



DEDICARE

Interim Report

1 January – 31 March 2024



A challenging start to 2024

First quarter 2024

- Net sales SEK 430.2 million (503.2)
- EBITA SEK 17.4 million (41.6)
- EBITA margin 4.0 percent (8.3)
- EBIT SEK 15.1 million (38.0)
- EBIT margin 3.5 percent (7.6)
- Profit after financial items SEK 13.5 million (31.3)
- Profit for the period SEK 10.5 million (24.5)
- Basic earnings per share SEK 1.09 (2.57)
- Diluted earnings per share SEK 1.08 (2.55)

Performance measures

	Q1 2024	Q1 2023	Full-year 2023
Net sales, SEK million	430.2	503.2	1970.7
<i>Growth, %</i>	-14.5%	27.5%	11.5%
EBITDA, SEK million	20.5	44.2	172.8
<i>EBITDA margin, %</i>	4.8%	8.8%	8.8%
EBITA, SEK million	17.4	41.6	161.8
<i>EBITA margin, %</i>	4.0%	8.3%	8.2%
Operating profit (EBIT), SEK million	15.1	38.0	148.4
<i>Operating margin (EBIT-margin), %</i>	3.5%	7.6%	7.5%
Net profit for the period, SEK million	10.5	24.5	110.4
Basic earnings per share, SEK	1.09	2.57	11.55
Diluted earnings per share, SEK	1.08	2.55	11.44
Cash flow from operating activities, SEK million	21.6	41.8	145.4
Equity per share, SEK	34.10	29.81	32.41

Chief Executive Officer's statement

It was a challenging start on all Nordic markets in 2024, and the first quarter of the year was weak in revenue and profitability terms, exacerbated by an exceptionally strong comparative quarter. The Swedish market was still subject to the regions' contracting limits. On the Norwegian market, profitability was limited by price pressure and increased salaries due to intensified competition. Denmark also experienced a tough quarter, impacted by contracting limits. On the other hand, the UK progressed well, and took more major steps forward. We're taking a number of actions to address current challenges. Dedicare was named the Best Workplace in Norway for the second year in a row.

The Dedicare group's net sales in the first quarter were SEK 430.2 million, down by 14.5 percent on the corresponding quarter of the previous year, which in turn, was exceptionally strong with a 27.5 percent increase. Profitability was poor with an EBITA of SEK 17.4 million (41.6), corresponding to an EBITA margin of 4.0 percent (8.3). This challenging start to the year has several causes and is fundamentally about limits on contracted staff and an altered competitive situation with more market participants, the related margin pressure, and us no longer having pandemic-related demand.

For the **Norway** Segment, net sales for the quarter were SEK 267 million, a 6.2 percent decrease year on year. Adjusted for currency effects, net sales were down by 3.0 percent. At the same time, EBITA reduced to 6.1 percent (10.4). We encountered significantly harsher competition in the quarter from new Nordic—Norwegian, Swedish and Danish—market players, who contributed to price pressure and increased payroll expenses, mainly in doctor staffing. This impacted net sales and profitability negatively. We saw progress towards a general increase in cost levels and higher payroll expenses as early as in the fourth quarter of 2023, but the impact was greater and the trend clearer in the first quarter of the year. Nevertheless, the demand for nurses remained healthy in the quarter, not least due to the new deal of last fall enabling us to provide nurses to all Norway's hospitals. In the most recent market statistics (fourth quarter 2023), we achieved a record-high market share of 41 percent of nurse staffing in hospitals. At the time of writing, there is a correspondingly large-scale tender ongoing for hospital doctor staffing in Norway, scheduled to complete in the second quarter of this year. Our preschool operation Acapedia continued its brisk progress in the quarter. In the more intense competitive situation we're now encountering in Norway, being an attractive employer is critical, which is why I'm so pleased that we in April, for the second year in a row, wins the title Norway's Best Workplace by Great Place to Work.

