



DEDICARE

Year-end report

1 January - 31 December 2018

”Increased revenue, with lower margin”

PERIOD 1 OCTOBER – 31 DECEMBER 2018

- Operating revenue increased to SEK 193.4 million (190.8)
- Operating profit amounted to SEK 8.2 million (11.4)
- Operating margin 4.3 percent (5.9)
- Profit after financial items SEK 8.0 million (11.2)
- Profit for the period amounted to 5.6 million (8.5)
- Cash flow from current operations SEK 12.9 million (18.8)
- Cash flow from current operations per share SEK 1.42 (2.08)
- Earnings per share SEK 0.62 (0.94)
- Equity per share SEK 11.30 (12.09)
- Return on equity amounted to 6.1 percent (8.3)

PERIOD 1 JANUARY – 31 DECEMBER 2018

- Operating revenue increased to SEK 812 million (782.6)
 - Operating profit amounted to SEK 50.2 million (77.5)
 - Operating margin 6.2 percent (9.9)
 - Profit after financial items SEK 49.7 million (76.7)
 - Profit for the period amounted to SEK 38.2 million (58.8)
 - Cash flow from current operations SEK 18.6 million (81.9)
 - Cash flow from current operations per share SEK 2.05 (9.04)
 - Earnings per share SEK 4.22 (6.50)
 - Equity per share SEK 11.30 (12.09)
 - Return on equity amounted to 37.0 percent (53.4)
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THE GROUP CEO'S COMMENTS ON YEAR 2018

The Group's revenue for 2018 amounted to SEK 812 million, which is a growth of 4 percent compared to 2017. The increase is in the Norwegian operations, which contributes SEK 259 million.

Operation revenue amounted to SEK 50 million compared to SEK 78 million in year 2017. Cash flow is less than the previous year, but the group has a continued strong financial position.

The operating margin is lower compared to year 2017 and amounted to 6.2 percent (9.9). The decreased operating margin depends partly on increased salary for our consultants (nurses and doctors) and partly because the market for social workers has changed gradually during the year through reduced demand. Continued price pressure prevails.

The Group's revenue during the fourth quarter amounted to SEK 193 million, which is an increase by 1 percent compared to the same period 2017. Operating profit amounted to SEK 8 million compared to SEK 11 million in 2017.

According to the Swedish Association of Local Authorities and Regions (SALAR) the Swedish staffing market in health care has grown by a few percent. We can also see that staffing in social work is decreasing. Swedish Almega Competence Agencies (*Kompetensföretagen Almega*) estimate that barely half of the health care staffing market in Sweden is conducted by authorised companies. Dedicare is an authorised health care staffing company, which among other things, means that the company is entitled to make pension provisions in accordance to collective agreements. Companies that aren't authorised are not entitled to follow collective agreements. These companies can, if they wish to, choose to offer their employees higher salaries without pension provisions. This also gives them the possibility to give customers lower prices, which increases the competition.

The Confederation of Norwegian Enterprise's (NHO) assessment is that the Norwegian health care staffing market is declining a few percent, but that our business in Norway is growing and we have taken market shares, which is very positive. The growth is 13 percent and has been increasing during the last six months.

Important success factors for Dedicare is our competent co-workers and our digital processes. The digitalisation that is going on internally gives us continued possibilities to simplify for our customers and our consultants, which increases our efficiency and thus our competitiveness. During 2018 we have started working in a new modern ERP, which is fully implemented in the Group Dedicare since 1 February 2019.

During 2018 the Swedish Tax Agency has announced its standpoint that staffing services in health care should be subject to VAT. The Swedish Tax Agency bases its position on the judgment of the Supreme Administrative Court earlier this year. The new VAT management will have an effect on our private customers who do not have the right to deduct VAT. County council customers who have a right to deduct VAT will not be affected. Dedicare believes that the effect of the new rules on the results will be relatively small, since most of our business comes from the public sector.

