



DEDICARE

Interim report

1 January – 30 June 2019

"Still under pressure, but good developement in Norway"

PERIOD 1 APRIL – 30 JUNE

- Operating revenue SEK 195.5 million (204.6)
- Operating profit SEK 12.1 million (14.3)
- Operating margin SEK 6.2 percent (7.0)
- Profit after financial items SEK 11.9 million (14.1)
- Profit for the period SEK 10.1 million (11.0)
- Cash flow from current operations SEK -4.3 million (-6.7)
- Cash flow from current operations per share SEK -0.47 (-0.74)
- Earnings per share SEK 1.12 (1.22)
- Equity per share SEK 9.04 (9.56)
- Return on equity SEK 11.4 (10.7)

PERIOD 1 JANUARY – 30 JUNE

- Operating revenue SEK 379.7 million (398.0)
- Operating profit SEK 17.4 million (27.2)
- Operating margin 4.6 percent (6.8)
- Profit after financial items SEK 16.9 million (26.9)
- Profit for the period SEK 14.0 million (21.1)
- Cash flow from current operations SEK 12.5 million (-10.7)
- Cash flow from current operations per share SEK 1.38 (-1.18)
- Earnings per share SEK 1.55 (2.33)
- Equity per share SEK 9.04 (9.56)
- Return on equity SEK 15.1 (20.1)

GROUP CEO KRISTER WIDSTRÖM'S COMMENTS

The Groups revenue during the second quarter amounted to SEK 195.5 million, which is a decrease by 4.4 percent compared to the same period 2018. The operating revenue amounted to SEK 12.1 million compared to 14.3 million in 2018. The operating margin deteriorated and amounted to 6.2 percent (7.0).

The lower revenue and decreased profit is attributed to the Swedish operations. This is the same trend we have seen in recent quarters, caused partly by increased salaries and fees to our consultants (nurses/ doctors) and partly because of the decrease in the market for social workers.

Operations in Norway are developing very well with growth both in revenue and profit. The increased profit depends on that we have been able to employ more staffing consultant (doctors/ nurses/educators), and also increased sales to existing and new customers.

During the period we have signed a new agreement with all hospitals in Norway, an agreement that is valid for four years. Dedicare has during the last four years been Norway's largest supplier of health care consultants for the Norwegian hospitals.

Our new markets, Finland and Denmark, have generated their first income of SEK 0.4 million and reduced profit for the Group by SEK 1.1 million.

During the period we launched a new website, which means that we now have a Nordic totality with four websites. On all websites, consultants can view all vacancies throughout the Nordic region. A big step to consolidate our position as the Nordic region's leading staffing company in health and social work.

FINANCIAL INFORMATION

APRIL - JUNE 2019

Revenue

The Group's revenue for the period decreased by 4.4 percent to SEK 195.5 million (204.6). In Sweden the revenue for the period decreased by 14.1 percent to SEK 122.6 million (142.8). During the quarter the company had an increase in staffing of nurses, but a decrease in staffing of doctors and social workers. In Norway the revenue increased for the period with by 17.3 percent to 72.5 million (61.8). The increase is attributed to doctors, nurses and educators.

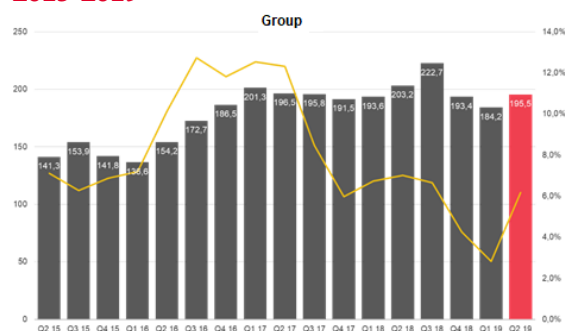
Profit

The Group's operating profit for the period amounted to SEK 12.1 million (14.3) with a operating margin of 6.2 percent (7.0). The deteriorated margin is mostly attributed to the Swedish market. Dedicare has during the period taken costs for establishing operations in Finland and Denmark.

