

Interim Report

1 January – 31 March 2023

DEDICARE

A great start to 2023—record earnings and strong profitability

First quarter 2023

- Net sales SEK 503.2 million (394.8)
- EBITDA SEK 44.2 million (30.2)
- EBITDA margin 8.8 percent (7.6)
- EBIT SEK 38.0 million (26.2)
- EBIT margin 7.6 percent (6.6)
- Profit after financial items SEK 31.3 million (25.9)
- Profit for the period SEK 24.5 million (20.5)
- Basic earnings per share SEK 2.57 (2.19)
- Diluted earnings per share SEK 2.55 (2.17)

Performance measures

	Q1 2023	Q1 2022	Full-year 2022
Net sales, SEK million	503.2	394.8	1,768.0
<i>Growth, %</i>	27.5%	51.3%	41.5%
EBITDA, SEK million	44.2	30.2	156.1
<i>EBITDA margin, %</i>	8.8%	7.6%	8.8%
Operating profit (EBIT), SEK million	38.0	26.2	135.9
<i>Operating margin (EBIT-margin), %</i>	7.6%	6.6%	7.7%
Net profit for the period, SEK million	24.5	20.5	101.3
Basic earnings per share, SEK	2.57	2.19	10.69
Diluted earnings per share, SEK	2.55	2.17	10.59
Cash flow from currens operations, SEK million	41.8	21.2	105.4
Equity per share, SEK	29.81	21.47	27.46

Chief Executive Officer's Statement

The Dedicare group continued its positive progress in the first quarter of the year. Underlying demand was healthy, and we achieved growth on all markets apart from Sweden, which was in line with the previous year. In earnings terms, the quarter was strong. Being an attractive employer is crucial to us, so we were exceptionally proud to be named Staffing Company of the Year in Sweden and nominated for Workplace of the Year in Norway.

Financial performance

Net sales were SEK 503.2 million (394.8) in the first quarter, a 27.5 percent increase on the corresponding period of the previous year. Organic growth was 21.8 percent. EBIT was SEK 38.0 million (26.2), a 45.0 percent increase. Our EBIT margin was 7.6 percent (6.6), which is comparable to the full year 2022, and above our financial margin goal of 7 percent.

Net sales for the quarter in **Sweden** were at the same level as the previous year, at SEK 138.6 million (138.0). Our new business area, Life Science, contributed SEK 12.3 million for the quarter. Social worker staffing also made positive progress in the quarter. However, the demand for nurses reduced, owing to a number of regional health authorities, including Sweden and Sörmland, introducing limits on nurse contracting in the quarter. This triggered substantial debate at a time when healthcare is a growing challenge in terms of the supply of skills and the provision of equivalent care. We think the limits imposed by the regions will also impact contracting of nurses in the second quarter to some extent.

The EBIT margin for Sweden increased to 6.3 percent (4.6) in the quarter, mainly due to higher margins in life science and social worker staffing.

In **Norway**, our largest market, very positive progress for all business areas continued. Underlying demand is brisk, and Dedicare is well positioned on the market for doctors and nurses, as well as preschool staff. Net sales in the quarter were SEK 284.8 million (215.3), a 32.3 percent increase. The EBIT margin was 9.2 percent (10.3), due to a temporary increase in non-recurring expenses.

Specialist healthcare procurement entity Sykehusinnkjøp opened its tender for one of Norway's major deals in the quarter, for contracting nurses at all hospitals. The current deal expires in September, and the new deal will run for two years with a further two-year extension. 10 to 12 companies pre-qualified for the first round in each category, and Dedicare is pre-qualified in all categories. In the next round, pricing will be submitted, and final qualification in each category will be ahead of the summer.

In **Denmark**, we are also experiencing increased demand from our customers across all business areas. Net sales were SEK 69.9 million (41.5) in the



quarter, a 68.4 percent increase. EBIT margin increased to 6.6 percent (4.9). I'm delighted to see the excellent progress we've made in Denmark in recent years, in doctor and nurse staffing.

New Markets, consisting of our recently acquired operation in the UK, Templars Medical Agency, reported net sales of SEK 9.9 million (0) and EBIT of SEK 0.6 million (0) in the quarter. EBIT margin was 6.1 percent.

Templars Medical Agency will change branding in the coming quarters to Dedicare UK.

Our business environment

Population growth and more older people are major trends driving development in healthcare staffing. The supply of skills is becoming increasingly challenging, and the staff shortage has accentuated in the past year, mainly in healthcare, but also in our other business segments. Dedicare and other healthcare staffing providers are serving a key function, by attracting some of the people who were about to leave, or had left, healthcare by offering more flexible solutions and balance in their lives.

Attractive employer

In order to succeed in our efforts, we've made "Attractive Employer" a strategic focus area. That's why I'm so pleased that Dedicare Norway was nominated as Workplace of the year 2023 by Great Place to Work. Our Swedish organisation was also recognised in the quarter, when Dedicare Sweden was

named Staffing Company of the Year 2022 at the Swedish Recruitment Awards.

In closing, I'd also like to mention the support we offer to the Norwegian Association for the Blind and its Icare project. We ran a fundraiser earlier in the year, and two Dedicare staff members travelled to Nepal in March with 700 pairs of sunglasses for use in new eye surgery. In recent years, Dedicare consultants have participated in eye surgery in Nepal, restoring the sight of 380 cataract patients.

I'd like to thank our staff, consultants and customers for their really great efforts and partnership in the first quarter of 2023.

Krister Widström, Managing Director & CEO

Highlights of the first quarter

- Dedicare named Staffing Company of the Year 2022 at the Swedish Recruitment Awards.
- Dedicare Norway nominated as Workplace of the Year 2023 by Great Place to Work.

Highlights after the end of the period





No significant events after the end of the first quarter.

