for the year attributable to:			
Equity holders of the parent		36,064	26,435
Basic earnings per share, SEK	11	3.98	2.92
Diluted earnings per share, SEK		3.87	2.92
Total comprehensive income attributable to:			
Equity holders of the parent		27,129	26,856

Consolidated Statement of Financial Position

SEK thousand	Note	31 Dec. 2020	31 Dec. 2019
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12	60,189	7,333
Customer contracts	13	12,812	–
Databases	14	4,166	–
Other intangible assets	15	4,205	2,881
		81,371	**10,214**
Property, plant and equipment			
Right-of-use assets	16	11,945	14,365
Equipment, tools, fixtures and fittings	16	1,910	2,579
		13,855	**16,944**
Financial assets			
Deferred tax assets	10	1,471	35
Deposits paid		4,300	4,307
		5,771	**4,342**
Total non-current assets		**100,998**	**31,500**
Current assets			
Accounts receivable	18	92,788	74,652
Tax asset		13,775	12,315
Other receivables		502	414
Prepaid expenses and accrued income	19	76,258	57,594
		183,322	**144,975**
Cash and cash equivalents	28	100,288	62,694
Total current assets		**283,610**	**207,669**
TOTAL ASSETS		**384,608**	**239,169**

SEK thousand	Note	31 Dec. 2020	31 Dec. 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	20	4,698	4,528
Other paid-up capital		16,492	1,458
Translation reserves		–14,531	–5,598
Retained earnings		92,700	66,265
Profit for the year		36,064	26,435
Total equity		**135,423**	**93,088**
Non-current liabilities			
Provisions	21	38,910	–
Liabilities to credit institutions	22	21,925	–
Lease liabilities	23	6,423	10,155
Deferred tax liabilities	10	13,972	10,699
Total non-current liabilities		**81,230**	**20,854**
Current liabilities			
Current liability to credit institution		6,746	–
Lease liabilities	23	5,824	4,422
Accounts payable		2,778	4,883
Current tax liabilities		10,046	7,521
Other current liabilities	24	3,013	25,166
Accrued expenses and deferred income	25	110,548	83,235
Total current liabilities		**167,955**	**125,227**
TOTAL EQUITY AND LIABILITIES		**384,608**	**239,169**

For more information on pledged assets and contingent liabilities please see Note 30.

Consolidated Statement of Cash Flows

SEK thousand	Note	1 Jan. 2020 31 Dec. 2020	1 Jan. 2019 31 Dec. 2019
Operating activities			
Operating profit		43,822	35,305
Adjustment for non-cash items	26	15,567	5,583
Interest received		260	204
Interest paid		–1,627	–1,127
Income tax paid		–14,02	–15,300
Cash flow from operating activities before changes in working capital		**43,720**	**24,665**
Cash flow from changes in working capital			
Decrease(+)/increase(–) in accounts receivable		–15,447	4,682
Decrease(+)/increase(–) in receivables		–5,196	1,246
Decrease(–)/increase(+) in accounts payable		–2,105	1,780
Decrease(–)/increase(+) in current liabilities		19,132	14,580
Cash flow from operating activities		**40,105**	**46,954**
Investing activities			
Acquisition of subsidiaries	27	–23,901	–
Purchase of intangible assets	15	–2,150	–1,648
Purchase of property, plant and equipment	16	–417	–87
Cash flow from investing activities		**–26,468**	**–1,734**
Financing activities			
Borrowings	22	37,100	–
Repayment of loans		–5,239	–
Repayment of lease liability		–6,061	–4,918
Cash deposits		0	0
Dividend paid		–	–36,222
Cash flow from financing activities		**25,800**	**–41,140**
Cash flow for the year		**39,437**	**4,079**
Cash and cash equivalents at beginning of year		**62,694**	**58,244**
Exchange difference in cash and cash equivalents		–1 842	371
Cash and cash equivalents at end of year	28	**100,288**	**62,694**
Available cash and cash equivalents net of blocked bank balances		**100,288**	**62,694**

Consolidated Statement of Changes in Equity

SEK thousand	Share capital	Other paidup capital	Translation reserve	Profit brought/carried forward	Total equity
	Attributable to equity holders of the parent				
Opening balance, 1 January 2020	4,528	1,458	−5,598	92,700	93,088
Comprehensive income					0
Profit for the year	–	–	–	36,064	36,064
Other comprehensive income					0
Items reclassifiable to profit or loss					*0*
Exchange differences	–	–	−8,933	–	−8,933
Total other comprehensive income	**0**	**0**	**−8,933**	**0**	**−8 ,933**
Total comprehensive income	**0**	**0**	**−8,933**	**36,064**	**27 ,131**
Transactions with equity holders					
Non-cache issue	170	15,014	–	–	15,184
Reclassification, statutory reserve	0	20	–	–	20
Total transactions with equity holders	**170**	**15 ,034**	**0**	**0**	**15,204**
Closing balance, 31 December 2020	**4,698**	**16,492**	**−14,531**	**128,764**	**135,423**

SEK thousand	Share capital	Other paidup capital	Translation reserve	Profit brought/carried forward	Total equity
	Attributable to equity holders of the parent				
Opening balance, 1 January 2019	4,528	1,458	−6,018	102,487	102,455
Comprehensive income					0
Profit for the year	–	–	–	26,435	26,435
Other comprehensive income					0
Items reclassifiable to profit or loss					0
Exchange differences	–	–	420	–	420
Total other comprehensive income	**0**	**0**	**420**	**0**	**420**
Total comprehensive income	**0**	**0**	**420**	**26,435**	**26,855**
Transactions with equity holders					
Dividends	–	–	–	−36,222	−36,222
Total transactions with equity holders	**0**	**0**	**0**	**−36,222**	**−36,222**
Closing balance, 31 December 2019	**4,528**	**1,458**	**−5,598**	**92,700**	**93,088**

Parent Company Income Statement

SEK thousand	Note	1 Jan. 2020 31 Dec. 2020	1 Jan. 2019 31 Dec. 2019
Operating income			
Net sales	1	387,059	457,766
		387,059	**457,766**
Operating expenses			
Purchased services		–159,597	–174,624
Personnel expenses	5	–205,138	–250,040
Other external expenses	2, 3, 4	–23,545	–28,245
Depreciation, amortisation and impairment of tangible and intangible assets	15, 16	–1,462	–1,345
Operating profit		**–2,683**	**3 ,512**
Profit from financial investments			
Profit from participations in group companies	6	31,132	24,925
Other interest income and similar profit/loss items	7	20,768	7,175
Interest expenses and similar profit/loss items	8	–10,265	–10,354
Profit after financial items		**38,953**	**25,258**
Appropriations	9	1,684	809
Tax on profit for the year	10	–2,185	–451
Profit for the year		**38,453**	**25,616**
Other comprehensive income			
Items reclassifiable to profit or loss			
Total comprehensive income for the year		**38,453**	**25,616**