Dedicare's overall vision is to become one of Europe's leading staffing agency in health care and social work. We have established Dedicare in Finland, where we will focus initially on staffing of doctors in Finland and staffing of health care personnel from Finland in the other Nordic countries. In February 2019 we have also established Dedicare in Denmark. Initial focus here will be staffing of nurses in Denmark and staffing of health care personnel in the other Nordic countries. We look with confidence in the development of our new markets in 2019.

I am proud of our co-workers that during 2018 has worked at hospitals, health centres, social services and taken care of patients and citizens. You contribute with your professional skills so that operations can be performed, the health care queues are shortened, and people get the social service they need. You contribute to a more equal health care and social service in society, thank you!

FINANCIAL INFORMATION

OCTOBER-DECEMBER 2018

Revenue

The Group's revenue for the period increased by 1.3 percent to SEK 193.4 million (190.8). In Sweden the revenue decreased for the period by 6.6 percent to SEK 131.6 million (140.9). During the quarter the company had an increase in staffing* of nurses but saw a decline in the staffing of doctors and social workers. In Norway the revenue for the period increased by 22.6 percent to SEK 61.9 million (50.5). The increase is mainly attributable to staffing of nurses. The Norwegian revenue has been positively affected by the strong Norwegian currency (NOK). The increase in revenue in NOK amounted to almost 16 percent.

Profit

The Group's operating profit for the period amounted to SEK 8.2 million (11.4) with an operating margin of 4.3 percent (5.9). The deteriorated margin is partially due to the staff shortage which has led to an increase in salaries, and due to an increase in competition that have resulted in lower prices to customers. This applies primarily to Sweden.

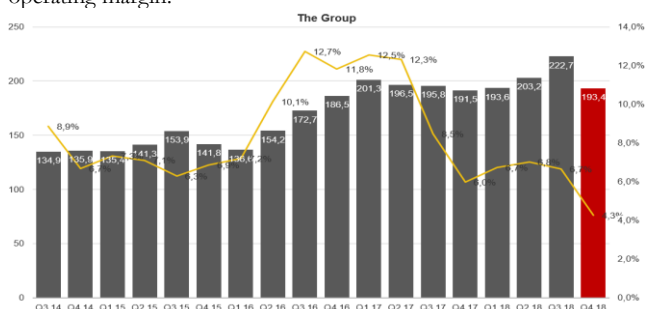
During the quarter Dedicare has taken establishment costs by the establishment of operations in Finland and opening an office in Umeå (north of Sweden).

Staffing Sweden's operating profit for the period decreased to SEK 3.6 million (8.2). The deteriorated profit is mainly due to an increase in competition and a shortage of staffing consultants, which has led to lower margins because of higher salaries and fees to our consultants. Staffing Norway's operating profit for the period increased to SEK 4.5 million (3.2). 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 5.6 million (8.5).

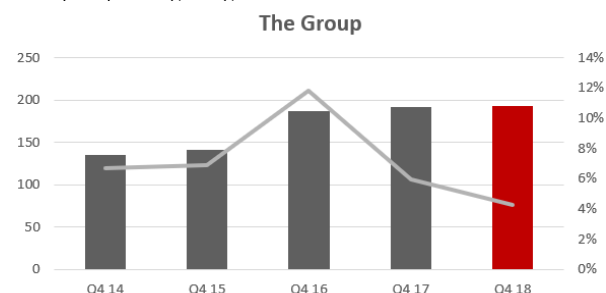
Revenue and operating margin per quarter 2014-2018

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



Revenue and operating margin for the fourth quarter 2014-2018

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



JANUARY – DECEMBER 2018

Revenue

The Group's revenue for the period increased by 3.8 percent to SEK 812.0 million (782.6). Dedicare's Norwegian operations accounts for the growth. In Sweden the revenue decreased by 2.2 percent to SEK 552.9 million (565.4). Staffing Norway increased its revenue for the period with 19.3 percent to SEK 259.2 million (217.2). Den Norwegian revenue has been positively affected by the strong Norwegian currency (NOK). The increase in revenue in NOK amounted to almost 13 percent.

Profit

The Group's operating profit for the period amounted to SEK 50.2 million (77.5) with an operating margin of 6.2 percent (9.9). The deteriorated operating margin is partially due to higher salaries but also due to pressed prices in our customer agreements. The market for social workers has changed gradually during the year. The number of framework agreements has increased and the demand for staffing of social workers has diminished.