In **Sweden**, the market was still very negatively impacted by the regions' limits on contracting in healthcare staff. Net sales for the quarter were SEK 94.1 million, a 32.2 percent decrease on the corresponding quarter of the previous year. Profitability was also weak, with EBITA margin limited to 1.2 percent (7.2). The changed market resulted in lower demand, but also more people entering permanent employment, which in turn reduces the supply of staff. We are also seeing altered purchasing patterns by the regions,



Krister Widström
Koncernchef och vd Dedicare AB (publ)

with orders being placed at short notice and assignments being shorter term. Overall, we're experiencing a market that is more difficult to navigate than we've seen in the past 2 to 3 years. But with over 25 years in the sector, we possess extensive experience of dealing with, and adapting to, major changes on our market. We're continuing to review our costs, while our work on streamlining our core processes is ongoing. It's also important to note that our transition to the new nationwide deal for Sweden's regions was a contributor to the market's exceptional hesitancy early in the year. This deal came into effect in January, and the regions join it as their current deals expire; most of the regions will join during the second quarter. An industry council has been created to monitor this nationwide deal, where Dedicare is one of the representatives. In Life Science, consisting of our recruitment and consulting operation in pharmaceuticals, biotechnology and medical devices, we're continuing our work on creating a pan-Nordic organization and appointed a new Managing Director, Anna-Lena Mann, after the end of the quarter. In the first quarter, Life Science experienced increased demand for consultants.

For the first quarter, **Denmark** reported net sales of SEK 58.2 million (70.3), with the EBITA margin reducing to 5.5 percent (7.3). The segment was negatively impacted by limits on nurses on long-term contract. On the positive side, we entered a new agreement on doctor staffing with the North Jutland regional health authority. This deal has already come into effect and is off to a positive start.

The **UK** segment (previously New Markets) had another

eventful quarter with great progress, not least in recruitment for permanent positions. We also made a successful contribution to doctor staffing for hospitals in the Western Isles, where Dedicare has a unique deal providing GPs, surgeons and paediatricians. In the UK, we relocated to new, larger premises as the next natural step in our growth journey and created a new Business Developer role. Net sales in the UK in the quarter were SEK 12.4 million (9.9), with a healthy EBITA margin of 7.3 percent (6.1).

For 2024, Dedicare's Board of Directors has decided to amend our profitability target from an EBIT margin exceeding 7 percent over time to an EBITA margin exceeding 7 percent over time. Using EBITA as our base, the focus on profitability performance excluding the impact of acquisition-related assets is clearer. This change is consistent with how Europe's other major staffing and consulting providers monitor profitability, which improves comparability. I'd also like to point out to readers that we've altered our segment reporting in this Report, which is also part of the group's growth strategy, and reviewed in more detail on page 16.

Although we're currently experiencing increased demand ahead of the summer half-year, it's clear the market is more hesitant than previously, and the challenges we saw at the beginning of the year are also following us into the second. We're streamlining our organisation, while also putting energy into improving customer loyalty and our attractions as an employer, while our work on expanding and internationalising our business continues.

Dedicare is in a group-wide collaborative agreement with Doctors without Borders, involving us offering meetings with the organization for our consultants; doctors, nurses and others. We'll also be funding the salary of the consultants that take on assignments with Doctors without Borders. This is a unique partnership, opening an exciting skills development opportunity for our consultants, while as a company, we support Doctors without Borders' fantastic work around the world.

In closing, I'd like to thank our customers for the trust you've shown in us in the quarter, and not least, our consultants and staff for their committed efforts in meeting customer needs.

Krister Widström, Managing Director and CEO



Highlights in the first quarter 2024

- Dedicare is adjusting its segment reporting, with shareholder-related expenses reported in the Group-wide segment. Previously, these expenses were allocated between all the group's segments.
- Dedicare is updating its profitability target for 2024, with the Board of Directors deciding to change the profitability target to an EBITA margin of 7.0 percent over time. This enables profitability performance to be tracked without the effect of acquisition-related assets.

Highlights after the end of the quarter

- Dedicare Norway wins, for the second year in a row, Workplace of the Year 2024 from a Great Place to Work.