Parent Company Balance Sheet

SEK thousand	Note	31 Dec. 2020	31 Dec. 2019
ASSETS			
Non-current assets			
Intangible assets			
Other intangible ass	15	4,205	2,881
		4,205	**2,881**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	16	1,401	2,136
		1,401	**2,136**
Financial assets			
Participations in group companies	17	103,973	21,636
Cash deposits		4,300	4,308
		108,273	**25,944**
Total non-current assets		**113,879**	**30,961**
Current assets			
Accounts receivable	18	32,123	45,556
Tax assets		13,511	12,217
Other receivables		59	166
Prepaid expenses and accrued income	19	33,915	31,237
		79,609	**89,176**
Cash and bank balances	28	82 ,549	54,919
Total current assets		**162,158**	**144,095**
TOTAL ASSETS		**276,037**	**175,056**

SEK thousand	Note	31 Dec. 2020	31 Dec. 2019
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	20	4,698	4,528
Statutory reserve		20	20
		4,718	**4,548**
Non-restricted equity			
Share premium reserve		16,472	1,458
Retained earnings		35,537	9,921
Profit for the year		38,453	25,616
		90,462	**36,995**
Total equity		**95,179**	**41,543**
Untaxed reserves	9	47,026	48,710
Non-current liabilities			
Provisions	21	34,437	–
Liabilities to credit institutions	22	21,925	–
Total non-current liabilities		**56,362**	**0**
Current liabilities			
Current liabilities to credit institutions		6,746	–
Accounts payable		2,930	5,611
Liabilities to group companies		17,873	29,860
Other current liabilities	24	11,168	12,631
Accrued expenses and deferred income	25	38,754	36,701
		77,470	**84,804**
TOTAL EQUITY AND LIABILITIES		**276,037**	**175,056**

Parent Company Cash Flow Statement

SEK thousand	Note	1 Jan. 2020 31 Dec. 2020	1 Jan. 2019 31 Dec. 2019
Operating activities			
Operating profit/loss		–2,683	3,512
Adjustment for non-cash items	26	7,739	–1,595
		5,056	**1,917**
Interest received		1,057	847
Interest paid		–1,653	–1,085
Income tax paid		–3,479	–9,795
Cash flow from operating activities before change in working capital		**982**	**–8,116**
Cash flow from changes in working capital			
Decrease(+)/increase(–) in accounts receivable		13,433	9,014
Decrease(+)/increase(–) in receivables		–2,571	6,476
Decrease(–)/increase(+) in accounts payable		–2,682	3,466
Decrease(–)/increase(+) in current liabilities		–11,570	4,179
Cash flow from operating activities		**–2,408**	**1, 019**
Investing activities			
Purchase of intangible assets	15	–2,150	–1,648
Purchase of property, plant and equipment	16	0	–46
Purchase of subsidiary		–32,221	–
Dividend received from subsidiary	6	32,547	25,918
Group contribution paid	9	0	–35
Cash flow from investing activities		**–1,824**	**24 189**
Financing activities			
Borrowings		37,100	–
Repayment of loans		–5,239	–
Deposits paid		0	–8
Dividend paid		–	–36 222
Cash flow from financing activities		**31,861**	**–36,230**
Cash flow for the year		**27,630**	**2,978**
Cash and cash equivalents at beginning of year		**54,919**	**51,940**
Cash and cash equivalents at end of year	28	**82,549**	**54,918**
Available cash and cash equivalents net of blocked bank balances		**82,549**	**54,919**

Parent Company Statement of Changes in Equity

SEK thousand	Share capital	Statutory reserve	Share premium reserve	Profit brought/ carried forward	Profit/loss 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	0
Comprehensive income						0
Profit for the year	–	–	–	–	25,616	25,616
Other comprehensive income	–	–	–	–		0
Total comprehensive income	**0**	**0**	**0**	**0**	**25,616**	**25,616**
Transactions with equity holders						0
Dividend				−36,222		−36,222
Total transactions with equity holders	**0**	**0**	**0**	**−36,222**	**0**	**−36,222**
Closing balance, 31 December 2019	**4,528**	**20**	**1,458**	**9,921**	**25,616**	**41,543**

SEK thousand	Share capital	Statutory reserve	Share premium reserve	Profit brought/ carried forward	Profit/loss for the year	Total equity
Opening balance, 1 January 2020	4,528	20	1,458	9.921	25,616	41,543
Appropriation of earnings, according to AGM resolution				25,616	−25,616	0
Comprehensive income						0
Profit for the year	–	–	–	–	38,453	38,453
Other comprehensive income	–	–	–	–		0
Total comprehensive income	0	0	0	0	**38,453**	**38,453**
Transactions with equity holders						0
Issue in kind	170		15,014			15,184
Total transactions with equity holders	**170**	**0**	**15,014**	**0**	**0**	**15,184**
Closing balance, 31 December 2020	**4,698**	**20**	**16,472**	**35,537**	**38,453**	**95,179**

Notes

Supplementary disclosures

General information

The consolidated accounts and annual accounts of Dedicare AB (publ) for the financial year 2020 were approved by the Board of Directors and Chief Executive Officer for publication on 19 March 2021. The 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 22 April 2021.

Dedicare is an authorised recruitment and staffing company, whose main operation is temporary staffing of doctors, nurses, social workers, psychologists and preschool staff. The group is active in Sweden, Norway, Denmark and Finland. The composition of the group is stated in note 17.

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 2020

Some amendments that came into effect on 1 January 2020, and that accordingly, started application this year, did not have any material impact on the group's results of operations and financial position.

New or revised IFRS and interpretation statements, 2021 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 percent 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. he 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

Revenue is recognised when the customer obtains control over the good or 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. No discounts or commissions to customers are contracted initially

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 Denmark. The accounting policies applied for segment reporting are consistent with those the group applies.

The group as lessee

The group's leases are mainly on office premises. The group judge 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 made 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 is reduced by lease payments divided between repayment and interest. The liability 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.

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	20.0%
Other intangible assets	20.0%
Customer contracts	28.6%
Databases	12.5%

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, liabilities to credit institutions, liabilities relating to additional purchase considerations, and accrued 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, or fair value through profit or loss. 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.

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.

Cash and cash equivalents

Cash and cash equivalents consist of account 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.

Equity
Dedicare's share capital represents the nominal value (quotient value) of issued shares. Retained earnings include all retained gains and share-based payments to employees for current and previous financial years. The translation reserve contains exchange differences from translating the financial statements of the group's foreign operations to SEK. Other contributed capital consists of equity that does not constitute share capital in the parent company and equity that is not to be reported as unrestricted equity.

Liabilities
Dedicare's accounts payable and other liabilities are classified as other liabilities and measured at amortised cost. The expected term of accounts payable is short, and accordingly, these liabilities are recognised at nominal amount without discounting. Other contributed capital refers to premiums paid in connection with issues.

Borrowing and borrowing costs
Borrowing costs are recognised in profit or loss. 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.

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 aquisition
Intangible assets acquired in a business aquisition 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 of Dedicare A/S (KonZenta Aps) consist of the value of the customer contracts and database 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 3.5 and 8 years respectively. This estimate is evaluated each year, and did not change after the acquisition date.

After first-time recognition, intangible assets acquired in a business aquisition 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. See note 11.

