



DEDICARE

Interim report

1 January – 30 September 2018

DEDICARE

"The highest operating revenue ever, but lower margin"

PERIOD 1 JULY - 30 SEPTEMBER

- Operating revenue SEK 220.6 million (195.1)
- Operating profit SEK 14.9 million (16.4)
- Operating margin 6.8 percent (8.4)
- Profit after financial items SEK 14.9 million (16.4)
- Profit for the period SEK 11.6 million (12.5)
- Cash flow from current operations SEK 16.5 million (21.3)
- Cash flow from current operations per share SEK 1.82 (2.35)
- Earnings per share SEK 1.28 (1.38)
- Equity per share SEK 10.77 (11.15)
- Return on equity 12.6 percent (13.2)

PERIOD 1 JANUARY - 30 SEPTEMBER

- Operating revenue SEK 618.6 million (591.8)
- Operating profit 42.1 million (66.1)
- Operating margin 6.8 percent (11.2)
- Profit after financial items SEK 41.8 million (65.5)
- Profit for the period SEK 32.7 million (50.3)
- Cash flow from current operations SEK 5.7 million (63.3)
- Cash flow from current operations per share SEK 0.63 (6.99)
- Earnings per share SEK 3.61 (5.55)
- Equity per share SEK 10.77 (11.15)
- Return on equity 31.6 percent (44.4)

GROUP CEO KRISTER WIDSTRÖM'S COMMENTS

The Group's revenue during the third quarter amounted to SEK 220.6 million, which is an increase by 13.1 percent compared to the same period 2017.

Operating profit amounted to SEK 14.9 million compared to SEK 16.4 million in 2017. Compared to 2017, the operating margin decreased to 6.8 percent (8.4). The lower margins are mainly due to the lack of doctors, nurses and social workers, as well as increased competition on the market which has raised salaries and fees to our consultants.

As a step towards our overall vision to become one of the leading staffing agencies in health care and social work we have, during the quarter, established Dedicare in Finland. Initially, the focus will be on staffing of doctors in Finland, says Krister Widström, Group CEO.

Dedicare's Swedish operation has a revenue in line with the previous year in the third quarter, but the operating profit has decreased. The lower profit is partially due to an increase in competition on the market, but also due to the lack of health care personnel, which has led to increased salaries and fees to our consultants. We still see that the number of competing companies involved in public procurements has increased, which has forced us to reduce prices to customers in order to be allocated a favourable position in the tenders.

DEDICARE

During the quarter we have decided to establish Dedicare in northern Sweden. A regional manager has been employed and Dedicare will open an office in Umeå the 1st of November.

We have launched "Dedicare Chef" in Sweden, which provides hiring and recruitment of management in the health care and social work sector. The need for managers in health care and social work in Sweden is high. Large retirements are ahead of us, especially in health care, and we deem that the need for both interim solutions (hiring of managers) and managerial recruitment will increase.

Dedicare's Norwegian operation has grown by 38.8 percent in the third quarter of 2018, which to some extent depends on the strong Norwegian currency (NOK). The growth in NOK amounts to 24 percent. Our assessment is that Dedicare's growth is clearly higher than the market within staffing in health care in Norway. Profitability has increased since last year, mainly thanks to us being able to attract more consultants to our customers and therefore increased revenue.

We see that staffing market in health increases with a couple of percent in Sweden according to SKL and decreases with a couple of percent in Norway according to NHO. We see that staffing market in social work in Sweden decreases. The competition in health care and social work sector is tough which pushes our margins and makes it difficult to find enough staffing consultants to meet customer needs.

The digitalisation project we started in 2017 has resulted in a decision to change Business System for staffing in the first phase. After evaluation, phase 2 will come where the remaining part of the company will implement the system in early 2019. The aim is to increase efficiency in our staffing solutions both towards our customers and our consultants in order to increase growth and profitability.

Sustainability is a priority question. In order to promote diversity, we started cooperation with two organizations in order to help newly arrived immigrants get Swedish employment quicker. To maintain low sickness absence for our staff we have increased our wellness grant. In order to improve our internal competence development, we introduced a management forum aimed at the internal managers.