Our market

Dedicare has been managing recruitment and staffing operations in four main countries, Sweden, Norway, Denmark and the UK, since the fourth quarter of 2022. In Finland, we operate recruitment for our staffing operations in the rest of the Nordics. We offer our customers skills in four segments, and our skills portfolio may differ between countries.

Our offering

Dedicare offers specialist services in recruitment and staffing in the following segments and markets.

	 Healthcare	 Life science	 Social work	 Preschool
Sweden	✓	✓	✓	
Norway	✓	✓	✓	✓
Denmark	✓	✓		
UK	✓			



Market progress

Sweden is the Nordic region’s largest market for healthcare staffing. The main customers are regional health authorities, municipalities and private healthcare providers. Regional healthcare authorities are the largest purchasers of healthcare staffing services, and according to the Swedish Association of Local Authorities and Regions (SKR), over SEK 7.8 billion of staffing was purchased in 2022.¹ The cost of contracted staff is only 4.8 percent of total healthcare personnel expenses. Dedicare estimates that about 60 percent of total healthcare staffing market sales are doctor staffing, some 35 percent are for nurses, and about 5 percent for other healthcare job categories. The demand for social worker staffing has increased in recent years, where the main customers are municipalities. There are no official statistics for the life science market available for Sweden (or the other Nordics). Dedicare expects the need for consultants and recruitment services to remain high.

Norway is the Nordic region’s second largest market for healthcare staffing. The main customers are healthcare providers and municipalities. The Confederation of Norwegian Enterprise (NHO) estimates procurement of healthcare staff at some SEK 3.4 billion in 2022.² Providers that are not members of NHO, and providers from Denmark and

Sweden not included in NHO statistics, are additional. We estimate that these providers achieved sales of approximately NOK 1.6 billion in 2022. Dedicare estimates that around 30 percent of sales are for doctor staffing, some 50 percent for nurses and about 20 percent is divided between other job categories. In contracting of preschool staff, the market expanded by 13.9 percent in the fourth quarter of 2022 compared to the fourth quarter of 2021. In 2022, Dedicare consolidated its positioning as Norway’s largest specialist healthcare staffing provider, with a market share of some 25.7 percent.

No official statistics for the Danish healthcare staffing market are available. Dedicare’s opinion is that the market for contracting doctors is growing. It also believes the market for contracting nurses is in growth.

The UK is Europe’s largest market for staffing healthcare personnel. According to Staffing Industry Analyst (SIA), procurement of care staff was worth some SEK 43 billion in 2021. The National Health Service (NHS) manages most healthcare staffing through framework agreements in England, Wales, Scotland and Northern Ireland.

¹ SKR: ‘Staffing trends for agency health and social care staff.’
² NHO: ‘Staffing sector statistics.’

Financial information—the group’s progress

Net sales

First quarter

The group achieved growth for the ninth consecutive quarter. Consolidated net sales for the first quarter increased by 27.5 percent to SEK 503.2 million (394.8). Organic growth was 21.8 percent and was SEK 481.0 million. For more information on Dedicare’s segments, see note 1.

Net sales by operating segment

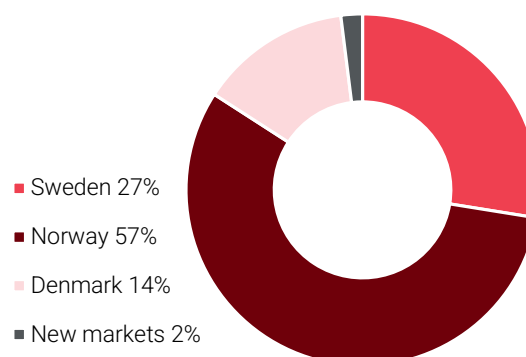
In **Sweden**, net sales increased by 0.4 percent for the quarter to SEK 138.6 million (138.0), of which SEK 12.2 million relates to the acquisition of H&P Search & Interim AB. Apart from this acquisition, the net sales increase was mainly sourced from social worker staffing. The demand for nurses declined, which is due to several regions setting limits on contracted staff in the quarter.

In **Norway**, net sales for the quarter were up by 32.3 percent to SEK 284.8 million (215.3). Net sales increased due to the high demand for services in all business areas.

In **Denmark**, net sales for the quarter rose by 68.4 percent to SEK 69.9 million (41.5), the highest net sales the Danish operation has ever reported. The increase is sourced from doctor and nurse staffing.

New Markets consists of the acquired business in the UK. Net sales for the quarter were SEK 9.9 million (0).

Net sales breakdown Q1



Net sales per operating segment, SEK million	Q1 2023	Q1 2022	Full-year 2022
Sweden	138.6	138.0	562.8
Norway	284.8	215.3	1,015.6
Denmark	69.9	41.5	178.8
New markets	9.9	-	10.8
Total net sales	503.2	394.8	1,768.0
Activated work for own account	0.9	-	4.3
Other operating income	3.7	6.8	16.4
Total operating revenue	507.8	401.6	1,788.7

Earnings before interest and taxes (EBIT)

First quarter

Consolidated EBIT for the first quarter was SEK 38.0 million (26.2) with an EBIT margin of 7.6 percent (6.6). EBIT from companies acquired in the period was SEK 3.3 million (0). This increased EBIT is mainly due to operational growth. Earnings were charged with SEK 0.2 million of acquisition expenses in the quarter.

EBIT per operating segment

Sweden's EBIT for the quarter was SEK 8.7 million (6.3), of which SEK 2.8million related to H&P Search & Interim AB, with an EBIT margin of 6.3 percent (4.6). The increase in EBIT is mainly sourced from social worker staffing and the acquisition of H&P Search & Interim AB.

Norway's EBIT for the quarter was SEK 26.1 million (22.2) with an EBIT margin of 9.2 percent (10.3). The decrease has explanations including temporarily increased non-recurring expenses, mainly from upscaled investments in new staff and expanded office premises.