Alternative performance measures
The group applies ESMA guidelines for APMs. The group's APMs are defined according to these guidelines on page 75.

Government assistance
The government accounts government assistance received as a reduced expense in profit or loss, and at the amount expected to be received.

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 2019 and 2020 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.

Leases
The parent company accounts lease payments as an expense on a straight-line basis over the lease term. No rights of use or lease liabilities are recognised in the Balance Sheet.

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.

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 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. Finland is included in the Sweden segment, and Denmark is reported as an independent segment effective 2020. Comparative figures have been restarted subsequently.

In the Sweden segment, the largest customer is Stockholm County Council (now Region Stockholm), with sales of SEK 92,455 thousand (23.8 percent). The largest customer in the Norway segment is Hälse-Sör, with sales of SEK 52,393 thousand (13.0 percent), and the largest customer in the Denmark segment is the North Jutland regional health authority, with sales of SEK 22,757 thousand (23.0 percent).

	Group		Parent company	
Revenue per operating segment, SEK thousand	**2020**	**2019**	**2020**	**2019**
Sweden	388,871	459,856	387,059	456,562
Norway	397,379	314,927	–	–
Denmark	98,945	1,204	–	1,204
Total	**885,195**	**775,988**	**387,059**	**457,766**

	Group	
Operating profit per operating segment	**2020**	**2019**
Sweden	–8,404	4,138
Norway	45,823	33,081
Denmark	6,403	–1 914
Operating profit	**43,822**	**35,305**
Financial income and expenses	13 000	–2,727
Elimination	–9,277	1,803
Profit before tax	**47,545**	**34,382**

	Group	
Assets	**31 Dec. 2020**	**31 Dec. 2019**
Sweden	259,129	152,351
Norway	115,647	87,282
Denmark	30,395	–
Elimination	–20,563	–1,108
Total	**384,608**	**238,525**

	Group	
Liabilities	**31 Dec. 2020**	**31 Dec. 2019**
Sweden	116,330	56,191
Norway	88,830	66,246
Denmark	19,536	–
Elimination	24,489	23,644
Total	**249,185**	**146,081**

	Group	
Investments	**2020**	**2019**
Sweden	2,150	1,694
Norway	340	40
Denmark	77	–
Total	**2,567**	**1,734**

	Group	
Depreciation and amortisation of tangible and intangible non-current assets	**2020**	**2019**
Sweden	1,462	1,345
Norway	199	178
Denmark	15	–
Elimination	9,823	4,918
Total	**11,499**	**6,442**

Revenue categories:

	Public 2020	**Private 2020**	**Total**
Sweden	353,660	35,218	388,878
Norway	368,728	28,651	397,379
Denmark	90,589	8,350	98,939
Total	**812,976**	**72,219**	**885,195**

	Public 2019	**Private 2019**	**Total**
Sweden	422,665	37,191	459,856
Norway	299,182	15,745	314,927
Denmark	1,188	16	1,204
Total	**723,035**	**52,952**	**775,988**

Note 2 Intragroup purchases and sales etc.

	Group		Parent company	
	2020	2019	2020	2019
Purchase	–3,654	–2,870	–2,298	–2,870
Sale	3,654	2,870	–	–

Note 3 Audit fees and reimbursement

	Group		Parent company	
SEK thousand	**2020**	**2019**	**2020**	**2019**
Grant Thornton Sweden AB				
Auditing	829	600	743	525
Other auditing in addition to audit assignment				
Quality assurance services	90	90	90	90
Tax consultancy	43	45	0	6
Other	86	8	76	0
Total	**1,048**	**743**	**909**	**621**

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. Auditing additional to the audit assignment is quality-assurance services. Tax consultancy is advisory services on tax-related issues. Other is advisory services not related to one of the above categories.

Note 4 Leases, parent company

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 88 thousand (338). The parent company also disposes over premises subject to contracted yearly rent of SEK 4,224 thousand (4,514).

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

	Parent company	
SEK thousand	**2020**	**2019**
Within one year	3,839	3,926
More than one year but within five years	15,358	15,704
More than five years	–	–
Total	**19,197**	**19,630**

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

	2020		2019	
Average number of employees	**No. of employees**	**Of which men**	**No. of employees**	**Of which men**
Parent company				
Sweden	275	87	335	71
Total, parent company	**275**	**87**	**335**	**71**
Subsidiaries				
Sweden	2	0	3	1
Norway	354	73	289	55
Denmark	47	29	2	–
Total, subsidiaries	**404**	**102**	**294**	**56**
Total, group	**678**	**189**	**629**	**127**

	Group		Parent company	
Division, senior executives on reporting date	**31 Dec. 2020**	**31 Dec. 2019**	**31 Dec. 2020**	**31 Dec. 2019**
Women:				
Directors	3	2	3	2
Other members of management incl. CEO	5	4	4	3
Men:				
Directors	2	2	2	2
Other members of management incl. CEO	5	4	2	2
Total	**15**	**12**	**11**	**9**

	2020		2019	
Salaries, benefits, etc.	**Salary and other benefits**	**Soc. sec. exp. (of which pens expenses)**	**Salary and other benefits**	**Soc. sec. exp. (of which pens expenses)**
Parent company	144,467	59,769	180,298	71,495
		(13,092)		(13,117)
Subsidiaries	294,441	30,321	196,575	25,147
		(3,832)		(2,583)
Total, group	**438,908**	**90,090**	**376,873**	**96 642**
of which pension expense		(16,924)		(15,700)

Salary and other benefits by country and between Directors, etc. and employees	2020 Board of Directors and CEO (of which bonus etc.)	2020 Other employees	2019 Board of Directors and CEO (of which bonus etc.)	2019 Other employees
Parent company				
Sweden	3,031	141,436	2,961	177,337
Subsidiaries				
Sweden	–	1,810	–	1,878
Norway	1,334	222,052	1,353	193,344
Denmark	1,008	68,237		
Total, subsidiaries	**2,342**	**292,099**	**1,353**	**195,222**
(of which bonus etc.)	(-)		(-)	
Total, group	**5,373**	**433,535**	**4,314**	**372,559**

SEK 837 thousand (548) 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 964 thousand (579) 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).

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 5,131 thousand (5,679). 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 0.01604 percent (0.01246) and 0.02919 percent (0.03011) 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 125.0 percent and 155.0 percent. If Alecta's collective consolidation ratio is less than 125.0 percent or more than 155.0 percent, 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 2020, Alecta's surplus expressed as the collective consolidation ratio was 148.0 percent (148.0).

Remuneration guidelines for senior executives

The AGM 2020 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 cash salary, variable cash compensation, pension benefits and other 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 has a salary model based on a basic monthly salary and variable cash compensation of between 0 and 80 percent of basic salary. Variable cash compensation is measured yearly, and no more than 80 percent of salary is payable. Sickness pay, vacation pay and pension are computed on the actual salary outcome. For 2020, the group's CEO had variable salary of SEK 0 (0).