As part of ensuring continued growth, efficiency and profitability for the Group, three new Group-wide functions have been added to Dedicare. During the second quarter a CIO, a Business Development Manager and a Marketing Manager were appointed. A large part of these functions tasks are to carry on the digitalisation project and thereby strengthen the Group's growth, efficiency and profitability through improved processes and increased visibility on the market.

We have employed Eva Jonbacker as new CFO. Eva starts 7th of January 2019.

In the last interim report we mentioned the tax case which stated that staffing services in health care should be charged with VAT. We are still waiting the Swedish Tax Agency's standpoint, but our assessment is that staffing services in health care will be charged with VAT. This will negatively affect our delivery of services to private actors, but Dedicare estimates the impact on the revenue to be small since most of our business is in the public sector.

Our customer surveys show that Dedicare continues to deliver high quality to our customers. We continue to focus on being effective in our work to meet the interests of our customers and consultants, concludes Krister Widström, Group CEO of Dedicare.

FINANCIAL INFORMATION

JULY - SEPTEMBER

Revenue

The Group's revenue for the period increased by 13.1 percent to SEK 220.6 million (195.1). In Sweden the revenue increased by 1.1 percent to SEK 134.4 million (133.0). During the period the company had an increase in staffing* of doctors and nurses, but a reduced staffing of social workers. In Norway the revenue increased by 38.8 percent to SEK 86.2 million (62.1). This increase is mainly attributable to the staffing of nurses. The Norwegian revenue is positively affected by the strong Norwegian currency (NOK). The increase in revenue in NOK amounted to above 24 percent.

Profit

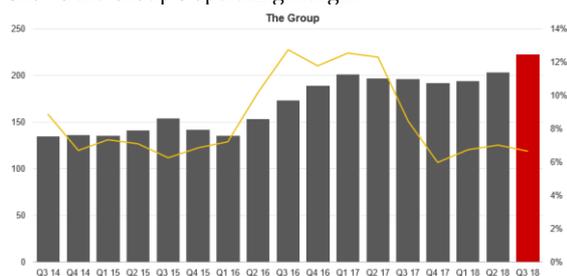
The Group's operating profit for the period amounted to SEK 14.9 million (16.4) with an operating margin of 6.8 percent (8.4). The decreased margin is partially due to the staff shortage of doctors, nurses and social workers. To attract staffing consultants we have been forced to increase salaries and fees. The higher competition on the market has also forced us to lower prices in our customer agreements.

Sweden's operating profit for the period decreased to SEK 6.2 million (8.2). The decrease in profit is due to increased competition and a staff shortage, which has led to lower margins because of higher wages and fees to our consultants. Norway's operating profit for the period increased to SEK 8.7 million (8.2). The Norwegian earnings are not to any large extent affected by the strong Norwegian currency, since most of both revenue and costs are in local currency.

Profit for the period amounted to SEK 11.6 million (12.5).

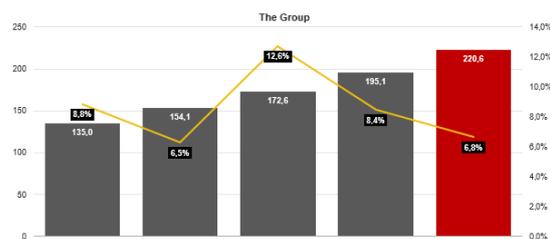
Revenue and operating margin **) per quarter 2014-2018

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



Revenue and operating margin **) for the third quarter 2014-2018

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



**) Excl. Dedicare Assistans AB and Dedicare Assistanse AS. Dedicare Assistans AB was disposed in July 2014. Revenues Q2 2014. Dedicare Assistanse AS was disposed in April 2015. Revenues Q3 2014 amounted to SEK 8.8 million.

JANUARY - SEPTEMBER

Revenue

The Group's revenue for the period increased by 4.5 percent to SEK 618.6 million (591.8). It is Dedicare's Norwegian operations that accounts for the growth. In Sweden the revenue decreased by 0.8 percent to SEK 421.3 million (424.6). Staffing Norway increased its revenue for the period by 18.0 percent to SEK 197.3 million (167.2). The Norwegian revenue is positively affected by the strong Norwegian currency (NOK). The increase in revenue in NOK amounted to almost 15 percent.