Denmark's EBIT for the quarter was SEK 4.6 million (2.0) with an EBIT margin of 6.6 percent (4.9).

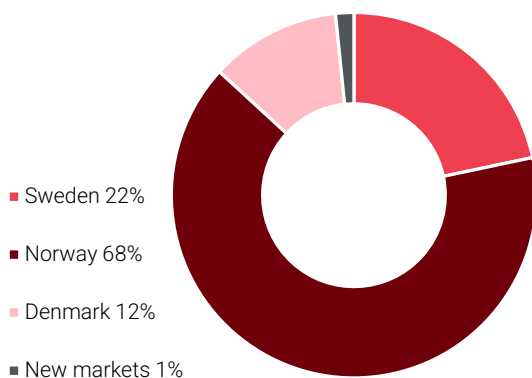
For **New Markets**, EBIT for the quarter was SEK 0.6 million (0), with an EBIT margin of 6.1 percent (0).

Group-wide expenses for the first quarter were SEK 2.0 million (4.3), mainly consisting of amortisation of surplus values from acquisitions. Acquisition expenses related to the UK operation, had a SEK 0.2 million (0) impact.

Profit after financial items for the first quarter was SEK 31.3 million (25.9). Financial items were SEK -6.7 million (-0.3), mostly consisting of unrealised exchange gains related to financial items. The change on the previous quarter is due to depreciation of the Norwegian krone.

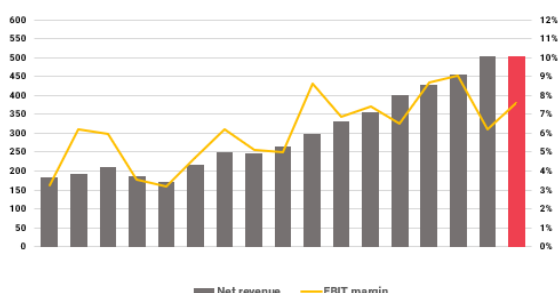
Profit for the quarter was SEK 24.5 million (20.5).

EBIT breakdown Q1

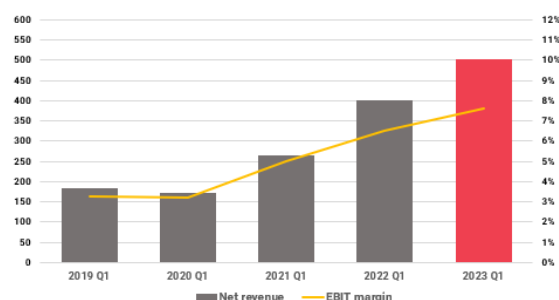


Operating profit per operating segment, SEK million	Q1 2023	Q1 2022	Full-year 2022
Sweden	8.7	6.3	31.7
Norway	26.1	22.2	112.1
Denmark	4.6	2.0	8.8
New markets	0.6	-	1.1
Group-wide costs	-2.0	-4.3	-17.8
Operating profit	38.0	26.2	135.9
Financial items	-6.7	-0.3	-5.6
Profit after financial items	31.3	25.9	130.3

Progress of the group's net sales and EBIT margin Q1 2019 – Q1 2023



Progress of the group's net sales and EBIT margin for the first quarters 2019 - 2023



Financial position and liquidity

Cash and cash equivalents

The group's cash and cash equivalents were SEK 163.9 million (183.4) as of 31 March. In the first quarter, Dedicare paid SEK 5.1 million for the acquisition of Optimal Medical Ltd., with its subsidiary Templars Medical Agency.

Equity

Equity at the end of the first quarter was SEK 285.1 million (201.7), or SEK 29.81 (21.47) per share on the reporting date. The increase in equity is mainly due to operational growth and increased EBIT.

Equity/assets ratio

The equity/assets ratio on 31 March was 38.1 percent (33.9).

Cash flow

Cash flow from operating activities for the first quarter was SEK 41.8 million (21.2). The increase in cash flow from operating activities in the quarter was mainly due to changes in current liabilities and receivables. Cash flow from investing activities was SEK -6.7 million

(-1.1), with net cash flow relating to acquisitions being SEK -5.1 million (0). For more information see note 3. Cash flow from financing activities was SEK -5.8 million (24.8), mainly relating to the finance arranged for Dedicare's acquisition of Dedicare A/S (formerly KonZenta Aps). The agreement for total acquisition finance of DKK 45.0 million was with a financial institution. The loan has a remaining term of two years, accruing interest of CIBOR plus 2.0 percent.

Investments

Investments in tangible and intangible non-current assets in the first quarter amounted to SEK 1.6 million (1.1). Investments in the first quarter were mainly in IT systems.

Employees

The average number of employees expressed as full-time equivalents for the first quarter was 1,349 (1,108). This includes 216 (177) subcontracting consultants in the first quarter.

Full-time employees per operating segment

	Q1 2022	Q2 2021	Full-year 2022
Sweden	364	383	310
Norway	823	644	539
Denmark	122	81	76
New markets	40	-	-
Total full-time employees¹	1,349	1,108	925

¹ The average number of employees includes 216 (177) subcontracting consultants in the first quarter.

Sustainable development

Dedicare’s mission is to make a responsible and sustainable contribution to human health, development and quality of life. Our vision is to be one of Europe’s leading recruitment and staffing providers in healthcare, life science and social work.

achieve our goals in the short and long term— Attractive Employer, Attractive Client, Market & Service Development, Operational Efficiency, and Customer & Social Benefit.

We have five strategic focus areas to clarify to the whole group where we put our energy and focus to

We follow up on our strategic goals quarterly.