Financial information—the group's progress

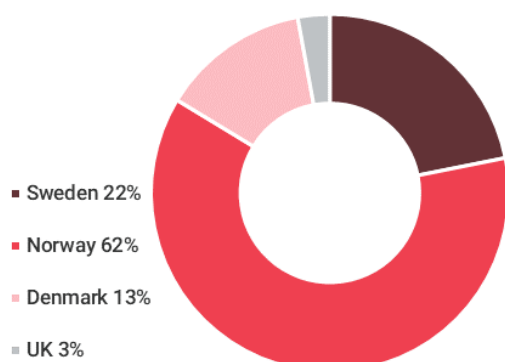
Net sales

First quarter 2024

Consolidated net sales for the first quarter decreased by 14.5 percent to SEK 430.2 million (503.2). The comparative quarter was exceptionally strong for all operations.

As part of the group's growth strategy, Dedicare has amended its segment reporting and centralised its support functions. Consequently, shareholder-related expenses are reported in the Group-wide segment. For more information on group segments, see note 1.

Net sales by operating segment Q1



In **Sweden**, continued limits on contracting staff resulted in net sales for the quarter decreasing by 32.2 percent on a very robust comparative quarter to SEK 94.1 million (138.7). The transition to the new nationwide agreement for Sweden's regions caused extra hesitancy on the market at the beginning of the year. This deal came into effect in January 2024, and the regions are joining it progressively. Most of the regions will have joined during the second quarter.

Competition from new Nordic players became tangible in **Norway** in the first quarter, mainly in doctor staffing. Last fall's new deal for nurse staffing for all Norway's hospitals triggered record-high demand for nurses in this operation. The corresponding tender for hospital doctor staffing is ongoing and scheduled for completion in the second quarter of this year. Our preschool operation, Acapedia, continued its high growth in the quarter.

Net sales were down by 6.2 percent for the quarter to SEK 267.0 million (284.6). The Norwegian krone depreciated, and adjusted for currency effects, net sales were down by 3.0 percent, or a decrease of NOK 8.5 million.

In **Denmark**, net sales for the quarter fell by 17.3 percent to SEK 58.2 million (70.3). Adjusted for currency effects, net sales fell by 17.6 percent or DKK 8.2 million. The downturn relates to the limits on nurses on long-term contract introduced spring 2023.

In the **UK**, net sales for the quarter were SEK 12.4 million (9.9), a 25.2 percent increase. Adjusted for currency effects, net sales increased by GBP 0.2 million, or 20.4 percent. This was another eventful quarter for the UK operation, when demand for doctor staffing and recruitment services progressed positively.

Net sales per operating segment, SEK million	Q1 2024	Q1 2023 ¹	Full-year 2023 ¹
Sweden	94.1	138.7	482.7
Norway	267.0	284.6	1 176.3
Denmark	58.2	70.3	266.0
UK	12.4	9.9	48.8
Group-wide sales	14.8	14.6	54.5
Intersegmental sales	-16.3	-14.9	-57.6
Total net sales	430.2	503.2	1,970.7

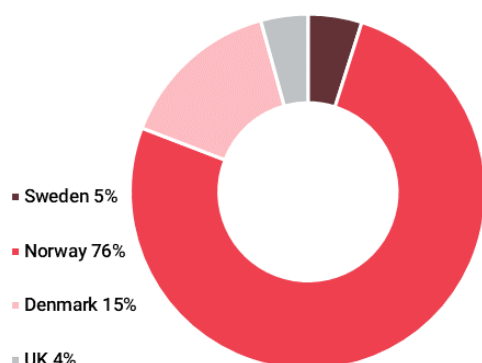
¹ Comparative period 2023 recalculated, see note 1 for more information.

EBITA

First quarter 2024

Consolidated EBITA for the first quarter was SEK 17.4 million (41.6). The EBITA margin reduced year on year and was 4.0 percent (8.3) in the quarter. The reduced earnings are mainly due to contracting limits on all Nordic markets, as well as price pressure and increased salaries limiting profitability.

EBITA by operating segment Q1



Sweden's EBITA For the quarter was SEK 1.1 million (10.0), with an EBITA margin of 1.2 percent (7.2). The reduced earnings are mainly due to continued downsizing of contracted staff and altered purchasing behaviour in most of the regions. A continued review of costs is ongoing, as well as a review of core business processes to streamline workflows.

Norway's EBITA for the quarter was SEK 16.3 million (29.6). The EBITA margin was 6.1 percent (10.4)—in local currency, EBITA was NOK 16.5 million (29.0).