Profit

The Group's operating profit for the period amounted to SEK 42.1 million (66.1) with an operating margin of 6.8 percent (11.2). The deteriorated margin is partially due to increased salary demands, but also on pressed prices in our customer agreements. The decline in margin also depends on increased lodging costs for our consultants. An increase in the number of framework agreements, mainly for social workers, has led to the fact that we cannot re-invoice as much expenses to customers as before.

Staffing Sweden's operating profit for the period decreased to SEK 24.3 million (45.4). The decreased profit is mainly due to increased salary demands from our consultants. Staffing Norway's operating profit for the period decreased to SEK 17.8 million (20.7) mainly due to a change in customer and service mix. The Norwegian profit is not to any large extent affected by the strong NOK, since most of both revenue and costs are in local currency.

*) Staffing includes staffing of doctors, nurses, social workers and educators.

DEDICARE

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents

The Group's cash and cash equivalents per 30 September amounted to SEK 46.8 million (75.7).

The company has an overdraft facility of SEK 20 million (20.0), which had not been used at the end of this period (0).

Equity

Equity amounted to SEK 97.2 million (101.0), by the end of the period, which corresponds to 10.77 SEK (11.15) per outstanding share for the period January - September. The reduction in equity is mostly due to a decrease in profit compared to the same period the previous year.

Solidity

The solidity per 30 September amounted to 45.0 percent (45.8).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - September amounted to SEK 5.7 million (63.3). This decline is mainly due to a decrease in profit, higher tax payments and an increase in current receivables.

Investments

The Group's investments in intangible and tangible fixed assets for the period January - September amounted to SEK 3.5 million (0.1). Investments in tangible assets during the year are mainly attributed to construction work and furniture to the new offices in Stockholm and Oslo. Intangible assets primarily refers to investments in a new Business System.

EVENTS DURING THE PERIOD

In March 2018 Dedicare moved to a new head office at Ringvägen 100 in Stockholm. In June 2018 Dedicare's office in Oslo moved to new facilities.

As a step towards our overall vision to become one of the leading staffing agencies in health care and social work we have, Dedicare established i Finland during the third quarter. We have employed Tarutuuli Tepsa as Country Manager and Henna Takamaa as consultant manager. The office is located in Helsinki, and initially the focus will be on staffing of doctors in Finland.

On 7 June 2018 the Supreme Administrative Court ruled that staffing services in health care should charge VAT. During the week that followed the Swedish Tax Agency released new information that they will release a new standpoint and that these services should until further notice be considered exempt from VAT. As soon as the Swedish Tax Agency's standpoint is available Dedicare will comply with the new rules and apply VAT on invoices to customers. Dedicare has, in accordance to current agreements with customers, the right to apply VAT to our services. The new way of handling VAT will affect our private customers that do not have possibility to deduct VAT. Our customers in country councils that have possibilities for VAT deduction will not be affected. Dedicare's assessment is that effect of the new rules on the profit will be relatively small, since most of our business comes from the public sector.

Dedicare's CFO, Lia Sandström, has terminated her employment on 2 October. Lars Ericsson started 25 September as interim CFO. In September, Eva Jonbacker's appointment as new CFO was agreed. Eva will assume this position 7 January 2019.

Dedicare will open our first office in Umeå. In September, Hans Plogner was appointed Regional Manager of Northern Sweden. Hans will assume this position 1 November.

In Sweden it has been decided to reduce corporate tax as of 1 January 2019. Dedicare has analyzed the effects on such a tax cut on the deferred taxes. This has no significant effect on the financial reports, and the accounts will be corrected in the fourth quarter.

The Parliament in Norway has decided on new rules in the Working Environment Act. The new rules entail that all staffing companies staff will become permanent employees, starting 1 January 2019. The issue is currently being discussed diligently and may adversely affect Dedicare as our staff may need to be permanently employed.

EVENTS AFTER THE END OF THE PERIOD

In October, "Dedicare Chef" was launched in Sweden, which provides hiring och recruitment of management in the health care and social work sector. The need for managers in health care and social work in Sweden is

DEDICARE

high. Large retirements are ahead of us, especially in health care, and we believe that the need for both interim solutions (hiring of managers) and managerial recruitment will increase.