	Attractive Employer	Attractive Client	Market & Service Dev.	Operational Efficiency	Customer & Social Benefit
Ambition	Dedicare will be the best employer in recruitment and staffing by hiring, developing and retaining the best people.	Dedicare will be the first choice client for candidates and consultants in healthcare, life science and social work, by offering the broadest selection of assignments and competitive terms of employment.	Dedicare will work proactively on starting up and developing businesses in new customer segments, geographical regions and job categories that contribute to human health, development and quality of life.	Dedicare will have the sector’s most efficient business processes for sales, staffing and recruitment by working proactively on innovative, cost-efficient and scalable digital solutions.	Dedicare will be a specialist and market leader in attracting and offering skills in healthcare, life science and social work to public and private sector customers, which helps create equivalent and sustainable healthcare.
Strategic goal	1. eNPS >50 2. Commitment index >4	1. Consultant satisfaction >9	1. One new geographical market and/or new service segment per year	1. EBIT margin >7 percent	1. Customer satisfaction >9
Performance Q1	1. 47 2. 4,2	9,1		7.6 percent	8,9

Other information

Categories of net sales

Apart from life science, over 90 percent of the market consists of public sector bodies like regional health authorities, municipalities and public authorities.

The Nordic region is one of Europe's larger healthcare staffing markets.

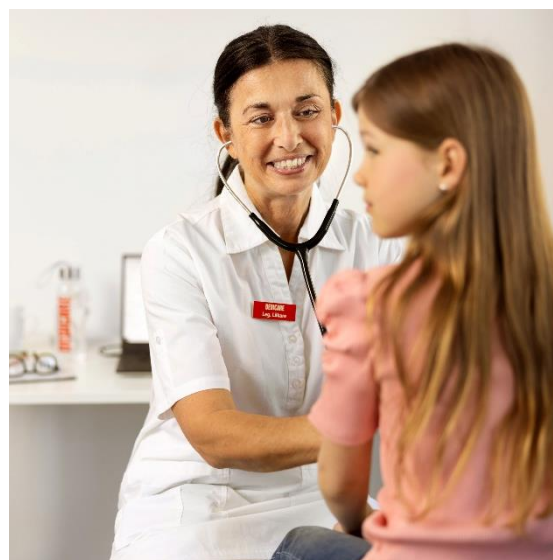
Allocation net sales SEK million	Public Q1 2023	Private Q1 2023	Total Q1 2023	Public Q1 2022	Private Q1 2022	Total Q1 2022
Sweden	106.9	31.7	138.6	114.2	23.8	138.0
Norway	263.5	21.3	284.8	198.0	17.3	215.3
Denmark	68.5	1.4	69.9	41.2	0.3	41.5
New markets	9.9	-	9.9	-	-	-
Total net sales	448.8	54.4	503.2	353.4	41.4	394.8

Allocation net sales SEK million	Public Full-year 2022	Private Full-year 2022	Total Full-year 2022
Sweden	433.5	129.3	562.8
Norway	959.4	56.2	1,015.6
Denmark	177.0	1.8	178.8
New markets	10.8	-	10.8
Total net sales	1,580.7	187.3	1,768.0

Share-based incentive programmes

In 2021, the AGM resolved on the issue of a maximum of 90,000 share warrants. Each warrant confers entitlement to one class B share. The subscription price is 115 percent of the average closing price paid for the company's class B share in the period 23 April 2021 to 7 May 2021, both dates inclusive.

The warrants have a three-year term from the date the subscription price is determined. Waiving shareholders' preferential rights, the issued share warrants may be subscribed for by Dedicare AB (publ), whereupon the company should offer the share warrants to senior executives covered by the programme. All options were subscribed. No new incentive programmes were issued.



Risks and uncertainties

Significant risks and uncertainties are reviewed below. For a more detailed description, please refer to Dedicare's Annual Report for 2022.

Russia's invasion of Ukraine has caused uncertainty in our business environment. Dedicare's assessment is that this conflict does not have a direct impact on its operations, but may have consequences such as a cyclical impact, rising inflation, etc. Dedicare's basic position is that its operations are acyclical. Dedicare is monitoring ongoing progress, and continuously assesses the effects this may have on its business, and the actions that may need to be taken.

Political decisions

On those markets where Dedicare currently operates—Sweden, Norway, Denmark, Finland and the UK—healthcare is largely publicly funded. Public funding means that downsizing, cost-cutting, rationalisations and similar measures at central, regional or local government level may have a significant negative impact on Dedicare's operations. Dedicare's operations may also be heavily affected by the political control of healthcare. In this context, the question of procuring staffing services in health and social care is, and has been, the subject of debate. In Sweden, Norway, and Denmark, political actions are being conducted to reduce dependency on contracted healthcare staff.

Contract dependency

Dedicare has a small number of customers that represent a high share of the company's total sales. Usually, staffing services are procured through a collective tendering process. These public tenders are strictly legislated, and generally, a number of priority providers are selected on a roster, who then enter framework agreements. These agreements usually have two-year terms, with maximum extensions of two years. On each occasion Dedicare was unable to win tenders with large individual customers, or moves down their roster, this could have a material temporary negative impact on the group's sales and profitability. Dedicare works continuously on ensuring that the group has the skills and staffing necessary, so its tenders consistently maintain high quality.

The largest customer in Sweden, Region Stockholm health authority, represented some 11.4 per cent (17.0) of Dedicare Sweden's turnover in the first quarter 2023. In Norway, the largest customer, the Helse Sør Øst regional health authority, generated approximately 10.6 percent (7.3) of Dedicare Norway's total net sales in the first quarter 2023. The North Jutland regional health authority was Dedicare Denmark's largest customer, representing approximately 32.6 percent (32.2) of net sales. The

largest customer in the UK for the first quarter 2023 was King Edward's Hospital, which represented approximately 50.9 percent (0) of net sales.