Staffing Sweden's operating profit for the period has decreased to SEK 27.9 million (53.5). The deteriorated profit is mainly due to increased salary demands from our consultants (nurses/doctors) and a lessened demand for social workers.

Staffing Norway's operating profit for the period decreased to SEK 22.3 million (24.0) mainly due to a changed customer and service mix. The Norwegian earnings are not to any large extent affected by the strong NOK, since most of the revenue and costs are in local currency.

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

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents

The Group's cash and cash equivalents per 31 December amounted to SEK 58.2 million (93.7).

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 at the end of the period amounted to SEK 102.4 million (109.5), which is the equivalent of SEK 11.30 (12.09) per outstanding share for the period January - December. The reduction in equity is mostly due to a decrease in profit compared to the same period the previous year.

Solidity

The solidity per 31 December amounted to 47.3 percent (47.0).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - December amounted to SEK 18.6 million (81.9). The reduced cash flow is mainly due to the decrease in profit, higher tax payments and increased accounts receivables compared to the same period last year.

Investments

The Group's investments in intangible and tangible fixed assets for the period January - December amounted to SEK 4.6 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 refer to investments in a new ERP.

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 part of ensuring the continued growth, efficiency and profitability of the Group, three new Group-wide functions have been established in Dedicare. During the second quarter a CIO, a Business Development Manager and a Marketing Manager were appointed. A large part of these functions tasks is 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.

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 in 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.

The 25 October 2018 the Swedish Tax Agency has announced its standpoint that staffing services in health care should be subject to VAT. The Swedish Tax Agency bases its position on the judgment of the Supreme Administrative Court from 7 June 2018. The new VAT rule will enter into force 1 July 2019. The new VAT management will have an effect on our private customers who do not have the right to deduct VAT. County council customers who have a right to deduct VAT will not be affected. Dedicare believes that the effect of the new rules on the results 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. In September, Eva Jonbacker's appointment as new CFO was agreed. Eva assumed this position 7 January 2019.

During the fourth quarter Dedicare opened a new office in Umeå. Responsible for the business is Hans Plogner as business manager for Northern Sweden (Norrland).

In Sweden it has been decided to reduce corporate tax as of 1 January 2019. Dedicare has analysed the effects on such a tax cut on the deferred taxes. This has no significant effect on the financial reports.

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.

In October, "Dedicare Chef" was launched 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 believe that the need for both interim solutions (hiring of managers) and managerial recruitment will increase.

EVENTS AFTER THE END OF THE PERIOD

Establishment of Dedicare in Denmark. We have recruited Eva Juhl as Country Manager, initially focusing on staffing nurses in Denmark.

OTHER INFORMATION

EMPLOYEES

The average number of employees, calculated as full-time equivalents, for the period January - December amounted to 658 employees (632). In this number our sub-consultants are included, which for the period January – December amounted to 99 (91) 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.

SUSTAINABILITY

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.

RISKS AND UNCERTAINTIES

The risks that are described below are mainly the same that were described in the Annual Report for 2017.

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 14 percent (15) of Dedicare Sweden's revenue in the period January – December 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 23 percent (26) of Dedicare Norway's total revenue for the period January – December 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 fulfil an agreement. If Dedicare is not able to fulfil the assignments that the company has undertaken for any reason, there is a risk that the customers will exercise their right to financial compensation or to terminate a contract early.

Dependency on people

As with all service companies, Dedicare is dependent on the employees in its operations. To reduce the dependency on key people, the company's concept and working methodology have been documented in the company's internal quality system. The company's management system is certified in accordance with ISO 9001:2008 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 - December.

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 four offices in Sweden (Stockholm, Gothenburg, Umeå 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.

2018 Dedicare has an operating margin of 6.2 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 31 December 2018 amounted to 47.3 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.