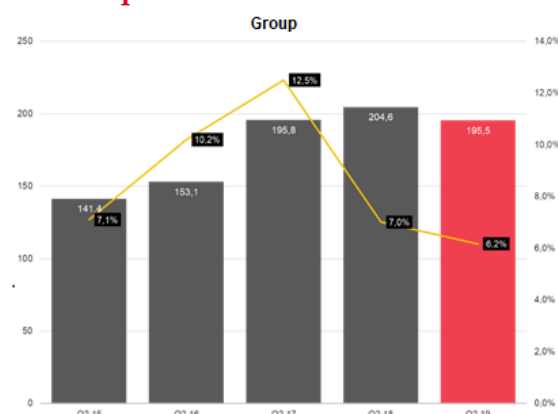
Staffing Sweden's operating profit for the period decreased to SEK 3.9 million (8.1). The decrease in profit depends on increased competition and the lack of staffing consultants, i.e. doctors, nurses and social workers. This has led to lower margins because of higher salaries and fees to our consultants. The increased competition on the market has also led to pressed prices in customer agreements. Staffing Norway's operating profit for the period increased to SEK 9.3 million (6.2). The improved profit is thanks to the company being able to employ more staffing consultants, i.e. doctors, nurses and educators, and increased sales to both existing and new customers.

The periods profit amounted to SEK 10.1 SEK (11.0).

Revenue and operating margin per quarter 2015-2019



Revenue and operating margin for the second quarter 2015-2019



JANUARY - JUNE 2019

Revenue

The Group's revenue for the period decreased by 4.6 percent to SEK 379.7 million (398.0). It is Dedicare's Norwegian business that is responsible for the growth. In Sweden the revenue decreased by 14.7 percent to SEK 244.8 million (287.0). Staffing Norway increased revenue for the period by 21.2 percent to SEK 134.5 million (111.0).

Profit

The Group's operating profit for the period amounted to SEK 17.4 million (27.2) with a operating margin of 4.6 percent (6.8). The deteriorated operating margin depends partly on increased salaries but also on pressed prices in customer agreements.

Staffing Sweden's operating profit for the period decreased to SEK 5.5 million (18.1). The lower profit depends mainly on increased salaries and fees to our consultants. Staffing Norway's operating profit increased for the period to SEK 13.9 million (9.1), mainly thanks to a change in customer and service mix.

FINANCIAL POSITION AND LIQUIDITY

Liquidity

The Group's liquidity per 30 June amounted to SEK 32.3 million (30.9).

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

DEDICARE

Equity

The equity at the end of the period amounted to SEK 81.8 million (86.5), which is the equivalent of 9.0 SEK (9.6) per outstanding share for the period January – June. The decrease in equity depends on a deteriorated profit compared to the same period the previous year.

Solidity

Solidity per 30 June amounted to 47.5 percent (42.4).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - June to SEK 12.5 million (-10.7). The increase is partly due to a growth in receivables, but also an increase in current liabilities.

Investments

The Group's investments in intangible and tangible fixed assets for the period January – June amounted to SEK 0.2 million (3.0). Intangible assets primarily refer to investments in a new ERP.

EVENTS DURING THE PERIOD

During the period Dedicare has signed a new agreement with all hospitals in Norway, which is valid for four years. Dedicare has during the last four years been Norway's biggest supplier of health care consultants to the Norwegian hospitals.

During the period we launched a new website, which means that we now have a Nordic totality with four websites. On all websites, consultants can view all vacancies throughout the Nordic region. A big step to consolidate our position as the Nordic region's leading staffing company in health and social work.

At the Annual General Meeting the 25 April Eva-Britt Gustafsson was elected as new member of Dedicare's board. Resigning board members were Kristian Faeste and Anna-Stina Nordmark Nilsson.

The company's CFO, Eva Jonbacker, ended her employment 5 April. The company's business manager Jenny Pizzignacco takes over as interim CFO until a successor is in place.

As a step towards our overall vision to become one of the leading staffing agencies in health

care and social work, Dedicare has during the period established in Denmark. The office is located in Copenhagen and will initially focus on staffing of nurses in Denmark.

The 25 October 2018 the Swedish Tax Agency announced its standpoint that staffing services in health care should be subject to VAT. The new VAT regulation 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. During the quarter agreements were made with several large private customers for a brokerage model as an alternative to staffing. The regions (formerly the County Councils) have a right to deduct VAT and 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.

OTHER INFORMATION

EMPLOYEES

The average number of employees, calculated as full-time equivalents, for the period January – June amounted to 637 persons (658). In this number our sub-consultants are included, which for the period January – June was 100 (107) persons.