Contract disputes

Framework agreements with public sector customers in Sweden, Norway and Denmark usually prescribe a liability for Dedicare to pay penalties, and in certain cases, extra costs incurred by a customer if Dedicare is unable to fulfil an agreement it has entered. If, for any reason, Dedicare is unable to complete the assignments the company has undertaken, there is a risk that customers will exercise their right to financial compensation or terminate their contract early.

Skills shortages in consulting business

A shortage of resources is a potential obstacle to continued growth. Dedicare's core business consists of recruitment and staffing in jobs subject to shortage, which means that attracting as many potential candidates as possible regardless of gender, gender-fluid identity or expression, ethnic origin, sexual orientation, religion or other faith, disability or age, is mission-critical.

Dedicare needs to keep staff turnover at a low level so consultants remain with the company as long as possible. This is achieved by working actively on our consultant offering and using social media to communicate the benefits of choosing Dedicare as a client for people that want to work as consultants.

Inability to attract key staff and managers

Like all service companies, Dedicare is dependent on the people in its business. Dedicare is negatively impacted if managers and other key staff decide to leave the company. This is partly because we lose important skills, and partly because long-term relationships are vital in our sector. Accordingly, it is critical that we remain an attractive client to staff that have been working with the company for several years, which is why this is one of our five strategic focus areas.

Medical errors

Dedicare's duty is to provide its customers with the required skills. Hiring is at the customer's premises, which minimises Dedicare's liability risk. Dedicare bears neither patient nor employer liability. However, there is always a risk of errors and mistakes when delivering healthcare services. If healthcare staff that Dedicare provides make a serious error, there is a risk that shortcomings negatively impact the company's reputation despite employer liability resting with the customer. To cover liability risks, the group has sufficient insurance tailored to Dedicare's general delivery terms.

IT security

Growing digitalisation means that Dedicare needs to manage risks associated with the information society. Its business is dependent on the availability of suitable digital systems, a highly functional IT environment and infrastructure. The capability to manage cyberthreats, business continuity and data security risks are additional. Delays in the rollout of key systems, unplanned outages, cybersecurity weaknesses, data infringement and losses are significant risks that need to be managed. The group has centralised IT management, and continuously reduces the risk of various types of attack by taking

the necessary action, as well as proactively managing and investing in IT security.

Transactions with related parties

No material transactions with related parties occurred in the first quarter 2023.

Financial goals and performance

Growth

Over time, Dedicare's objective is to grow by at least 10 percent yearly. Its growth goal includes further acquisitions. In the first quarter, Dedicare altered its growth target to grow by 10 percent over time. In the first quarter, growth was 27.5 percent.

EBIT margin

Dedicare's target is for its EBIT margin to exceed 7.0 percent. In the first quarter of 2023, its EBIT margin was 7.6 percent.

Equity/assets ratio

Dedicare should have a secure capital base and operations should mainly be financed with equity. The nature of operations implies a limited need for capital. Against this background, Dedicare's opinion is that its equity/assets ratio should be at least 30.0 percent. As of 31 March 2023, the equity/assets ratio was 38.1 percent.

Dividend policy

Dedicare's target is for its dividend to be at least 50.0 percent of net profit over a business cycle. For the financial year 2022, Dedicare's Board is proposing a dividend corresponding to 56.6 percent (57.6) of net profit.

About Dedicare

Dedicare is the Nordic region's largest recruitment and staffing company in healthcare, life science and social work.

The company is listed on Nasdaq Stockholm, and has operations in Sweden, Norway, Denmark, Finland and the UK. Dedicare has four offices in Sweden, two in Norway, one in Finland, two in Denmark, and two in the UK.

In Sweden, Dedicare is a member of the Employers' Organisation for the Swedish Service Sector (Almega Kompetensföretagen) and the Swedish Association of Care Providers (Vårdföretagarna) and operates through collective bargaining agreements. In Norway, Dedicare is a member of the Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon). And in Denmark, Dedicare is a member of the Danish Chamber of Commerce (Dansk Erhverv).

The company holds ISO 9001:2015 quality management certification, ISO 14001:2015 environmental management systems certification, and ISO 45001:2018 occupational health & safety certification.

Business concept

Dedicare will be the best at attracting and delivering specialist skills in healthcare, life science and social work.

Business model

Based on **social needs** for healthcare and social work skills, we have formulated **strategies** and **objectives** to satisfy social needs and realise our vision. By **selling** to the public and private sector, we secure assignments in **recruitment** and **staffing** to satisfy customer needs for resources in health and social care.

Financial statements, group

Condensed Consolidated Statement of Comprehensive Income

SEK million	note	Q1 2023	Q1 2022	Full-year 2022
Operating revenue				
Net sales	1	503.2	394.8	1,768.0
Activated work for own account		0.9	-	4.3
Other operating income		3.7	6.8	16.4
Total operating revenue		507.8	401.6	1,788.7
Operating expenses				
Purchased services		-110.3	-82.6	-366.6
Personnel expenses		-301.1	-248.7	-1,085.7
Other operating expenses		-52.2	-40.1	-180.3
Depreciation of tangible and intangible assets	2	-6.2	-4.0	-20.2
Operating profit		38.0	26.2	135.9
Financial items		-6.7	-0.3	-5.6
Profit after financial items		31.3	25.9	130.3
Income taxes		-6.8	-5.4	-29.0
Profit for the period		24.5	20.5	101.3
Other comprehensive income				
<i>Items that may be reclassified to profit</i>				
Exchange differences		-1.9	2.8	8.9
Total comprehensive income for the period		22.6	23.3	110.2
Of which attributable to:				
Parent Company's shareholders		22.6	23.3	110.2
Basic earnings per share (SEK)		2.57	2.19	10.69
Diluted earnings per share (SEK)		2.55	2.17	10.59