FINANCIAL REPORTS

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2018	2017	2018	2017
Operating revenue	193,4	190,8	812,0	782,6
Employee benefit expenses	-120,3	-120,7	-505,0	-490,6
Purchased services*	-46,9	-42,2	-190,7	-154,9
Other operating expenses	-17,7	-16,3	-64,9	-58,7
Depreciation of fixed assets	-0,4	-0,2	-1,2	-0,9
Operating profit	8,2	11,4	50,2	77,5
Financial items	-0,2	-0,2	-0,5	-0,8
Profit after financial items	8,0	11,2	49,7	76,7
Income taxes	-2,4	-2,7	-11,5	-17,9
Profit for the period	5,6	8,5	38,2	58,8
Of which attributable to:				
Parent Company's shareholders	5,6	8,5	38,2	58,8
Other comprehensive income				
<i>Items that may be classified to profit</i>				
Currency differences	-0,6	0,0	0,0	-0,1
Total comprehensive income for the period	5,0	8,5	38,2	58,7
Of which attributable to:				
Parent Company's shareholders	5,0	8,5	38,2	58,7
Earnings per share, SEK	0,62	0,94	4,22	6,50

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

SUMMARY CONSOLIDATED BALANCE SHEET

SEK million	2018-12-31	2017-12-31
Assets		
Goodwill	6,2	6,1
Other intangible assets	1,8	0,7
Other fixed assets	3,5	1,3
Deferred tax assets	0,0	0,1
Other financial assets	4,3	0,0
Current receivables	141,8	131,1
Cash and cash equivalents	58,2	93,7
Total assets	215,8	233,0
Equity and liabilities		
Equity	102,4	109,5
Untaxed reserves	10,9	10,1
Current tax debt	5,5	9,0
Current liabilities	97,0	104,4
Summa eget kapital och skulder	215,8	233,0

SUMMARY CONSOLIDATED CHANGE IN EQUITY

SEK million	Jan-Dec 2018	Jan-Dec 2017
Equity at beginning of period	109,5	121,7
Profit for the period	38,2	58,8
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences		-0,1
Transactions with shareholders		
Paid warrants	-	1,5
Dividend	-45,3	-72,4
Equity at end of period	102,4	109,5