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 2018.

Political decisions

The markets where Dedicare currently operates are Sweden, Norway, Finland and

Denmark. 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 Region Stockholm, which accounted for approximately 23 percent (15) of Dedicare Sweden's revenue for the period January – June 2019.

Regions 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 Øst, accounting for approximately 23 percent (26) of Dedicare Norway's total revenue for the period January – June 2019. 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 Sweden, Norway, Finland and Denmark normally sign framework agreements with 3-10 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, Norway, Finland and Denmark 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. 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 2018 Annual Report.

TRANSACTIONS WITH RELATED COMPANIES

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

ABOUT DEDICARE

Dedicare is an authorised staffing company that provides doctors, nurses and social workers, and also other personnel in health

DEDICARE

care and social work. The company is listed on Nasdaq Stockholm and operates in Sweden, Norway, Finland and Denmark. Dedicare has four offices in Sweden (Stockholm, Gothenburg, Umeå and Örebro), as well as two offices in Norway (Trondheim and Oslo), one office in Finland (Helsinki) and one in Denmark (Copenhagen).

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. In Norway Dedicare is a member in The Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon). In Denmark Dedicare is a member of Danish Business (Dansk Erhverv) and Staffing agencies' trade association (Vikarbureauernes brancheforening).

The company is quality certified in accordance with ISO 9001:2008 and its environmental work is certified in accordance with ISO 14001:2004.

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.

Operating margin

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

Dividend policy

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

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Operating revenue	195,5	204,6	379,7	398,0	812,0
Employee benefit expenses	-117,7	-126,3	-233,3	-241,2	-505,0
Purchased services	-48,2	-47,6	-95,0	-97,9	-190,7
Other operating expenses	-15,9	-16,1	-30,9	-31,2	-64,9
Depreciation of fixed assets	-1,6	-0,3	-3,2	-0,5	-1,2
Operating profit	12,1	14,3	17,4	27,2	50,2
Financial items	-0,2	-0,2	-0,5	-0,3	-0,5
Profit after financial items	11,9	14,1	16,9	26,9	49,7
Income taxes	-1,8	-3,1	-2,9	-5,8	-11,5
Profit for the period	10,1	11,0	14,0	21,1	38,2
Of which attributable to:					
Parent Company's shareholders	10,1	11,0	14,0	21,1	38,2
Other comprehensive income					
<i>Items that may be classified to profit</i>					
Currency differences	1,0	0,5	1,6	1,2	0,0
Total comprehensive income for the period	11,1	11,5	15,6	22,3	38,2
Of which attributable to:					
Parent Company's shareholders	11,1	11,5	15,6	22,3	38,2
Earnings per share, SEK	1,12	1,22	1,55	2,34	4,22

SUMMARY CONSOLIDATED BALANCE SHEET

SEK million	2019-06-30	2018-06-30	2018-12-31
Assets			
Goodwill	7,6	6,8	6,2
Other intangible assets	2,4	0,6	1,8
Other fixed assets	3,1	3,6	3,5
Right-of-use asset*	17,4	0,0	0,0
Deferred tax assets	0,0	0,2	0,0
Other financial assets	4,3	4,3	4,3
Current receivables	152,8	157,8	141,8
Cash and cash equivalents	32,3	30,9	58,2
Total assets	219,9	204,2	215,8
Equity and liabilities			
Equity	81,8	86,5	102,4
Long-term leasing debt**	14,9		
Untaxed reserves	10,9	10,1	10,9
Current tax debt	5,2	1,6	5,5
Current liabilities***	107,1	106,0	97,0
Total equity and liabilities	219,9	204,2	215,8

* Leasing assets according to IFRS 16, which is applied from 1 January 2019

** The long-term part of the leasing debt according to IFRS 16, which is applied from 1 January 2019

*** The current part of the leasing debt according to IFRS 16, which is applied from 1 January 2019, SEK 2.6 million in total.