Variable salary agreements for other senior executives

Other senior executives have a salary model based on basic cash salary and variable cash compensation of between 0 and 40 percent of basic salary. Variable cash compensation is measured for a period, quarterly for Business Area Managers, and yearly for the rest of group management. The targets for variable cash compensation should also be defined so a minimum performance level is required, whereby performance below this level does not trigger any variable cash compensation. Sickness pay, vacation pay and pension are computed on the actual salary outcome. SEK 730 thousand (584) of variable salary was paid in 2020.

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

2020	Salary/ Directors' fee	Variable salary	Other benefits	Pension expenses	Total
Björn Örås (Chairman of the Board)	407	–	–	–	407
Anna Lefevre Skjöldebrand (Director)	175	–	–	–	175
Eva-Britt Gustafsson (Director)	175	–	–	–	175
Dag Sundström (Director))	175	–	–	–	175
Chief Executive Officer	2,100	–	–	837	2,937
Other senior executives (10)	8,135	730	–	1,046	9,911
Total	**11,166**	**730**	0	**1,883**	**13,779**

Note 5, cont.

2019	Salary/ Directors' fee	Variable salary	Other benefits	Pension expenses	Total
Björn Örås (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
Total	**9,922**	**584**	–	**1,616**	**12,122**

Note 6 Profit/loss from participation in group companies

	Parent company	
	2020	2019
Dividend from subsidiary Acapedia AB	925	–
Dividend from subsidiary Doctor 24 i Skandinavien AB	2,680	–
Dividend from subsidiary Nurse 24 AB	1,985	–
Dividend from subsidiary Dedicare A/S	4,048	–
Dividend from subsidiary Dedicare AS	14,318	21,687
Dividend from subsidiary Dedicare Doctor AS	8,591	4,231
Impairment of receivable, Dedicare OY	–1,430	–993
Gain on sale of subsidiary	15	–
Total	**31,132**	**24,925**

Note 7 Other interest income and similar profit/loss items

	Group		Parent company	
	2020	2019	2020	2019
Interest income	449	229	1,057	866
Exchange differences	5,615	–	19,711	6,309
Total	**6,064**	**229**	**20,768**	**7,175**

SEK 856 thousand (738) 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	
	2020	2019	2020	2019
Interest expenses	–2,340	–1,127	–1,653	–1,085
Exchange differences	–	–26	–8,612	–9,269
Total	**–2,340**	**–1,153**	**–10,265**	**–10,354**

SEK 514 thousand (731) 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	
	2020	2019
Appropriations		
Change, tax allocation reserve	1,959	1,127
Difference between book and plan depreciation	–275	–283
Group contribution paid	–	–35
Total	**1,684**	**809**

	Parent company	
	31 Dec. 2020	31 Dec. 2019
Untaxed reserves		
Tax allocation reserve	45,420	47,379
Accumulated excess depreciation	1,606	1,330
Total	**47,026**	**48,710**

Note 10 Tax on profit for the year

	Group		Parent company	
	2020	2019	2020	2019
The following components are included in the tax expense:				
Current tax	–12,738	–8,182	–2,185	–451
Deferred tax	1,256	235	–	–
Total tax on profit for the year	**–11,482**	**–7,947**	**–2,185**	**–451**
Reported profit before tax	47,545	34,382	40,637	26,067
Tax at applicable tax rate for the parent company 21.4% (22)	–10,175	–7,358	–8,696	–5,578
Tax effect of:				
Restatement of tax, previous year				
Non-deductible expenses	–198	–236	–455	–417
Non-taxable revenue	1		6,967	5,544
Change in deferred tax on temporary differences	–788	235	–	–
Effect of loss carry-forwards	–38	–346	–	–
Differences in tax rates	–284	–242	–	–
Reported tax	**–11,482**	**–7,947**	**–2,185**	**–451**

Deferred tax assets

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Deferred tax assets relate to the following items:				
Temporary differences	1,471	35	–	–
Total	**1,471**	**34.8**	**0**	**0**

Deferred tax not accounted for

	Group	
	31 Dec. 2020	31 Dec. 2019
Deferred current tax assets		
Related to unused loss carry-forwards	626	616
Deferred current tax assets not accounted for	**626**	**616**

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 626 thousand (616), of which 0 (0) have been accounted. The time limitation for tax assets in Finland is divided between the years 2021-2030. The tax rate in Finland is 20.0 percent.

Deferred tax liabilities

	Group	
	31 Dec. 2020	31 Dec. 2019
The group's deferred tax liabilities relate to the following items:		
Untaxed reserves	10,339	10,699
Deferred tax liabilities	3,633	–
Total	**13,972**	**10,699**

Note 11 Earnings per share

	Group	
	2020	2019
Profit for the year, SEK thousand	36,064	26,435
No. of shares, average	9,310,399	9,055,406
Basic earnings per share, SEK	3.87	2.92
No of shares per closing date	9,395,397	9,055,406
Proposed dividend per share, SEK	2.50	–
Proposed dividend, SEK thousand	23,488	–

Note 12 Goodwill

	Group	
	31 Dec. 2020	31 Dec. 2019
Opening cost	7,333	6,230
Goodwill rrelated to the acquisition of Dedicare A/S	55,838	-
Restatement at closing day rate	–2,982	1,103
Closing accumulated cost	**60,189**	**7,333**
Closing carrying amount	**60,189**	**7,333**

Consolidated goodwill as of 31 Dec. 2020 is SEK 60,189 thousand (7,333), of which SEK 53,572 thousand relates to the year's acquisition of Danish company Dedicare A/S (KonZenta Aps), and the remaining SEK 6,617 thousand relates to the acquisition of Norwegian company 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. 2020 relates to Dedicare AS and the Norway segment, and this is the level where the impairment test is conducted.

Goodwill impairment tests are conducted yearly, and when there are indicators of impairment. Covid-19 has not affected the group's impairment test because the effects of the pandemic are not judged as material to operations. 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 2.0 percent (2.0) 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 after tax reflects the specific risks applying to the various segments, and in the goodwill impairment test for the Norwegian acquisition, amounts to 12.1 percent (12.8). The discount rate after tax related to the Danish acquisition is 11.1 percent (0.0). The forecast period for the Norweigan business has been set at five years. The forecast period for the Danish business has been set at ten years based on a long term business plan, given that the business is expected to be able to grow in a rapid pace the upcoming fem years after the aquisition. Based on the assumptions utilised for the impairment test as of the reporting date, no impairment was identified.

A sensitivity analysis has been conducted for each cash-generating unit. The outcome of the analysis indicates that Dedicare A/S would be impaired if the discount rate had been 2.3 percentage points higher if sales growth had been forecast 6.5 percentage points for the period 2024-2030, or if operating profit had been forcast 1.3 percentage points lower for the period 2024-2030. A need for impairment could arise for Dedicare AS if the discount rate had been at 195.9 percentage points higher or if the operating profit had been forecasted 6.6 percentage points lower.

Note 13 Customer contracts

	Group	
	31 Dec. 2020	31 Dec. 2019
Opening cost	–	–
Purchased through acquisition of subsidiary	16,306	–
Sales/retirements	–	–
Closing accumulated cost	**16,306**	**0**
Opening amortisation	–	–
Sales/retirements	–	–
Amortisation for the year	–3,638	–
Exchange differences	144	
Closing accumulated amortisation	–3,494	–
Closing carrying amount	**12,812**	**0**

The customer contract intangible asset has been considered based on contracts' remaining duration at acquisition date, and restated to fair value. This asset is amortised over 3.5 years.