Condensed Consolidated Statement of Financial Position

SEK million	Note	31 Mar 2023	31 Mar 2022	Full-year 2022
Assets				
Intangible assets	2	174.6	79.0	171.1
Right-of-use assets		25.1	12.4	28.3
Equipment		2.2	2.0	2.0
Deferred tax assets		4.6	1.6	0.4
Deposits paid		4.9	4.9	4.8
Total fixed assets		211.4	99.9	206.6
Current assets				
Current receivables		372.5	312.5	393.3
Cash and cash equivalents		163.9	183.4	142.8
Total current assets		536.4	495.9	536.1
TOTAL ASSETS		747.8	595.8	742.7
Equity				
		285.1	201.7	262.6
Non-current liabilities				
Provisions		4.6	6.9	4.9
Other non-current liabilities		87.5	42.4	92.3
Deferred tax liabilities		17.5	10.4	18.2
Total non-current liabilities		109.6	59.7	115.4
Current liabilities				
Current tax liabilities		25.6	25.4	31.9
Other current liabilities		327.5	309.0	332.8
Total current liabilities		353.1	334.4	364.7
TOTAL EQUITY AND LIABILITIES		747.8	595.8	742.7

Condensed Consolidated Statement of Changes in Equity

SEK million	31 Mar 2023	31 Mar 2022	Full-year 2022
Equity at beginning of period	262.6	178.5	178.5
Profit for the period	24.5	20.5	101.3
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences	-1.9	2.7	8.9
Transactions with shareholders			
Non-cash issue	-	-	12.1
Transaction fees	-0.1	-	-0.1
Dividend	-	-	-38.1
Equity at end of period	285.1	201.7	262.6

Condensed Consolidated Statement of Cash Flows

SEK million	Q1 2023	Q1 2022	Full-year 2022
Operating activities			
Cash flow from operating activities before changes in working capital	29.3	17.6	130.4
Changes in working capital	12.5	3.6	-25.0
Cash flow from operating activities	41.8	21.2	105.4
Investing activities			
Acquisition of subsidiaries	-5.1	-	-27.1
Acquisition of tangible and intangible fixed assets	-1.6	-1.1	-5.4
Cash flow from investing activities	-6.7	-1.1	-32.5
Financing activities			
Transaction fees	-0.1	-	-0.1
Borrowings	-	28.6	28.6
Repayments of loans	-3.4	-1.8	-47.8
Repayment of of lease liability	-2.3	-2.0	-9.1
Cash deposits	-	-	0.3
Dividend paid	-	-	-38.1
Cash flow from financing activities	-5.8	24.8	-66.2
Cash flow for the period	29.3	44.9	6.7
Cash and cash equivalents at beginning of period	142.8	132.4	132.4
Exchange differences in cash and cash equivalents	-8.2	6.1	3.7
Cash and cash equivalents at end of period	163.9	183.4	142.8

Notes

Accounting policies

Dedicare prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS).

This Interim Report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting, and for the parent company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

No other new or revised IFRS and interpretation statements from IFRIC that came into effect on 1 January 2022 had any material impact on Dedicare's financial statements.

The accounting policies and computation methods applied for the group and parent company are consistent with those accounting policies and computation methods applied when preparing the most recent annual accounts.

Note 1. Segment information

A division between segments has been determined, based on how Dedicare's Group Management monitors and manages operations to evaluate performance and allocate resources. Group Management monitors segment EBIT both including and excluding items affecting comparability. The identified operating segments are Sweden, Norway, Denmark, New Markets and Group-wide.

The Sweden, Norway, Denmark and New Markets segments consist of business operations in recruitment and staffing in each country, as well as allocated central expenses such as cost of premises, accounting administration, IT management, marketing etc. pursuant to an allocation key based on the segments' net sales.

New Markets still consists of the acquired operation in the UK.

Group-wide consists of head office support functions such as Group Management, Accounting & Finance, Legal, Corporate Communication, Business Development, HR and IT.

It also consists of group-wide items such as amortisation of surplus values from acquisitions, amortisation related to business transfers, transition to IFRS 16, intragroup transactions, eliminations etc.

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

For more information on Dedicare's operating segments, please refer to pages 5-7 of this Interim Report: net sales per operating segment on p. 5, and EBIT per operating segment on p. 6-7. For more detail on segments, see the Annual & Sustainability Report for 2022.

Note 2. Intangible non-current assets

Q1 2023, SEK million	Group					Total
	Goodwill	Customer agreements	Database	Trademark	Other intangible fixed assets	
Opening purchase value	112.3	54.3	15.4	1.5	10.6	194.1
Aquisitions	5.1	-	-	-	-	5.1
Investments in the period	-	-	-	-	0.9	0.9
Exchange differences	0.6	0.5	0.1	0.1	-	1.3
Closing purchase value	118.0	54.8	15.5	1.6	11.5	201.4
Opening accumulated amortisation	-	-16.3	-3.0	-0.4	-3.3	-23.0
Amortisation in the period	-	-2.2	-0.7	-0.4	-0.3	-3.6
Exchange differences	-	-0.2	-	-	-	-0.2
Closing accumulated amortisation	-	-18.7	-3.7	-0.8	-3.6	-26.8
Closing carrying amount	118.0	36.1	11.8	0.8	7.9	174.6

Q1 2022, SEK million	Group					Total
	Goodwill	Customer agreements	Database	Trademark	Other intangible fixed assets	
Opening purchase value		61.7	16.6	4.7	6.9	89.9
Investments in the period		-	-	-	1.1	1.1
Exchange differences		0.9	0.2	-	-0.1	0.9
Closing purchase value		62.6	16.8	4.7	7.9	92.0
Opening accumulated amortisation		-	-8.3	-1.0	-2.0	-11.3
Amortisation in the period		-	-1.2	-0.1	-0.3	-1.6
Exchange differences		-	-0.1	-	-	-0.1
Closing accumulated amortisation		-	-9.6	-1.1	-2.3	-13.0
Closing carrying amount		62.6	7.2	3.6	5.6	79.0