SUMMARY CONSOLIDATED CHANGE IN EQUITY

SEK million	Jan-June 2019	Jan-June 2018
Equity at beginning of period	102,4	109,5
Profit for the period	14,0	21,1
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences	1,6	1,2
Transactions with shareholders		
Dividend	-36,2	-45,3
Equity at end of period	81,8	86,5

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

SEK million	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Operating activities					
Cash flow from operating activities before changes in working capital	11,6	9,0	16,0	14,3	36,8
Changes in working capital	-15,9	-15,7	-3,5	-25,0	-18,2
Cash flow from operating activities	-4,3	-6,7	12,5	-10,7	18,6
Investing activities					
Acquisition of property, plant and equipment	0,0	-2,1	-0,2	-3,0	-4,6
Cash flow from investing activities	0,0	-2,1	-0,2	-3,0	-4,6
Financing activities					
Warrants paid	-1,2	-	-2,5	-	-
Guaranteed deposits and securities	-	-	-	-4,3	-4,3
Dividend paid	-36,2	-45,3	-36,2	-45,3	-45,3
Cash flow from financing activities	-37,5	-45,3	-38,7	-49,6	-49,6
Cash flow for the period	-41,7	-54,1	-26,4	-63,3	-35,6
Cash and cash equivalents at beginning of period	73,9	84,8	58,2	93,7	93,7
Currency differences in cash and cash equivalents	0,1	0,2	0,5	0,5	0,1
Cash and cash equivalents at end of period	32,3	30,9	32,3	30,9	58,2

DEDICARE

SEGMENT OVERVIEW

Dedicare follows up its operations by dividing them into the business segments Staffing Sweden, Staffing Norway and Staffing New Markets (Finland and Denmark). 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	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Operating revenue	122,6	142,8	244,8	287,0	552,9
Operating profit	3,9	8,1	5,5	18,1	27,9
Financial items	-1,1	-4,2	-4,9	-10,7	15,4
Profit after financial items	2,7	3,9	0,6	7,4	43,2
Profit margin, %	3,2%	5,7%	2,2%	6,3%	5,0%
Average number of employees	354	435	352	433	395
Revenue per employee, SEK thousand	346	328	696	663	1 400

STAFFING NORWAY

SEK million	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	jan-dec 2018
Operating revenue	72,5	61,8	134,5	111,0	259,2
Operating profit	9,3	6,2	13,9	9,1	22,3
Financial items	0,9	3,2	4,4	8,1	-15,8
Profit after financial items	10,2	9,4	18,3	17,2	6,5
Profit margin, %	12,8%	10,0%	10,3%	8,2%	8,6%
Average number of employees	285	247	263	225	245
Revenue per employee, SEK thousand	255	250	511	494	1 058

DEDICARE

STAFFING NEW MARKETS

SEK million	Apr-June 2019	Jan-June 2019
Operating revenue	0,4	0,4
Operating profit	-1,1	-2,2
Financial items	0,0	0,0
Profit after financial items	-1,1	-2,2
Profit margin, %	-294,8%	-573,8%
Average number of employees	3	3
Revenue per employee, SEK thousand	126	113

In Staffing New Markets Finland (start 2018) and Denmark (start 2019) are included.

PERFORMANCE MEASURES

	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Operating margin, %	6,2%	7,0%	4,6%	6,8%	6,2%
Profit margin, %	6,1%	6,9%	4,5%	6,8%	6,1%
Equity/assets ratio, %	37,2%	42,4%	47,5%	42,4%	47,3%
Equity per share, SEK	9,04	9,56	9,04	9,56	11,30
Cash flow from current operations per share	-0,47	-0,74	1,38	-1,18	2,05
Number of annual employees, average*	661	682	637	658	658
Revenue per employee, SEK thousand	296	300	596	605	1235
Profit per share - basic, SEK	1,12	1,22	1,55	2,33	4,22
Share price at end of period	48,1	63,2	48,1	63,2	51,0
Average number of shares	9 055 406	9 055 406	9 055 406	9 055 406	9 055 406
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 quarter these amounted to 100 (107) personer.