Note 14 Database

	Group	
	31 Dec. 2020	31 Dec. 2019
Opening cost	–	–
Purchased through acquisition of subsidiary	4,585	–
Sales/retirements	–	–
Closing accumulated cost	**4,585**	**0**
Opening amortisation	–	–
Sales/retirements	–	–
Amortisation for the year	–438	–
Exchange differences	18	
Closing accumulated amortisation	–420	–
Closing carrying amount	**4,166**	**0**

The database intangible asset has been considered based on cost to recreate, and are converted to fair value. This asset is amortised over eight years. Its useful life has been determined on the basis of the actual useful life of the database in operations

Note 15 Other intangible assets

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Opening cost	5,346	3,698	5,346	3,698
Purchases	2,150	1,648	2,150	1,648
Sales/retirements	–457	–	–457	–
Closing accumulated cost	**7,039**	**5,346**	**7,039**	**5,346**
Opening amortisation	–2,465	–1,930	–2,465	–1,930
Sales/retirements	358	–	358	–
Amortisation for the year	–728	–535	–728	–535
Closing accumulated amortisation	**–2,835**	**–2,465**	**–2,835**	**–2,465**
Closing carrying amount	**4,205**	**2,881**	**4,205**	**2,881**

Note 16 Equipment, tools, fixtures and fittings

	Group						Parent company	
	31 Dec. 2020			31 Dec. 2019			31 Dec. 2020	31 Dec. 2019
	Other equipment	Rights of use	Total	Other equipment	Rights of use	Total	Equipment	Equipment
Opening cost	5,107	19,283	24,390	4,995	–	4,995	4,230	4,184
Adjustment on adoption of IFRS 16	–		0	–	19,283	19,283	–	–
Purchases	417	4,136	4,553	87	–	87		46
Sales/retirements	–239	–429	–668		–	0	–	–
Exchange differences	–85	–522	–607	25	–	25	–	–
Closing accumulated cost	**5,200**	**22,468**	**27,668**	**5,107**	**19,283**	**24,390**	**4,230**	**4,230**
Opening amortisation	–2,528	–4,918	–7,446	–1,534	–	–1,534	–2,094	–1,283
Sales/retirements	139	–	139	–	–	0	–	–
Exchange differences	48	126	174	–8	–	–8	–	–
Amortisation for the year	–948	–5,731	–6,679	–986	–4,918	–5,904	–735	–811
Closing accumulated amortisation	**–3,290**	**–10,523**	**–13,813**	**–2,528**	**–4,918**	**–7,446**	**–2,829**	**–2,094**
Closing carrying amount	**1,910**	**11,945**	**13,855**	**2,579**	**14,365**	**16,944**	**1,401**	**2,136**

The group leases office premises to conduct operations. Apart from short-term leases and leases where the underlying asset has low value, the right-of-use asset and lease liability are recognised in the Statement of Financial Position. Variable lease payments not dependent on an index or price are excluded from the initial computation of the lease liability and asset.

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	9	1–2	2	3	0	1	8

Future minimum lease payments as of 31 Dec. 2020 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
31 Dec. 2020							
Lease payments	6,108	5,328	1,224	–	–	–	12,660
Financial expenses	–287	–119	–7	–	–	–	–413
Present value	**5,821**	**5,209**	**1,217**	**0**	**0**	**0**	**12,247**

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
31 Dec. 2019							
Lease payments	5,202	4,688	4,165	1,234	–	–	15,289
Financial expenses	–371	–231	–102	–8	–	–	–712
Present value	**4,831**	**4,457**	**4,063**	**1,226**	**0**	**0**	**14,577**

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. 2020	Group 31 Dec. 2019
Short-term leases	126	245
Leases with underlying assets of low value	–	–
Variable lease payments	–	–
Total	**126**	**245**

As of 31 December 2020, the group's total current lease obligations were SEK 5,823 thousand (4,422).

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.

Total cash flow relating to leases for financial years ending on 31 December 2020 was SEK 6,177 thousand (5,557).

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

	Carrying amount 31 Dec. 2020	Acc. depreciation
Office building	11,946	10,523
Total	**11,946**	**10,523**

Note 17 Participations in group companies

	Parent company 31 Dec. 2020	Parent company 31 Dec. 2019
Opening carrying amount	21,636	21,033
Acquisition of subsidiary Dedicare A/S	81,905	–
Incorporation of Dedicare Management A/S	28	–
Capitalised acquisition expenses	2,461	–
Sale of subsidiary Acapedia AB	–100	–
Sale of subsidiary Dedicare Nurse Sweden AB	–100	–
Sale of subsidiary Doctor 24 i Skandinavien AB	–100	–
Sale of subsidiary Nurse 24 AB	–100	–
Shareholders' contribution paid to Dedicare OY	173	1,596
Impairment	–1,830	–993
Closing carrying amount	**103,973**	**21,636**

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	303
Dedicare Doctor AS	905	100	9,232
Dedicare Management AS	30,000	100	28
Dedicare A/S	400,000	100	84,366
Nomaid AB	1,000	100	100
Total			**103,973**

Corporate name	Corp. ID no.	Registered office	Equity	Profit/loss
Dedicare AS	982529786	Stjördal (Norway)	9,632	4,816
Dedicare Doctor AB	556583-9742	Stockholm	100	–
Dedicare Oy	2219561-1	Helsinki	304	–171
Dedicare Doctor AS	983077196	Stjördal (Norway)	17,156	2,991
Dedicare Management AS	926097555	Stjördal (Norway)	28,637	–
Dedicare A/S	36420340	Aalborg (Denmark)	10,859	5,446
Nomaid AB	559164-6103	Stockholm	190	64

Note 18 Accounts receivable

Receivables not considered doubtful	Group 31 Dec. 2020	Group 31 Dec. 2019	Parent company 31 Dec. 2020	Parent company 31 Dec. 2019
Not due	84,857	69,565	31,906	43,261
1–30 days	4,846	3,207	–1	1,489
31–90 days	3,861	1,690	1,063	703
91–180 days	–645	95	–673	89
>180 days	–131	96	–172	13
Total	**92,788**	**74,652**	**32,123**	**45,556**

	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Accounts receivable, gross	92,965	74,689	32,123	45,556
Opening reserve for expected bad debt	–36	–72	–	–
Reserves in the period	–177	–	–	–
Reversed reserves	36	36	–	–
Closing reserve for expected bad debt	–177	–36	–	–
Accounts receivable, net	**92,788**	**74,652**	**32,123**	**45,556**

Payment terms of customer invoices are 30 days. SEK 3,268 thousand (1,917) of the group's total accounts receivable 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 3,085 thousand (1,881). The parent company's accounts receivable more than 30 days overdue amount to SEK 225 thousand (805). Net of the doubtful debt reserve, the parent company's accounts receivable more than 30 days overdue amount to SEK 218 thousand (805).

Companies regularly estimate the need for the doubtful debt reserve at individual level. No risk of credit losses is considered to exist within the group's accrued contracted assets.