OTHER INFORMATION

EMPLOYEES

The average number of employees, calculated as full-time equivalents, for the period January – September amounted to 670 employees (634). In this number our sub-consultants are included, which for the period January – September amounted to 102 (80) employees.

MARKET TRENDS

There is strong, underlying growth in the health care sector. Almost one in five Swedes is currently over 65 years old, and this figure is set to rise to more than one in four by 2040, so the need for healthcare is expected to increase in the future.

SHARE-BASED INCENTIVE PROGRAMME

Dedicare has no ongoing share-based incentive programme.

RISKS AND UNCERTAINTIES

The risks that are described below are mainly the same that were described in the Annual Report for 2017 and will be updated in the Annual Report for 2018.

Political decisions

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

Dependency on customers

Dedicare has a small number of customers who together account for a high proportion of the company's total sales. The biggest customer in Sweden is Stockholm County Council, which accounted for approximately 15% (15) of Dedicare Sweden's revenue in the period January – September 2018. County Councils and municipalities often procure staffing services for all their

operations in one joint tender procedure. This is also true for the public sector in Norway, where the biggest customer is Helse Sør Öst, accounting for approximately 26 percent (30) of Dedicare Norway's total revenue for the period January - September 2018. These public tenders are strictly regulated by law. Normally a certain number of priority suppliers are selected and ranked, with framework agreements being signed. These agreements are normally for a period of two years, with the option of extending for a maximum of two additional years. If Dedicare does not win tenders with major individual customers or falls down the priority ranking, it can have a major negative impact on Group sales and profitability, at least temporarily.

Dependency on agreements

Most of Dedicare's customers are publicly financed and are therefore covered by the Swedish Public Procurement Act (LOU). This act stipulates the way that tenders are conducted and states that the bigger ones must be published throughout the EU. Public customers in both Sweden and Norway normally sign framework agreements with 3-7 suppliers for contracts lasting 2-4 years. This means that there is a risk of being excluded from important markets for a long period of time if a company does not win a procurement. Dedicare continually works on ensuring that the Group has the competence and staff required to maintain the high level of quality in the Group's tenders.

Contractual penalties

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

Dependency on people

As with all service companies, Dedicare is dependent on the employees in its operations. To reduce the dependency on key people, the

DEDICARE

company's concept and working methodology have been documented in the company's internal quality system. The company's management system is certified in accordance with ISO 9001:2008 and ISO 14001:2004.

Liability risks

Dedicare's staffing assignments involve providing its customers with the competence they request. As a result, Dedicare does not have patient liability or supervisor liability. The liability risks can change when we start to hire people in management. Hiring takes place in the customer's premises, minimising Dedicare's liability risk. To cover the remaining risks, the Group has adequate insurance cover, adapted to Dedicare's general terms and conditions.

Medical errors and criticism

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

Other risks and risk management are described in Dedicare's 2017 Annual Report.

TRANSACTIONS WITH RELATED COMPANIES

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

ABOUT DEDICARE

Dedicare is an authorised staffing company. The company is listed on Nasdaq Stockholm and operates in Sweden, Norway and Finland. Dedicare is a member of the Swedish Almega Staffing Agencies (*Almega Kompetensföretagen*) and the Association of Private Care Providers (*Vårdföretagarna*), so therefore has collective agreements. The company is quality certified in accordance with ISO 9001:2008 and its environmental work is certified in accordance with ISO 14001:2004. Dedicare has three offices in Sweden (Stockholm, Gothenburg and Örebro), as well as two offices in Norway (Trondheim and Oslo) and one office in Finland (Helsinki).

FINANCIAL GOALS:

Growth

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

Dedicare's assessment is that the company during the last year have grown faster than the market in Norway, but that Dedicare's growth in Sweden has been lower than the market growth in Sweden. In Sweden, many new staffing companies have been founded in recent years, which has contributed to increased competition.

Operating margin

Dedicare has a target of achieving an operating margin over a business cycle of more than 7.0 percent.

Rolling 4 quarters (Q4 2017 - Q3 2018)
Dedicare has an operating margin of 6.6 percent.

Solidity

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

The Solidity per 30 September 2018 amounted to 45.0 percent.

Dividend policy

Dedicare's target is for its dividend to amount to at least 50 percent of the net profit over a business cycle. In May 2018 a dividend of SEK 5 per share was paid, corresponding to SEK 45.3 million.