The comparative quarter was exceptionally strong. Otherwise, the margin contraction is due to generally increased cost levels, as well as price pressure and increased payroll expenses.

Denmark's EBITA For the quarter was SEK 3.2 million (5.1) with an EBITA margin of 5.5 percent (7.3). The segment was negatively impacted by hiring limits on nurses on long-term contract.

For the **UK**, EBITA For the quarter was SEK 0.9 million (0.6) with an EBITA margin of 7.3 percent (6.1). Positive earnings performance is due to growth in staffing and recruitment.

Group-wide expenses for the first quarter were SEK -4.1 million (-3.7) at EBITA level. This item consists of costs such as shareholder-related expenses, as well as currency effects on accounts receivable and accounts payable.

Intangible amortization and impairment mainly consists of amortization of surplus values from acquisitions.

Financial items were SEK -1.6 million (-6.7), mostly unrealised exchange gains related to financial items. The change on the corresponding quarter of the previous year is due to SEK appreciation mainly against the NOK. The group's external interest income increased and was SEK 1.9 million (0.6), with the increase partly due to a stronger cash position and an improved interest rate level between quarters.

Profit for the quarter was SEK 10.5 million (24.5).

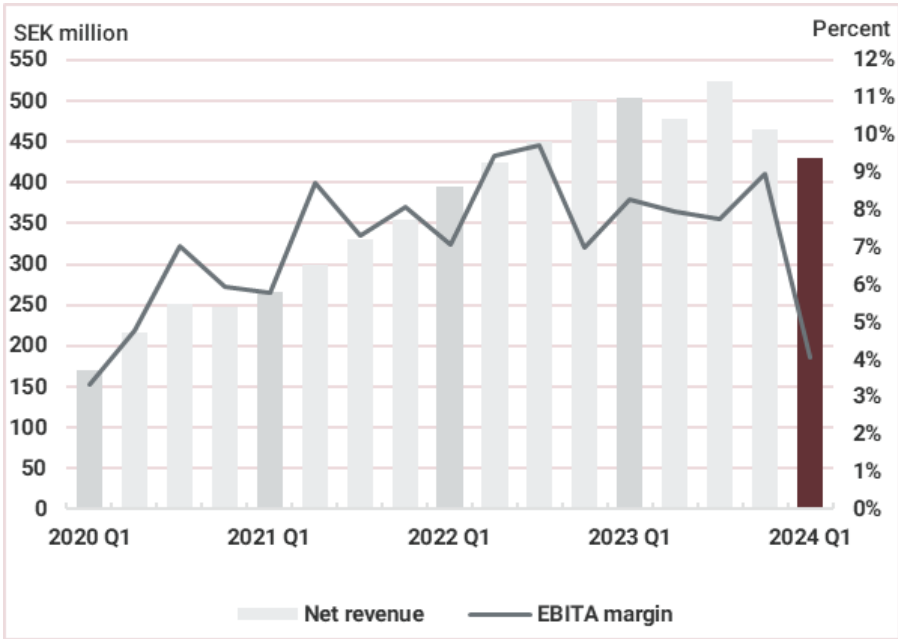
	Q1 2024	Q1 2023 ¹	Full-year 2023 ¹
EBITA per operating segment, SEK million			
Sweden	1.1	10.0	29.1
Norway	16.3	29.6	119.1
Denmark	3.2	5.1	15.2
UK	0.9	0.6	4.3
Group-wide costs	-4.1	-3.7	-5.9
EBITA	17.4	41.6	161.8
Amortisation and impairments of intangible assets	-2.3	-3.6	-13.4
EBIT	15.1	38.0	148.4
Financial items	-1.6	-6.7	-8.5
Profit after financial items	13.5	31.3	139.9

	Q1 2024	Q1 2023 ¹	Full-year 2023 ¹
EBITA margin per operating segment			
Sweden	1.2%	7.2%	6.0%
Norway	6.1%	10.4%	10.1%
Denmark	5.5%	7.3%	5.7%
UK	7.3%	6.1%	8.8%
EBITA margin	4.0%	8.3%	8.2%