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 19 Prepaid expenses and accrued income

	Group 31 Dec. 2020	Group 31 Dec. 2019	Parent company 31 Dec. 2020	Parent company 31 Dec. 2019
Prepaid rent	–	128	1,035	1,029
Accrued contracted revenue	69,483	55,742	31,834	29,067
Other prepaid expenses	6,775	1,724	1,046	1,141
Total	**76,258**	**57,594**	**33,915**	**31,237**

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

Note 20 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	–	64,800	32,400	4,527,703
Apr '20	Non-cache issue, class B shares	339,991	9,395,397	–	339,991	169,995	4,697,699

Dedicare's registered share capital as of 31 December 2020 is SEK 4,697,699 (4,527,703), divided between 2,011,907 (2,011,907) class A shares and 7,383,490 (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 21 Provisions

	Group 31 Dec. 2020	Group 31 Dec. 2019	Parent company 31 Dec. 2020	Parent company 31 Dec. 2019
Additional purchase price Dedicare A/S (KonZenta Aps)	34,437	–	34,437	–
Investigation, employer's contributions, Norway	4,473	–	–	–
Total	**38,910**	**–**	**34,437**	**–**

Note 22 Reconciliation of liabilities attributable to financing activities

	Non-current liabilities	Current liabilities	Lease liabilities	Total
	37,100	**0**	**–6,061**	**31,039**
Affecting cash flow:				
– Repayments/amortisation	–5,239	–	–	–5,239
Total, affecting cash flow	**31,861**	**0**	**–6,061**	**25,800**
Not affecting cash flow:				
– Exchange difference	–3,190	–	–	–3,190
– Reclassification	–6,746	6,746	–	0
Total, not affecting cash flow	**–9,936**	**6,746**	**0**	**–3,190**
Closing balance, 31 Dec. 2021	**21,925**	**6,746**	**–6,061**	**22,610**

On completing the acquisition of Dedicare A/S (KonZenta Aps), Dedicare entered a loan agreement totalling DKK 45 million with a financial institution, of which DKK 25 million (SEK 37 million) was realised in the period. This loan agreement has a three-year term, and was arranged to part-finance the acquisition. Interest paid amounted to SEK 0.9 million. The loan has an interest rate corresponding to CIBOR and 1.50 percent. For information on pledged collateral, see Note 30.

Note 23 Leases

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

	Group	
	31 Dec. 2020	31 Dec. 2019
Short-term	5,824	4,422
Long-term	6,423	10,155
Total	**12,247**	**14,577**

Note 24 Other current liabilities

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
VAT liability	9,257	5,344	4,096	4,864
Liability for personal income tax and social security contributions	22,746	19,822	7,072	7,767
Other liabilities	10	–	–	–
Total	**32,013**	**25,166**	**11,168**	**12,631**

Note 25 Accrued expenses and deferred income

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Accrued vacation pay	33,991	27,022	3,611	3,648
Accrued social security contributions	8,194	11,710	7,232	11,710
Accrued payroll expenses	36,951	29,006	11,141	8,096
Other contracted liabilities	31,412	15,497	16,770	13,247
Total	**110,548**	**83,235**	**38,754**	**36,701**

Note 26 Non-cash items

	Group		Parent company	
	2020	2019	2020	2019
Depreciation and amortisation	11,499	6,442	1,462	1,345
Impairment of receivable, subsidiaries	4,473	–	–	–
Exchange difference, internal receivables and liabilities	–	–	5,756	–2,940
Other items	–404	–859	521	–
Total	**15,567**	**5,583**	**7,739**	**–1,595**

Note 27 Business acquisitions

On 1 April 2020, Dedicare acquired 100 percent of the share capital and voting rights of Dedicare A/S (KonZenta Aps), which conducts operations in health care staffing on the Scandinavian market. The acquisition brings a stronger platform in Denmark, and is consistent with Dedicare's growth strategy.

Compensation transferred

The purchase consideration for the acquisition of Dedicare A/S (KonZenta Aps) was paid in cash, and shares in Dedicare AB (publ) through a issue in kind. A contingent consideration was agreed, based on Dedicare A/S's (KonZenta Aps) earnings performance over the coming two years. A definitive acquisition analysis and measurement of goodwill and other intangible assets associated with the acquisition was completed in the third quarter.

The acquisition of Dedicare A/S (KonZenta Aps) was settled through a cash portion, an equity portion and a contingent consideration. The equity portion involves 339,991 class B shares. The subscription price was set at SEK 44.66, based on a volume-weighted average price 30 trading days prior to 29 January 2020, which is five trading days from the date of publication of the letter of intent regarding the acquisition of Dedicare A/S (KonZenta Aps). The shares have a two-year lock-up period. The contingent purchase consideration will be paid on 1 April 2022, and may lie within an interval of 0.0 to 100.0 percent depending on this operation's earnings growth.

Financial debt at fair value

The fair value of the liability of the contingent consideration of SEK 37.0 million on first-time recognition corresponds to the fair value of the group's probability-weighted estimate of the pay-out. As of 31 December, no changes to the estimate of the likely pay-out have occurred, although the liability did decrease because of the exchange rate effect.

Acquisition-related expenses of SEK 2.5 million are not part of the compensation transferred, and have been recognised as an expense in the group's profit or loss, as part of the other expenses item.

Identifiable net assets

The fair value of accounts receivable and other receivables expected as part of a business aquisition were SEK 14.5 million, of which interim items were SEK 10.5 million, accounts receivable were SEK 3.5 million, and other receivables SEK 0.5 million. All contracted cash flows were estimated as paid as of the acquisition date.

Customer contracts

An intangible asset consisting of customer contracts of SEK 17.7 million identified in the business aquisition was measured based on these contracts' remaining terms as of the acquisition date, and restated at fair value. This asset is amortised over 3.5 years.

Database

An intangible asset consisting of a database of SEK 5.0 million identified in the business aquisition was measured based on the cost to recreate, and restated at fair value. This asset is amortised over eight years. Its useful life has been estimated proceeding from the actual useful life of the database in operations.

Goodwill

Goodwill of SEK 58.2 million recognised in the business aquisition relates mainly to growth expectations, expected future profitability and expected synergy effects on the cost side.

Dedicare A/S (KonZenta Aps)'s contribution to consolidated earnings

Profit for the period was SEK 5.7 million for 1 April 2020 to 31 December 2020 inclusive. Revenue for the same period was SEK 98.7 million.

If Dedicare A/S (formerly KonZenta Aps) had been acquired on 1 January 2020, the group's revenue for the period until 31 December would have been SEK 914.6 million and profit for the period would have increased by SEK 1.3 million.