Full-year 2022, SEK million	Group					Total
	Goodwill	Customer agreements	Database	Trademark	Other intangible fixed assets	
Opening purchase value	61.7	16.6	4.7	-	6.9	89.9
Aquisitions	45.3	36.0	10.3	1.5	0.1	93.2
Investments in the period	-	-	-	-	4.3	4.3
Reclassification	-	-	-	-	-0.7	-0.7
Exchange differences	5.3	1.7	0.4	-	-	7.4
Closing purchase value	112.3	54.3	15.4	1.5	10.6	194.1
Opening accumulated amortisation	-	-8.3	-1.0	-	-1.9	-11.2
Amortisation in the period	-	-7.0	-1.9	-0.4	-1.3	-10.6
Exchange differences	-	-1.0	-0.1	-	-	-1.1
Closing accumulated amortisation	-	-16.3	-3.0	-0.4	-3.3	-23.0
Closing carrying amount	112.3	38.0	12.4	1.1	7.3	171.1

Note 3. Business combinations

Acquisition of H&P Search & Interim AB

On 1 April 2022, Dedicare acquired 100 percent of the share capital and voting rights of H&P Search & Interim AB (H&P), corp. ID no. 556767–6548, which conducts operations in life science on the Swedish market. This acquisition brings a stronger portfolio through operations now being expanded to also include life science. The purchase consideration for the acquisition of H&P was paid in cash, as well as shares of Dedicare AB (publ) through a non-cash issue. A contingent consideration has been agreed, based on H&P's earnings performance over the next two and three years respectively. The definitive acquisition analysis and measurement of goodwill and any other intangible assets associated with the acquisition was completed in the third quarter 2022.

The acquired business contributed total revenue of SEK 12.2 million and EBIT of SEK 2.7 million to the group for the first quarter of 2023.

The contingent considerations for H&P Search & Interim AB become due for payment in July 2024 and July 2025, and have been measured at fair value. These contingent considerations amount to SEK 34.1 million as of 31 March.

Acquisition of Optimal Medical Limited

On 1 October 2022, Dedicare acquired 100 percent of the share capital and voting rights of Optimal Medical Ltd., company no. 09526199, which conducts doctor recruitment and staffing business in the UK, Ireland, and the UK's non-European territories, through its wholly owned subsidiary Templars Medical Agency Ltd. (Templars). The acquisition is consistent with Dedicare's growth strategy, which means the group consolidates its positioning in Europe, and gaining a platform in the UK and Ireland for continued expansion. The purchase consideration for the acquisition was paid in cash and shares of Dedicare AB (publ) through a non-cash issue. A contingent consideration has been agreed, based on Templars' earnings performance over the coming two years. A definitive acquisition analysis and measurement of goodwill and any other intangible assets linked to the acquisition will be completed in the second quarter of 2023.

A cash payment of SEK 5.1 million was made in the first quarter of 2023 for an adjusted purchase consideration. This whole amount was capitalised as goodwill.

Acquisition-related expenses of SEK 0.2 million were recognised as an expense in consolidated earnings in the first quarter.

The acquired business contributed total revenue of SEK 9.9 million and EBIT of SEK 0.6 million to the group for the first quarter of 2023.

The contingent consideration for Optimal Medical Ltd. becomes due for payment in November 2024, and has been measured at fair value. The contingent consideration amounts to SEK 13.3 million as of 31 March.

Performance measures

Quarterly summary

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full-year 2022	Q1 2023
Net sales, SEK million	394.8	423.9	450.0	499.3	1768.0	503.2
EBITDA, SEK million	30.2	42.1	45.9	37.9	156.1	44.2
EBITDA margin, %	7.6%	9.9%	10.2%	7.6%	8.8%	8.8%
Operating profit (EBIT), SEK million	26.2	37.3	41.1	31.3	135.9	38.0
Operating margin (EBIT-margin), %	6.6%	8.7%	9.0%	6.2%	7.7%	7.6%
Profit after financial items, SEK million	25.9	35.3	39.2	29.9	130.3	31.3
Profit margin, %	6.5%	8.2%	8.6%	5.9%	7.3%	6.2%
Net profit for the period, SEK million	20.5	26.6	28.9	25.1	101.3	24.5
Net Debt, SEK million	121.8	-8.3	7.4	-26.8	-26.8	-52.5
Equity/assets ratio, %	33.9%	34.0%	37.4%	35.4%	35.4%	38.1%
Return on equity, %	10.8%	13.3%	13.5%	10.2%	47.3%	8.9%
Cash flow from currens operations, SEK million	21.2	17.2	-14.9	82.0	105.4	41.8
Number of employees, average ¹	1,108	1,241	1,128	1,309	1,230	1,349
Revenue per employee, SEK thousand	362	345	403	385	1,454	373
Share ratio						
Share price at end of period, SEK	76.0	80.9	88.1	122.0	122.0	144.0
Basic earnings per share, SEK	2.19	2.80	3.04	2.64	10.69	2.57
Diluted earnings per share, SEK	2.16	2.77	3.01	2.61	10.59	2.55
Equity per share, SEK	21.47	20.86	24.16	27.46	27.46	29.81
Cash flow from currens operations per share, SEK	2.25	1.80	-1.57	8.57	11.02	4.37
Number of shares before dilution	9,395,397	9,457,896	9,520,395	9,541,519	9,478,845	9,562,642
Number of shares after dilution	9,485,397	9,547,896	9,610,395	9,631,519	9,568,845	9,652,642
Number of outstanding shares	9,395,397	9,520,395	9,520,395	9,562,642	9,562,642	9,652,642

¹ The average number of employees includes subcontracting consultants, see page 7 for more information.