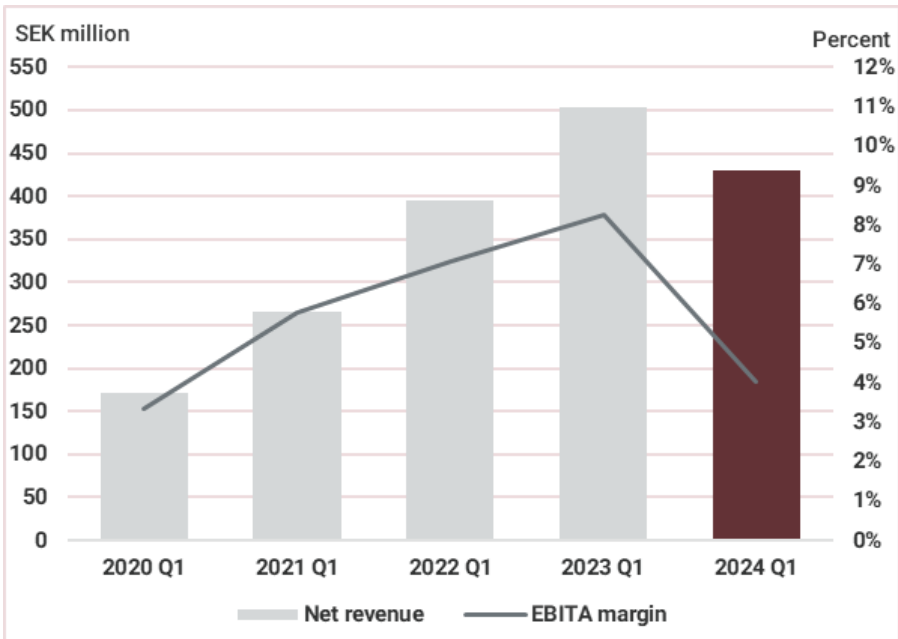
¹ Comparative period 2023 recalculated, see note 1 for more information.

Net sales and EBITA margin

Progress of the group's net sales and EBITA margin,
Q1 2020 – Q1 2024



Progress of the group's net sales and EBITA margin,
Q1 2020 – 2024





Financial position and liquidity

Cash and cash equivalents

The group's cash and cash equivalents were SEK 202.3 million (163.9) as of 31 March.

Equity

Equity at the end of the period was SEK 326.1 million (285.1), or SEK 34.10 (29.81) per share on the reporting date. The increase in equity is mainly due to the operation's EBIT.

Equity/assets ratio

The equity/assets ratio on 31 March was SEK 44.9 percent (38.1).

Cash flow

Total cash flow for the first quarter was SEK 14.6 million (29.3).

Cash flow from operating activities for the first quarter was SEK 21.6 million (41.8). The decrease is due to lower earnings from operating activities of SEK 6.6 million (29.3), which is because of a more challenging first quarter in 2024 than the previous year. All Nordic markets were subject to contracting limits and price pressure, as well as higher salaries due to increased competition.

Cash flow from investing activities was SEK -0.9 million (-6.7). The difference between quarters is mainly because of a final adjustment of the purchase consideration, which was paid in cash for the acquisition of Optimal Medical Ltd. The amount was SEK 5.1 million and was charged to the first quarter 2023. Investments in intangible assets were lower in the first quarter of 2024 than the corresponding period of 2023, owing to the development phase and thus investment in the Dedicare app being higher in 2023.

Cash flow from financing activities was SEK -6.1 million (-5.8) for the first quarter, and consists of repayment expenses for the group's external loans and a change in current lease liabilities.

Investments

Investments in tangible and intangible assets in the first quarter were SEK 0.9 million (1.6). Investments in the first quarter relate mainly to IT systems.

Employees

The average number of employees expressed as full-time equivalents for the first quarter was 1,275 (1,349). This number includes 169 (216) subcontracting consultants in the first quarter.

	Q1 2024	Q1 2023	Full-year 2023
Full-time employees per operating segment			
Sweden	268	364	326
Norway	864	823	842
Denmark	93	122	114
UK	50	40	45
Total full-time employees¹	1,275	1,349	1,327

¹ The number of employees includes subcontracting consultants: 169 (216) in the first quarter.