Business acquisitions

The details of the business aquisition are as follows:	
Fair value of consideration transferred	
Amount settled in cash	29.7
Issued shares	15.2
Contingent consideration	37.0
Total fair value of consideration transferred	**81.9**
Carrying amount of identifiable net assets	
Customer contracts	17.7
Database	5.0
Total intangible non-current assets	**22.7**
Financial assets	1.8
Total financial assets	**1.8**
Current receivables	14.5
Cash and cash equivalents	5.8
Total current assets	**20.3**
Deferred tax	4.9
Total non-current liabilities	**4.9**
Current tax liability	1.2
Accounts payable and other liabilities	15.0
Total current liabilities	**16.2**
Identifiable net assets	**23.7**
Goodwill in acquisition	58.2
Consideration transferred, cash and cash equivalents	29.7
Acquired cash and cash equivalents	5.8
Net cash flow in acquisition	**23.9**

Note 28 Cash and cash equivalents

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Cash and bank balances	100,288	62,694	82,549	54,919
Total	**100,288**	**62,694**	**82,549**	**54,919**

SEK 9.8 million (8.0) of the group's cash and cash equivalents as of 31 December 2020 are blocks funds in favour of a guarantee commitment in the Norwegian operation. This amount is reported as a pledged asset.

Note 29 Financial assets and liabilities

	Group		Parent company	
Financial assets measured at amortised cost	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Cash and cash equivalents	100,288	62,694	82,549	54,919
Accounts receivable	92,788	74,652	32,123	45,556
Accrued contracted revenue	69,483	55,742	31,834	29,067
Total	**262,559**	**193,088**	**146,506**	**129,542**
Financial liabilities measured at amortised cost				
Liabilities to group companies	–	–	17,873	29,860
Accounts payable	2,778	4,883	2,930	5,611
Accrued contracted liabilities	31,412	15,496	16,770	13,248
Total	**73,100**	**20,379**	**72,010**	**48,719**
Financial liabilities measured at fair value				
Contingent consideration, Dedicare A/S (KonZenta Aps)	34,437	–	34,437	–
Total	**34,437**	**–**	**34,437**	**–**

The carrying amount of financial assets and liabilities measured at amortised cost is considered a reasonable estimate of fair value.

Note 30 Pledged assets and contingent liabilities

	Group		Parent company	
	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Corporate mortgages	20,000	20,000	20,000	20,000
Cash and cash equivalents	9,837	8,029	–	–
Pledged shares in subsidiaries	77,776	–	84,366	–
Total	**116,962**	**28,029**	**104,366**	**20,000**

As of 31 December 2020, there is a SEK 9.8 million guarantee commitment in the Norwegian operation. As of 31 December 2019, SEK 8.0 million of the group's cash and cash equivalents are blocked funds in favour of the guarantee commitment in the Norwegian operation. This amount is reported as pledged collateral. In tandem with Dedicare's acquisition of Dedicare A/S (KonZenta Aps) completed on 1 April 2020, all shares in the subsidiary were pledged as collateral for borrowings.

Note 31 Critical estimates and judgements for accounting purpo

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 units 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.

Estimation of fair value for the contingent consideration in business aquisition

A reported liability consisting of contingent consideration corresponds to the present value of Dedicare's probability-weighted estimate of the future pay-out. The contingent consideration is based on this operation's earnings growth. The assumptions of future earnings relating to this valuation are subject to some uncertainty.

Note 32 Transactions with related parties

Information on transactions with the Board of Directors and management is in note 5. Dedicare's Chairman and principal shareholder, Björn Öräs, was also Chairman and principal shareholder of the company Poolia until July 2020 inclusive. Dedicare has utilised Poolia's services for recruiting administrative staff on market terms. In 2020, Dedicare incurred expenses of SEK 181 thousand (257) from Poolia. No material transactions with related parties occurred in the year, or after year-end.

Note 33 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.

Currency risk

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 56.1 percent for the full year 2020, is generated in Norway and Denmark. The Norwegian and Danish 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 and DKK to SEK. Currency risks are not hedged.

In 2020, translation of foreign subsidiaries amounted to SEK 8,933 thousand (420). A 5 percent change in the exchange rate of the NOK would impact on the group's earnings and have an effect on sales of SEK +/–24.9 million (+/ –4), and by SEK 0.68 million (+/–0) on the group's comprehensive income for the year.

	2020		2019	
The following exchange rates have been applied	**Average**	**Reporting date**	**Average**	**Reporting date**
NOK	0.98	0.95	1.07	1.06
EUR	10.48	10.04	10.59	10.4336
DKK*	1.40	1.35	–	–

*The average rate of exchange for the DKK is computed for the period April-December 2020, i.e. from the acquisition date of the Danish subsidiary.

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. Interest-bearing financial assets mainly consist of non-restricted bank balances.

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 below.

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. Some growth may be achieved through acquisitions. Dedicare also expects grow by starting up on new markets in Europe, mainly through acquisitions.

Operating margin—target

Dedicare's target is for its operating margin over a business cycle to be above 7.0 percent. 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.

Note 33, cont.

Solidity—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 solidity should be 30.0 percent.

Dividend policy—target

Dedicare's target is for its dividend to be at least 50.0 percent of net profit over a business cycle

Maturity analysis, financial assets and liabilities

	Group				Parent company			
2020	**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**
Assets								
Accounts receivable	89,703	3,861	–776	–	31,905	1,063	–844	–
Accured income	–	69,483	–	–	–	31,834	–	–
Total assets	**89,703**	**73,344**	**–776**	–	**31,905**	**32,897**	**–844**	–
Skulder								
Liabilities to group companies	–	–	–	–	–	–	17,873	
Accounts payable	2,778	–	–	–	2,930	–	–	–
Liabilities to credit institutions	–	–	–	21,925	–	–	–	21,925
Accrued expenses	31,413	–	–	–	16,770	–	–	–
Total liabilities	**34,191**	–	–	**21,925**	**19,700**	–	**17,873**	**21,925**

	Group				Parent company			
2019	**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**
Assets								
Accounts receivable	72,772	1,690	190	–	44,750	703	102	–
Accured income	–	55,742	–	–	–	29,067	–	–
Total assets	**72,772**	**57,432**	**190**	–	**44,750**	**29,770**	**102**	–
Liabilities								
Liabilities to group companies	–	–	–	–	–	–	29,860	–
Accounts payable	4,883	–	–	–	5,611	–	–	–
Accrued expenses	15,496	–	–	–	13,248	–	–	–
Total liabilities	**20,379**	–	–	–	**18,859**	–	**29,860**	–

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

Note 34 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 50.0 percent of net profit over a business cycle.

Note 35 Proposed appropriation of the company's earnings

Funds at the disposal of the Annual General Meeting: SEK 90,461,543.

These funds are appropriated as follows:
The Board of Directors proposes a dividend to shareholders: SEK 23,488,493.
The Board of Directors proposes that the following funds are carried forward, SEK 66,973,050.

Note 36 Post balance sheet events

On 1 January, Jessica Alarik became Business Area Manager of the Recruitment segment in Sweden.

The process of hiring a Country Manager for Sweden commenced during February. This role is equivalent to presidency of the Swedish operation, and the primary focus of the successful candidate will be to increase sales and profitability in Sweden

Dedicare's opinion is that no material changes in the situation regarding Covid-19 occurred in early-2021.

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 19 March 2021. 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 22 April 2021.