Reconciliation of alternative performance measures

Dedicare uses alternative performance measures (APMs). Dedicare's APMs are computed on financial statements prepared pursuant to applicable regulations governing financial reporting. The performance measures reviewed below are not consistent with IFRS, but intended to assist stakeholders in analysing Dedicare's earnings and financial structure.

Return on equity

SEK million	Q1 2023	Q1 2022	Q1 △	Full-year 2022
Profit for the period	24.5	20.5	4.0	101.3
Average equity	273.8	190.1	83.7	214.3
Return on equity	8.9%	10.8%	-1.9%	47.3%

Return on total capital

SEK million	Q1 2023	Q1 2022	Q1 △	Full-year 2022
Profit after financial items	31.3	25.9	5.4	130.3
Average total capital	745.2	546.8	198.4	607.3
Return on total capital	4.2%	4.7%	-0.5%	21.5%

Definitions on page 21.

Financial statements, parent company

Parent company

Overall Group Management, finance and IT management are conducted in the parent company.

Condensed Parent Company Income Statement

SEK million	note	Q1 2023	Q1 2022	Full-year 2022
Operating revenue				
Net sales		5.1	2.0	27.6
Activated work for own account		0.9	-	4.3
Other operating revenue		0.6	3.6	5.6
Total operating revenue		6.6	5.6	37.5
Operating expenses				
Purchased services		-	-0.2	0.3
Personnel expenses		-6.7	-6.4	-23.0
Other external expenses		-12.8	-9.9	-45.4
Depreciation of tangible and intangible assets		-0.5	-0.5	-1.8
Operating profit		-13.4	-11.4	-32.4
Profit from financial items				
Profit from participations in group companies		-	-	85.1
Other financial items		-6.8	1.6	-3.1
Profit after financial items		-20.2	-9.8	49.6
Appropriations		-	-	34.1
Tax on profit for the period		4.1	-	-
Profit for the period¹		-16.1	-9.8	83.7

¹ The parent company has no other comprehensive income

Condensed Parent Company Balance Sheet

SEK million	Note	31 Mar 2023	31 Mar 2022	Full-year 2022
Fixed assets				
Other fixed assets		8.0	6.2	7.6
Shares in subsidiaries		207.1	104.0	201.8
Deferred tax assets		4.1	-	-
Other financial assets		4.3	4.3	4.3
Total fixed assets		223.5	114.5	213.7
Current assets				
Other current receivables		133.0	64.3	199.4
Cash and bank		128.4	169.9	105.6
Total current assets		261.4	234.2	305.0
TOTAL ASSETS		484.9	348.7	518.7
Equity				
		184.8	133.5	200.9
Untaxed reserves				
		27.3	37.1	27.3
Long-term liabilities				
Other long-term liabilities		73.2	36.1	74.9
Total long-term liabilities		73.2	36.1	74.9
Current liabilities				
Other current liabilities		199.6	142.0	215.6
Total current liabilities		199.6	142.0	215.6
TOTAL EQUITY AND LIABILITIES		484.9	348.7	518.7

Condensed Parent Company Statement of Changes in Equity

SEK million	31 Mar 2023	31 Mar 2022	Full-year 2022
Equity at beginning of period	200.9	143.3	143.3
Profit for the period ¹	-16.1	-9.8	83.7
Transactions with shareholders			
Non-cash issue	-	-	12.1
Transaction fees	-	-	-0.1
Dividend	-	-	-38.1
Equity at end of period	184.8	133.5	200.9

¹ The parent company has no other comprehensive income

Definitions

Average equity

Average equity at quarter-end.

Average number of employees

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

Basic earnings per share

Profit for the period attributable to holders of ordinary shares of the parent company, divided by the weighted average number of outstanding ordinary shares in the period.

Cash flow from operating activities per share

Cash flow from operating activities per share divided by the average number of outstanding shares before dilution. Indicates the cash flow generated by operating activities.

Diluted earnings per share

Profit for the period after dilution attributable to holders of ordinary shares of the parent company, divided by the weighted average number of potential ordinary shares.

EBIT

(Earnings before interest and taxes)
Profit or loss before financial items and tax.

EBIT margin

EBIT divided by net sales.

EBITDA

(Earnings before interest, taxes, depreciation and amortisation)
Operating profit before financial revenue and expenses, tax, depreciation and amortisation of tangible and intangible assets, as well as impairment.

EBITDA margin

EBITDA divided by net sales.

Equity/assets ratio

Equity divided by total capital.

Equity per share

Share of equity attributable to equity holders of the parent divided by number of outstanding shares at the end of the period. Illustrates shareholders' participation in the company's total equity per share.

Net debt/net cash

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Non-recurring items

Financial effects related to major acquisitions and divestments or other major structural changes, and material non-recurring items relevant to understanding earnings for comparison between periods.

Profit after financial items

EBIT including financial revenue less financial expenses.

Profit margin

Profit after financial items divided by operating revenue.

Return on equity

Profit for the period divided by average equity.

Return on total capital

Profit after financial items plus financial expenses divided by average total capital.

Revenue per employee

Net sales divided by the average number of employees. The average number of employees is computed by dividing the total hours worked in the period by the scheduled working-hours of a full-time employee. The number of employees includes subcontracting consultants.

Calendar for financial information

14 July 2023

20 October 2023

9 February 2024

Interim Report 1 January – 30 June 2023

Interim Report 1 January – 30 September 2023

Year-end Report 1 January – 31 December 2023

Krister Widström
CEO & Managing Director

Stockholm, Sweden, 20 April 2023

This Report has been signed by the Managing Director & CEO after authorisation by the Board of Directors.

Auditor review

This Interim Report has not been subject to audit or summary review by the company's auditors.

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This information is mandatory for Dedicare AB (publ) to publish pursuant to the EU Market Abuse Regulation (MAR) and the Swedish Securities Markets Act. This information was submitted for publication through the agency of the above contact at 3 p.m. CET on 20 April 2023.