The dividend accounted for 75 percent of the net profit for the year 2017. After adjusting the numbers for 2017, because of reclassification of the effect of currency conversion of intragroup loans that have affected the periods result by SEK -1.1 million, the dividend amounts to 77 percent of the net profit for the year 2017.

FINANCIAL REPORTS

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating revenue	220,6	195,1	618,6	591,8	782,6
Employee benefit expenses	-143,5	-125,0	-384,7	-369,9	-490,6
Purchased services*	-45,9	-39,3	-143,8	-112,8	-154,9
Other operating expenses	-16,0	-14,1	-47,2	-42,3	-58,7
Depreciation of fixed assets	-0,3	-0,3	-0,8	-0,7	-0,9
Operating profit	14,9	16,4	42,1	66,1	77,5
Financial items	0,0	0,0	-0,3	-0,6	-0,8
Profit after financial items	14,9	16,4	41,8	65,5	76,7
Income taxes	-3,3	-3,9	-9,1	-15,2	-17,9
Profit for the period	11,6	12,5	32,7	50,3	58,8
Of which attributable to:					
Parent Company's shareholders	11,6	12,5	32,7	50,3	58,8
Other comprehensive income					
<i>Items that may be classified to profit</i>					
Currency differences	-0,6	0,1	0,6	-0,1	-0,1
Total comprehensive income for the period	11,0	12,6	33,3	50,2	58,7
Of which attributable to:					
Parent Company's shareholders	11,0	12,6	33,3	50,2	58,7
Earnings per share, SEK	1,28	1,38	3,61	5,55	6,50

*Dedicare has since 1 January 2018 started to report purchased services separately. All comparative figures in this report have been adjusted.

Adjustments have been made to the 2017 figures for the Group due to reclassification of exchange rate conversion of the intragroup loans. This has affected the profit for the period July - September 2017 with SEK 0.2 million, January - September 2017 with SEK -1.1 million and January - December 2017 with SEK -1.3 million. The adjustment has no impact on the total comprehensive income for the period.

SUMMARY CONSOLIDATED BALANCE SHEET

SEK million	2018-09-30	2017-09-30	2017-12-31
Assets			
Goodwill	6,7	6,2	6,1
Other intangible assets	0,8	0,8	0,7
Tangible assets	3,5	1,3	1,3
Deferred tax assets	0,2	0,0	0,1
Other financial assets	4,3	-	-
Current receivables	153,8	136,5	131,1
Cash and cash equivalents	46,8	75,7	93,7
Total assets	216,1	220,5	233,0
Equity and liabilities			
Equity	97,5	101,0	109,5
Untaxed reserves	10,1	6,8	10,1
Current tax debt	3,1	15,7	9,0
Current liabilities	105,4	97,0	104,4
Total equity and liabilities	216,1	220,5	233,0

DEDICARE

SUMMARY CONSOLIDATED CHANGE IN EQUITY

SEK million	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Equity at beginning of period	109,5	121,7	121,7
Profit for the period	32,7	50,3	58,8
Other comprehensive income			
<i>Items that may be reclassified to profit</i>			
Currency differences	0,6	-0,1	-0,1
Transactions with shareholders			
Paid warrants	-	1,5	1,5
Dividend	-45,3	-72,4	-72,4
Equity at end of period attributable to the parent company's shareholders	97,5	101,0	109,5

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

SEK million	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating activities					
Cash flow from operating activities before changes in working capital	13,2	14,2	27,4	58,6	64,4
Changes in working capital	3,3	7,1	-21,7	4,7	17,5
Cash flow from operating activities	16,5	21,3	5,7	63,3	81,9
Investing activities					
Acquisition of intangible and tangible assets	-0,5	0,0	-3,5	-0,1	-0,1
Cash flow from investing activities	-0,5	0,0	-3,5	-0,1	-0,1
Financing activities					
Warrants paid	-	-	-	1,5	1,5
Guaranteed deposits and securities	-	-	-4,3	-	-
Dividend paid	-	-	-45,3	-72,4	-72,4
Cash flow from financing activities	0,0	0,0	-49,6	-70,9	-70,9
Cash flow for the period	16,0	21,3	-47,4	-7,7	10,9
Cash and cash equivalents at beginning of period	30,9	54,3	93,7	83,7	83,7
Currency differences in cash and cash equivalents	-0,1	0,1	0,5	-0,3	-0,9
Cash and cash equivalents at end of period	46,8	75,7	46,8	75,7	93,7