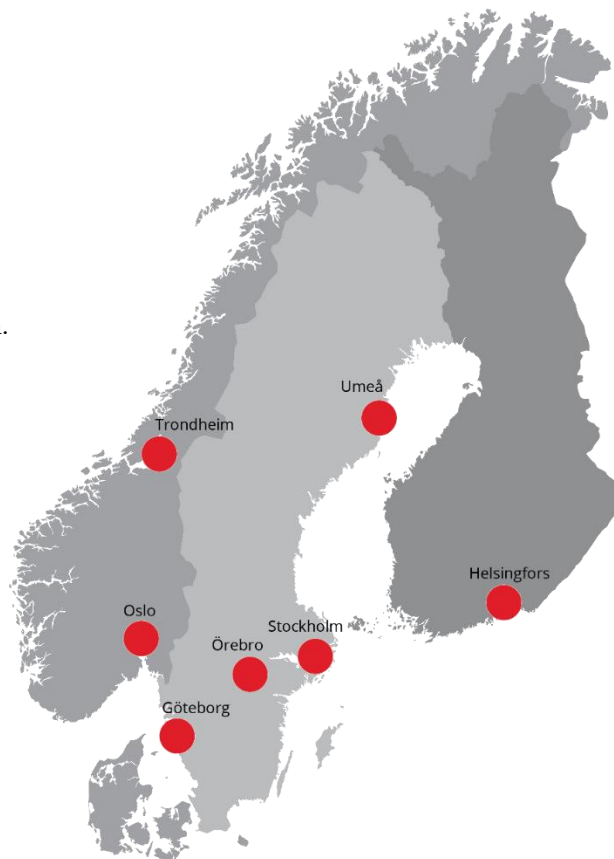
SUMMARY CONSOLIDATED CASH FLOW STATEMENT

SEK million	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
<i>Operating activities</i>				
Cash flow from operating activities before changes in working capital	9,4	6,0	36,8	64,4
Changes in working capital	3,5	12,8	-18,2	17,5
Cash flow from operating activities	12,9	18,8	18,6	81,9
<i>Investing activities</i>				
Acquisition of property, plant and equipment	-1,1	0,0	-4,6	-0,1
Cash flow from investing activities	-1,1	0,0	-4,6	-0,1
<i>Financing activities</i>				
Warrants paid	-	-	-	1,5
Guaranteed deposits and securities	-	-	-4,3	-
Dividend paid	0,0	-	-45,3	-72,4
Cash flow from financing activities	0,0	0,0	-49,6	-70,9
Cash flow for the period	11,8	18,8	-35,6	10,9
Cash and cash equivalents at beginning of period	46,8	75,7	93,7	83,7
Currency differences in cash and cash equivalents	-0,4	-0,8	0,1	-0,9
Cash and cash equivalents at end of period	58,2	93,7	58,2	93,7

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.



STAFFING SWEDEN

SEK million	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating revenue	131,6	140,9	552,9	565,4
Operating profit	3,6	8,2	27,9	53,5
Financial items	24,8	17,9	15,4	21,9
Profit after financial items	28,3	26,1	43,2	75,4
Profit margin, %	3%	5,8%	5,0%	9,5%
Average number of employees	364	433	395	418
Revenue per employee, SEK thousand	361	325	1 400	1 353

STAFFING NORWAY

SEK million	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating revenue	61,9	50,5	259,2	217,2
Operating profit	4,5	3,2	22,3	24,0
Financial items	-22,7	-17,5	-15,8	-21,0
Profit after financial items	-18,3	-14,3	6,5	3,0
Profit margin, %	7,2%	6,3%	8,6%	11,0%
Average number of employees	237	182	245	181
Revenue per employee, SEK thousand	261	277	1 058	1 200

*Costs incurred in connection to the establishment in Finland are included in Staffing Sweden

PERFORMANCE MEASURES

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating margin, %	4,3%	5,9%	6,2%	9,9%
Profit margin, %	4,2%	5,9%	6,1%	9,8%
Equity/assets ratio, %	47,3%	47,0%	47,3%	47,0%
Equity per share, SEK	11,30	12,09	11,30	12,09
Cash flow from current operations per share	1,42	2,08	2,05	9,04
Number of annual employees, average*	620	628	658	632
Revenue per employee, SEK thousand	312	304	1235	1238
Profit per share - basic, SEK	0,62	0,94	4,22	6,50
Share price at end of period	51,0	97,0	51,0	97,0
Average number of shares	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

* 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 - December these amounted to 99 (91) 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 analyse results and the financial structure.

RETURN ON EQUITY

	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec Δ	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec Δ
Profit for the period	5,6	8,7	-3,1	38,2	60,1	-21,9
Average equity	91,9	104,9	-13,0	103,4	112,5	-9,1
Return on equity	6,1%	8,3%	-2,1%	37,0%	53,4%	-16,4%

RETURN ON TOTAL CAPITAL

	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec Δ	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec Δ
Profit after financial items*	8,1	11,5	-3,4	50,0	78,5	-28,5
Average total capital	210,0	226,8	-16,8	223,5	229,9	-6,4
Return on total capital	3,9%	5,1%	-1,2%	22,4%	34,1%	-11,8%

RETURN ON CAPITAL EMPLOYED

	Oct-Dec 2018	Oct-Dec 2017	Oct-Dec Δ	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec Δ
Profit after financial items	8,1	11,5	-3,4	50,0	78,5	-28,5
Average capital employed	91,9	104,9	-13,0	103,4	112,5	-9,1
Return on capital employed	8,8%	11,0%	-2,2%	48,4%	58,1%	-9,7%

* Profit after financial items also include financial costs for the period. *For definitions, see page 16.*

THE PARENT COMPANY

Overall Group management, financial management and IT management are carried out in the Parent Company. The Parent Company has a commissioner agreement with a Swedish subsidiary, which means that the results of the subsidiary's operations are recognized in the Parent Company. The revenue for the period January - December amounted to SEK 548.2 million (537.9) and profit after financial items amounted to SEK 41.7 million (74.3).