Stockholm, Sweden 19 March 2021

Krister Widström
Chief Executive Officer

Björn Örås
Chairman

Dag Sundström
Director

Eva-Britt Gustafsson
Director

Anna Lefevre Skjöldebrand
Director

Madeleine Raukas
Director

Our Audit Report was presented on 19 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 2020. The annual accounts and consolidated accounts of the company are included on pages 37–69 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 2020 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 2020 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

As of December 31, 2020, the Group's reported revenues amount to SEK 885,2 million and mainly include the sale of staffing services. Revenue is recognized in the manner that reflects the transfer to the customer in terms of control over the service and thus the fulfilment of the performance obligation. For staffing services the performance obligation is fulfilled over time. Revenue is recognized at the amount that the Group expects to be entitled to in exchange for transferring the service to the customer. Recognition of revenue is based on information from the company's time accounting system, which calculates revenues based on time worked. The process related to recording of revenues takes place on a monthly basis and includes manual steps. There is a risk of inaccuracies unless mitigating controls are in place to manage the risk. Our assessment is that the risks related to completeness and occurrence have a significant impact on financial reporting.

How this was managed during the audit

The Company's accounting principles for revenues are set out on page 52 of the Annual Report. 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 completeness and occurrence 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
- Audit of disclosures in the annual report to ensure that these are essentially in compliance with the requirements of the Annual Accounts Act and IFRS.

Goodwill

Description

Goodwill amounts to SEK 60,2 million in the Group's statement of financial position. As stated in Note 12, the company performs impairment tests on a yearly basis, or if there is an indication of impairment, to ensure that value in the financial statements does not exceed recoverable amount. Recoverable amount is determined by calculating the value in use of each cash-generating unit by a present value calculation of estimated future cash flows. As also presented in note 12, calculations are based on financial budgets determined by the Board of Directors, which cover the following three years after year end, and after this period assumptions are made by management. Financial budgets include assumptions of growth of sales and operating margin. Furthermore, assumptions regarding discount rate and growth beyond the forecast period are also required. Impairment tests regarding financial year 2020, have not caused any write-down. Given the underlying estimates and assumptions of the impairment tests, and the size of the book value of the asset, our assessment is that the risks associated with valuation and presentation have significant impact on financial reporting.

How this was managed in the audit

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

- Audit of the company's process regarding impairment tests, as well as audit of the company's model related to impairment tests.
- Evaluation of assumptions in future cash flows that underly the impairment tests, by comparing historical outcome and future predictions, and whether these are reasonable.
- Evaluation of assumptions regarding long-term growth beyond the forecast period, and evaluation of the applied discount rate by comparison with equivalent companies.
- Performing sensitivity analysis of the key assumptions underlying the impairment tests.
- Audit of disclosures in the annual report to ensure that these are essentially in compliance 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 1–36 and 74–76. 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 2020 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 Director's proposed appropriations of the company's profit or loss we examined the Board of Director's 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 23, 2020 and has been the company's auditor since April 24, 2017.

Stockholm, March 19, 2021
Grant Thornton Sweden AB

Mia Rutenius
Authorized Public Accountant

Five-year summary

The following table states condensed financial information for the financial years 2016–2020.

SEK thousand	2020	2019	2018	2017	2016
Condensed Income Statement, continuing operations					
Operating income	885,195	775,988	812,017	785,230	650,104
Operating expenses	–841,373	–740,683	–761,790	–707,775	–580,593
Operating profit	43,822	35,305	50,227	77,455	69,511
Financial items	3,724	–924	–506	529	–476
Profit after financial items	47,545	34,382	49,721	77,984	69,035
Taxes	–11,482	–7,947	–11,487	–17,906	–16,096
Profit for the year	**36,064**	**26,435**	**38,234**	**60,078**	**52,938**
Condensed Balance Sheet, continuing operations					
Assets					
Goodwill	60,189	7,333	6,230	6,068	6,435
Customer contracts	12,812	–	–	–	–
Databases	4,166	–	–	–	–
Other non-current assets	23,832	24,167	9,565	1,967	2,639
Current receivables	183,322	144,975	141,780	131,272	139,510
Cash and cash equivalents	100,288	62,694	58,244	93,723	83,698
Total assets	**384,608**	**239,169**	**215,819**	**233,030**	**232,282**
Equity and liabilities					
Equity	135,423	93,088	102,455	109,460	121,691
Non-current liabilities	81,230	20,854	10,892	10,072	6,839
Current liabilities	167,955	125,227	102,472	113,498	103,752
Total equity and liabilities	**384,608**	**239,169**	**215,819**	**233,030**	**232,282**
Key indicators					
Operating margin, %	4.95	4.55	6.20	9.90	10.70
Solidity, %	35.21	38.92	47.47	47.00	52.40
Return on equity, %[1]	31.96	27.90	36.65	53.40	50.40
Return on total assets, %[1]	14.96	14.80	22.39	34.10	34.80
Average number of employees	678	629	658	632	508

[1] Alternative performance measures not defined according to IFRS.

Other information

Alternative performance measures

	Group		
SEK thousand	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018
Net profit	36,064	26,435	38,234
Average equity	113,438	94,760	104,320
Return on equity, %	31.79	27.90	36.65
Profit after financial items	47,545	34,382	49,721
Average total assets	317,246	232,328	222,020
Return on total assets, %	14.99	14.80	22.39

Definitions of key indicators

Profit after financial items
Operating profit/loss including financial income less financial expenses.

Earnings per share
Profit for the period divided by the average number of shares.

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.

Profit margin
Profit/loss after financial items as a percentage of operating income.

Solidity adjusted for non-recurring items
Equity including minority interests, adjusted for non-recurring items related to acquisition expenses and provisions for employer's contributions, as a percentage of total assets.

Solidity
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 22 April 2021 at the company's head office in Stockholm, Sweden. Shareholders also have the option of postal voting, with more information on the company's website: www.dedicare.se

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 14 April 2021, and secondly have notified Dedicare by no later than 16 April 2021.

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 16 April 2021.

Financial information

Interim Report, January–March	22 April 2021
AGM for the financial year 2020	22 April 2021
Interim Report, April–June	15 July 2021
Interim Report, July–September	21 October 2021
Financial Statement, January–December	10 February 2022

Dividend

The Board of Directors is proposing a dividend of SEK 2.50 per share to shareholders. The proposed record date is 26 April 2021. If the AGM approves this proposal, the dividend is scheduled for payment from Euroclear Sweden AB on 29 April 2021.

Dedicare Sweden
Stockholm
Ringvägen 100
118 60 Stockholm
Sweden

Gothenburg
Mässans gata 10
Box 5243
402 24 Gothenburg
Sweden

Skellefteå
Kanalgatan 77
931 34 Skellefteå
Sweden

Dedicare Finland
Kalevankatu 6
00100 Helsinki
Finland

Dedicare Norway
Oslo
Kronprinsens gate 5
0251 Oslo
Norway

Stjørdal
Kjøpmannsgata 24C
Postboks 41
7500 Stjørdal
Norway

Dedicare Denmark
Copenhagen
Amager Strandvej 390
2770 Kastrup
Denmark

Aalborg
Brotorvet 4, 1. tv.
DK-9400 Nørresundby
Denmark

www.dedicare.se