DEDICARE

SEGMENT OVERVIEW

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

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



SEGMENT OVERVIEW

SEK million July-Sep 2018	Staffing Sweden	Staffing Norway	Total	Eliminations	Group
Operating revenue	134,4	86,2	220,6	-	220,6
Operating profit	6,2	8,7	14,9	-	14,9
Financial items	1,2	-1,0	0,2	-0,2	0,0
Profit after financial items	7,4	7,7	15,1	-0,2	14,9
Profit margin, %	4,6%	10,1%	6,8%		
Average number of employees	403	291	694		
Revenue per employee, SEK thousand	334	296	318		

SEK million July-Sep 2017	Staffing Sweden	Staffing Norway	Total	Eliminations	Group
Operating revenue	133,0	62,1	195,1	-	195,1
Operating profit	8,2	8,2	16,4	-	16,4
Financial items	-1,3	1,1	-0,2	0,2	0,0
Profit after financial items	6,9	9,3	16,2	0,2	16,4
Profit margin, %	6,2%	13,2%	8,4%		
Average number of employees	408	216	624		
Revenue per employee, SEK thousand	326	288	313		

DEDICARE

SEK million Jan-Sep 2018	Staffing Sweden	Staffing Norway	Total	Eliminations	Group
Operating revenue	421,3	197,3	618,6	-	618,6
Operating profit	24,3	17,8	42,1	-	42,1
Financial items	-9,4	6,9	-2,5	2,2	-0,3
Profit after financial items	14,9	24,7	39,6	2,2	41,8
Profit margin, %	5,8%	9,0%	6,8%		
Average number of employees	423	247	670		
Revenue per employee, SEK thousand	996	799	923		

SEK million Jan-Sep 2017	Staffing Sweden	Staffing Norway	Total	Eliminations	Group
Operating revenue	424,6	167,2	591,8	-	591,8
Operating profit	45,4	20,7	66,1	-	66,1
Financial items	4,0	-3,5	0,5	-1,1	-0,6
Profit after financial items	49,4	17,2	66,6	-1,1	65,5
Profit margin, %	10,7%	12,4%	11,2%		
Average number of employees	433	201	634		
Revenue per employee, SEK thousand	981	832	933		

SEK million Jan-Dec 2017	Staffing Sweden	Staffing Norway	Total	Eliminations	Group
Operating revenue	565,4	217,2	782,6	-	782,6
Operating profit	53,5	24,0	77,5	-	77,5
Financial items	21,9	-21,0	0,9	-1,7	-0,8
Profit after financial items	75,4	3,0	78,4	-1,7	76,7
Profit margin, %	9,5%	11,0%	9,9%		
Average number of employees	431	201	632		
Revenue per employee, SEK thousand	1 312	1 081	1 238		

All revenue in the tables above is revenue from external customers.

DEDICARE

PERFORMANCE MEASURES

	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating margin, %	6,8%	8,4%	6,8%	11,2%	9,9%
Profit margin, %	6,8%	8,4%	6,8%	11,1%	9,8%
Equity/assets ratio, %	45,0%	45,8%	45,0%	45,8%	47,0%
Equity per share, SEK	10,77	11,15	10,77	11,15	12,09
Cash flow from current operations per share	1,82	2,35	0,63	6,99	9,04
Number of annual employees, average*	694	624	670	634	632
Revenue per employee, SEK thousand	318	313	923	933	1 238
Profit per share - basic, SEK	1,28	1,38	3,61	5,55	6,50
Share price at end of period	57,2	128,8	57,2	128,8	97,0
Average number of shares	9 055 406	9 055 406	9 055 406	9 055 406	9 043 014
Number of outstanding shares	9 055 406	9 055 406	9 055 406	9 055 406	9 055 406

* The number of employees includes our sub-consultants that have chosen to invoice us, and are therefore not employed by Dedicare. During the period January – September these amounted to 102 (80) persons.