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

	Apr-June 2019	Apr-June 2018	Apr-June △	Jan-June 2019	Jan-June 2018	Jan-June △	Jan-Dec 2018
Profit for the period	10,1	11,0	-0,9	14,0	21,1	-7,1	38,2
Average equity	89,8	103,4	-13,6	92,5	105,4	-12,9	103,4
Return on equity	11,3%	10,7%	0,6%	15,1%	20,1%	-5,0%	37,0%

RETURN ON TOTAL CAPITAL

	Apr-June 2019	Apr-June 2018	Apr-June △	Jan-June 2019	Jan-June 2018	Jan-June △	Jan-Dec 2018
Profit after financial items*	11,9	14,1	-2,2	16,9	27,2	-10,3	50,0
Average total capital	94,4	222,6	-128,2	97,0	226,0	-129,0	223,5
Return on total capital	12,6%	6,4%	6,2%	17,4%	12,1%	5,3%	22,4%

RETURN ON CAPITAL EMPLOYED

	Apr-June 2019	Apr-June 2018	Apr-June △	Jan-June 2019	Jan-June 2018	Jan-June △	Jan-Dec 2018
Profit after financial items*	11,9	14,1	-2,2	16,9	27,2	-10,3	50,0
Average capital employed	89,8	103,4	-13,6	92,5	105,4	-12,9	103,4
Return on capital employed	13,2%	13,7%	-0,5%	18,3%	25,8%	-7,5%	48,4%

* For definitions, see page 15.

DEDICARE

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 – June amounted to SEK 244.1 million (282.6) and the profit after financial items amounted to SEK -1.1 million (6.4).

PARENT COMPANY'S SUMMARY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Operating revenue	121,9	142,0	244,1	282,6	548,2
Employee benefit expenses	-66,6	-82,0	-136,5	-158,5	-311,3
Purchased services	-44,1	-44,7	-87,6	-92,0	-178,5
Other operating expenses	-7,8	-7,4	-15,0	-14,5	-29,9
Depreciation of fixed assets	-0,3	-0,2	-0,6	-0,4	-1,0
Operating profit	3,1	7,7	4,5	17,2	27,5
Profit from participations in Group companies	0,0	-	0,0	-	17,4
Other financial items	-1,3	-4,2	-5,6	-10,8	-3,2
Profit after financial items	1,8	3,5	-1,1	6,4	41,7
Appropriations	0,0	-	0,0	-	-4,6
Income taxes	0,0	-0,8	0,0	-1,4	-4,6
Profit for the period	1,8	2,7	-1,1	5,0	32,6
Other comprehensive income					
<i>Items that may be classified to the profit</i>					
Currency differences	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	1,8	2,7	-1,1	5,0	32,6

PARENT COMPANY'S SUMMARY BALANCE SHEET

SEK million	2019-06-30	2018-06-30	2018-12-31
Assets			
Shares in subsidiaries	21,0	19,6	21,0
Other fixed assets	4,9	3,7	4,7
Deferred tax assets	0,0	0,1	0,0
Other financial assets	4,3	4,3	4,3
Current receivables	96,7	109,0	95,3
Cash and cash equivalents	24,3	23,3	51,9
Total assets	151,3	160,0	177,2
Equity and liabilities			
Equity	15,9	24,6	52,2
Untaxed reserves	49,6	45,0	49,6
Current liabilities	85,9	90,4	75,4
Total equity and liabilities	151,3	160,0	177,2

DEDICARE

PARENT COMPANY'S SUMMARY CHANGE IN EQUITY

SEK million	Jan-June 2019	Jan-June 2018
Equity at beginning of period	52,2	64,9
Profit for the period	-1,1	5,0
Other comprehensive income		
<i>Items that may be reclassified to profit</i>		
Currency differences	1,0	0,0
Transactions with owners		
Dividend	-36,2	-45,3
Equity at end of period	15,9	24,6

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 16.

The Group applies IFRS 16 Lease contracts since 1 January 2019. 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 right-of-use assets 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 has chosen to apply the partial retroactive method at the transition, which implies that the accumulated effect of the initial application of IFRS 16 is reported as an adjustment of opening retained earnings. Comparative information is not recalculated. The effect on the balance sheet date as of January 1, 2019 is that a right-of-use asset and a leasing debt are reported at SEK 20 million.

The marginal loan rate used is 3%.

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.

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.

CALENDAR FOR FINANCIAL INFORMATION

24 October 2019

Interim report July - September 2019

7 February 2020

Year-end report 2019

Audit

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

Stockholm 17 July 2019

Krister Widström

Group President and CEO

The report has been signed by the Group President and CEO after authorization from the Board.

For more information, please contact:

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

Jenny Pizzignacco, interim CFO, tel +46(0)8-555 656 67

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