PARENT COMPANY'S SUMMARY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating revenue	131,6	133,7	548,2	537,9
Employee benefit expenses	-74,4	-78,5	-311,3	-321,9
Purchased services*	-44,4	-41,8	-178,5	-138,1
Other operating expenses	-8,4	-4,9	-29,9	-24,2
Depreciation of fixed assets	-0,3	-0,2	-1,0	-0,7
Operating profit	4,1	8,3	27,5	53,0
Profit from participations in Group companies	17,4	15,5	17,4	15,5
Other financial items	6,2	1,7	-3,2	5,8
Profit after financial items	27,7	25,5	41,7	74,3
Appropriations	-4,6	-16,5	-4,6	-16,5
Income taxes	-1,5	1,3	-4,6	-9,5
Profit for the period	21,6	10,2	32,6	48,2
Other comprehensive income				
<i>Items that may be classified to the profit</i>				
Currency differences	0,0	0,0	0,0	0,0
Total comprehensive income for the period	21,6	10,2	32,6	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	2018-12-31	2017-12-31
Assets		
Shares in subsidiaries	21,0	19,6
Other fixed assets	4,7	1,5
Deferred tax assets	0,0	0,1
Other financial assets	4,3	-
Current receivables	95,3	91,6
Cash and cash equivalents	51,9	88,2
Total assets	177,2	201,0
Equity and liabilities		
Equity	52,2	64,9
Untaxed reserves	49,6	45,0
Current liabilities	75,4	91,1
Total equity and liabilities	177,2	201,0

PARENT COMPANY'S SUMMARY CHANGE IN EQUITY

SEK million	Jan-Dec 2018	Jan-Dec 2017
Equity at beginning of period	64,9	87,6
Profit for the period	32,6	48,2
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences		0,0
Transactions with owners		
Paid Warrants	-	1,5
Dividend	-45,3	-72,4
Equity at end of period	52,2	64,9

ACCOUNTING PRINCIPLES

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

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

The accounting principles and calculation methods applied for the Group and the Parent Company are the same as the accounting principles and calculation methods used when preparing the most recent Annual Report, 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 – December 2018 by SEK -0.5 million (-0.5) 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 have been identified that has impact on the financial reporting. No adjustments have 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 as usufruct and lease liability. Depreciation of the asset and interest expenses on the liability are reported in the income statement. The Group has chosen to apply the exemption from accounting in the balance sheet for leasing agreements with a lease term of 12 months or less and leasing agreements for which the underlying asset has a low value. The Group will start applying IFRS 16 from 1 January 2019 and has chosen to apply the partial retroactive method at the transition.

According to this approach, the cumulative effect of the initial application of IFRS 16 is recognized as an adjustment to the opening balance of retained earnings on the first application date. Comparative information is not recalculated.

Our initial assessment of the effects of the first application of IFRS 16, as a lessee, is that the Group's financial position at the beginning of January 2019 is affected as follows:

- The Group's assets and liabilities are expected to increase by SEK 19 million.
- The solidity is expected to decrease by 3.9 percent, from 47.4 percent to 43.5 percent per the first application date.

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-consultants.

Number of employees, average

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

Return on equity

Profit for the period divided by average equity.

Return on 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.

DIVIDEND 2019

The Board of Dedicare has proposed a dividend of SEK 4.00 per share (5.00), which corresponds to SEK 36.2 million (45.3). The Group's dividend policy is that the annual dividend should amount to at least 50 percent of net profit during a business cycle. The proposed dividend corresponds to 95 percent of the net profit for the year, and is motivated by the Group's strong financial position and the belief in the future development. Dedicare's equity ratio amounts to 37 percent.

AGM AND CALENDAR FOR FINANCIAL INFORMATION

The Annual General Meeting will be held 25 April 2019 at 16.00 at the corporate headquarters in Stockholm. The annual report for 2018 is expected to be published on 22 March 2019 and will be available on the company's website www.dedicare.se

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 Group companies face.

Stockholm, 7 February 2019

Björn Örås
Chairman of the Board

Kristian Faeste

Anna-Stina Nordmark Nilsson

Anna Lefevre Skjöldebran

Dag Sundström

Krister Widström
Group President and CEO

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

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