ALTERNATIVE PERFORMANCE MEASURES

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

RETURN ON EQUITY

	July-Sep 2018	July-Sep 2017	July-Sep Δ	Jan-Sep 2018	Jan-Sep 2017	Jan-Sep Δ	Jan-Dec 2017
Profit for the period	11,6	12,5	-0,9	32,7	50,3	-17,6	58,8
Average equity	91,9	94,4	-2,5	103,4	113,3	-9,9	112,5
Return on equity	12,6%	13,2%	-0,6%	31,6%	44,4%	-12,8%	52,3%

RETURN ON TOTAL CAPITAL

	July-Sep 2018	July-Sep 2017	July-Sep Δ	Jan-Sep 2018	Jan-Sep 2017	Jan-Sep Δ	Jan-Dec 2017
Profit after financial items*	14,9	16,6	-1,7	42,1	65,8	-23,7	77,2
Average total capital	210,0	212,3	-2,3	223,5	229,1	-5,6	229,9
Return on total capital	7,1%	7,8%	-0,7%	18,8%	28,7%	-9,9%	33,6%

RETURN ON CAPITAL EMPLOYED

	July-Sep 2018	July-Sep 2017	July-Sep Δ	Jan-Sep 2018	Jan-Sep 2017	Jan-Sep Δ	Jan-Dec 2017
Profit after financial items	14,9	16,6	-1,7	42,1	65,8	-23,7	77,2
Average capital employed	91,9	94,4	-2,5	103,4	113,3	-9,9	112,5
Return on capital employed	16,2%	17,6%	-1,4%	40,7%	58,1%	-17,4%	68,6%

* Profit after financial items also include financial costs for the period.

For definitions, see page 15.

DEDICARE

MODERBOLAGET

Overall Group management, financial management and IT management are carried out in the Parent Company. The Parent Company has a commissioner agreement with a Swedish subsidiary, which means that the results of the subsidiary's operations are recognized in the Parent Company. The revenue for the period January - September amounted to SEK 416.6 million (404.1) and profit after financial items amounted to SEK 14.0 million (48.8).

PARENT COMPANY'S SUMMARY STATEMENT OF COMPREHENSIVE INCOME

SEK million	July-Sep 2018	July-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating revenue	134,0	125,5	416,6	404,1	537,9
Employee benefit expenses	-78,4	-77,7	-236,9	-243,4	-321,9
Purchased services*	-42,1	-33,2	-134,1	-96,2	-138,1
Other operating expenses	-7,0	-6,8	-21,5	-19,3	-24,2
Depreciation of fixed assets	-0,3	-0,2	-0,7	-0,5	-0,7
Operating profit	6,2	7,6	23,4	44,7	53,0
Profit from participations in Group companies	-	-	-	-	15,5
Other financial items	1,4	-1,2	-9,4	4,1	5,8
Profit after financial items	7,6	6,4	14,0	48,8	74,3
Appropriations	-	-	-	-	-16,5
Income taxes	-1,7	-1,4	-3,1	-10,8	-9,5
Profit for the period	5,9	5,0	10,9	38,0	48,2
Other comprehensive income					
<i>Items that may be classified to the profit</i>					
Currency differences	0,0	0,0	0,1	0,0	0,0
Total comprehensive income for the period	5,9	5,0	11,0	38,0	48,2

* Dedicare has since 1 January 2018 started to report purchased services separately. All comparative figures in this report have been adjusted.

PARENT COMPANY'S SUMMARY BALANCE SHEET

SEK million	2018-09-30	2017-09-30	2017-12-31
Assets			
Shares in subsidiaries	19,7	19,6	19,6
Tangible assets	3,8	1,7	1,5
Deferred tax assets	0,1	0,0	0,1
Other financial assets	4,3	-	-
Current receivables	98,2	90,8	91,6
Cash and cash equivalents	39,6	79,4	88,2
Total assets	165,7	191,5	201,0
Equity and liabilities			
Equity	30,6	54,7	64,9
Untaxed reserves	45,0	30,5	45,0
Current liabilities	90,1	106,3	91,1
Total equity and liabilities	165,7	191,5	201,0

DEDICARE

PARENT COMPANY'S SUMMARY CHANGE IN EQUITY

SEK million	Jan-Sep 2018	Jan-Sep 2017
Equity at beginning of period	64,9	87,6
Profit for the period	10,9	38,0
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences	0,1	0,0
Transactions with owners		
Paid Warrants	-	1,5
Dividend	-45,3	-72,4
Equity at end of period	30,6	54,7

ACCOUNTING PRINCIPLES

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

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

The accounting principles and calculation methods applied for the Group and the Parent Company are the same as the accounting principles and calculation methods used when preparing the most recent Annual Report, except for IFRS 9 and IFRS 15.

IFRS 15 Revenue from agreements with customers and IFRS 9 Financial instruments are applied from 1 January 2018. IFRS 15 replaced existing principles related to revenue recognition. We have identified possible differences between the previous accounting policies and IFRS 15. Based on what has been achieved, follow-ups and analyses have been conducted based on the five-step model in IFRS 15. Dedicare reports an income in the manner that reflects the transfer of the promised service to the customer, to the amount that the company expects to receive in return for the service. When hiring staff, this happens over time, and in case of recruitment it happens at a certain time. An income is reported when the customer receives control of

the service. The change from risk transition to transfer of control does not entail any change in time of revenue recognition. The amount that Dedicare reports as income is the amount that the company expects to receive in exchange for the service and this means that administrative fees to customers are reported as a reduced revenue instead of a cost. The new principle has affected the operating revenue during the period January – September 2018 by SEK -0.9 million (-2.0) and operating profit by SEK 0 million (0). All comparative figures in this report are adjusted to the new principle. Comparative figures are adjusted. No other effects have been noted during the transition.

IFRS 9 Financial instruments is applied from 1 January 2018. An analysis has been made from historical level of losses. No significant effects has been identified that has impact on the financial reporting. No adjustments has been made on the opening balances 1 January 2018. The new model for write-downs has not affected the periods numbers.

New IFRS and interpretations that has yet to be applied is IFRS 16 Lease contracts. IFRS 16 introduces a "right of use model" and implies for the lessee that substantially all leases are to be reported in the balance sheet. Classification in operational and financial leasing agreements should therefore not be made. Exempted are leasing agreements with a lease term of 12 months or less, as well as leases that amount to smaller values. In the profit and loss statement the depreciation of the asset and interest expenses on the liability is reported. The standard contains more extensive

DEDICARE

disclosure requirements compared to the current standard. IFRS 16 is applicable for financial years beginning 1 January 2019, with prior application allowed, provided that IFRS 15 is applied simultaneously. The company's management team will during 2018 assess the effects of the transition to IFRS 16. Mapping of the Group's lease is ongoing.

DEFINITIONS

Revenue per employee

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

Number of employees, average

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

Return on equity

Profit for the period divided by average equity.

Return on capital employed

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

Return on total capital

Profit after financial items plus financial costs as a percentage of the average total capital.

Profit per share - basic

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

Operating margin

Operating profit as a percentage of operating revenue.

Solidity

Equity including minority interests as a percentage of total capital.

Profit margin

Profit after financial items as a percentage of operating revenue.

DEDICARE

CALENDAR FOR FINANCIAL INFORMATION

7 February 2019	Year-end report 2018
25 April 2019	Interim Report January - March 2019
17 July 2019	Interim Report April - June 2019
24 October 2019	Interim Report July- September 2019
7 February 2020	Year-end report 2019

DECLARATION AND CERTIFICATION

The Board of Directors and CEO hereby certify that this interim report provides a true and fair view of the operations, financial position and financial performance of the Parent Company and the Group, and describes the material risks and uncertainties that the Parent Company and the Group companies face.

Stockholm, 24 October 2018

Björn Örås
Chairman of the Board

Kristian Faeste

Anna-Stina Nordmark Nilsson

Anna Lefevre Skjöldebrand

Dag Sundström

Krister Widström
Group President and CEO

This report has been audited by the company's auditors, Grant Thornton Sweden AB.

For more information, please contact:

Krister Widström, Group President and CEO, tel +46(0)8-555 656 07

Lars Ericsson, interim CFO, tel +46(0)70-549 76 44

Dedicare AB (publ)

Corporate identity number: 556516-1501

Ringvägen 100, entrance E, 10 fl.

SE-118 60 Stockholm, Sweden

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

F: +46(0)8-555 656 45

www.dedicare.se