Sustainable development

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

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

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

We follow up on our strategic goals quarterly.

	Ambition	Strategic goal	Performance Q1 2024
Attractive Employer	Dedicare will be the best employer in recruitment and staffing by hiring, developing and retaining the best people.	1. eNPS >50 (scale -100 to 100) 2. Commitment index >4 (scale 1-5)	1. 43 2. 4.3
Attractive Client	Dedicare will be the first choice client for candidates and consultants in healthcare, life science and social work, by offering the broadest selection of assignments and competitive terms of employment.	1. Consultant satisfaction >9 (scale 1-10)	9.1
Market & Service Dev.	Dedicare will work proactively on starting up and developing businesses in new customer segments, geographical regions and job categories that contribute to human health, development and quality of life.	1. One new geographical market and/or new service segment per year	-
Operational Efficiency	Dedicare will have the sector's most efficient business processes for sales, staffing and recruitment by working proactively on innovative, cost-efficient and scalable digital solutions.	1. EBITA margin >7 percent	4.0 percent
Customer & Social Benefit	Dedicare will be a specialist and market leader in attracting and offering skills in healthcare, life science and social work to public and private sector customers, which helps create equivalent and sustainable healthcare.	1. Customer satisfaction >9 (scale 1-10)	9.1





Our market

Dedicare manages recruitment and staffing operations in four main markets, Sweden, Norway, Denmark and the UK. In Finland, we operate recruitment for our staffing operations in the rest of the Nordics.

We offer our customers skills in four segments, and our skills portfolio may differ between markets.

Our offering

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

	Healthcare	Life science	Social work	Preschool
	✓	✓	✓	
	✓	✓	✓	✓
	✓	✓		
	✓			



Market progress

Sweden is the Nordic region's largest market for healthcare staffing. The main customers are regional health authorities, municipalities and private healthcare providers. Regional healthcare authorities are the largest purchasers of healthcare staffing services, and according to the Swedish Association of Local Authorities and Regions (SKR), over SEK 9.3 billion of staffing was purchased in 2023.¹ The cost of contracted staff was only 5.1 percent (4.9) of total healthcare personnel expenses. SKR allocates around 53 percent of cost to doctors, some 44 percent to nurses, and about 3 percent to other healthcare job categories. The demand for social worker staffing has increased in recent years, where the main customers are municipalities. There are no official statistics for the market for life science available for Sweden or the other Nordics.

Norway is the Nordic region's second largest market for healthcare staffing. The main customers are healthcare providers and municipalities. Estimated healthcare staff procurement in 2023² is worth approx. NOK 4.2 billion, based on statistics from the Confederation of Norwegian Enterprise (NHO). Providers that are not members of NHO, and providers from Denmark and Sweden not included in NHO statistics, are additional. We estimate that these providers achieved sales of approximately NOK 1.8 billion in 2023. Dedicare estimates that around 30 percent of sales are for doctor staffing, some 50 percent for nurses and about 20 percent is divided between other job categories.

The healthcare staffing market expanded by 12.2 percent in the fourth quarter 2023 compared to the corresponding quarter of 2022. In preschool staff contracting, the market expanded by 23.3 percent in the fourth quarter 2023 compared to the corresponding quarter of 2022. Dedicare's preschool operation Acapedia grew by 31.1 percent. Dedicare's healthcare staffing contracted by 0.6 percent.

Dedicare maintained its strong status as Norway's largest healthcare staff specialist in the fourth quarter of 2023, with a market share of approximately 23.0 percent. Dedicare is also Norway's fourth largest staffing provider in any sector.

In **Denmark**, there are no official statistics for the healthcare staffing market available. Dedicare's opinion is that the market for contracting doctors is at the same level as at year-end 2023. The market for contracting nurses has been subject to a nationwide moratorium since spring 2023, which has impacted all five regions of the country.

The **UK** is Europe's largest market for staffing healthcare personnel. According to Staffing Industry Analyst (SIA), procurement of care staff was worth some SEK 43 billion in 2022. The National Health Service (NHS) manages most healthcare staffing through framework agreements in England, Wales, Scotland and Northern Ireland.

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

Other information

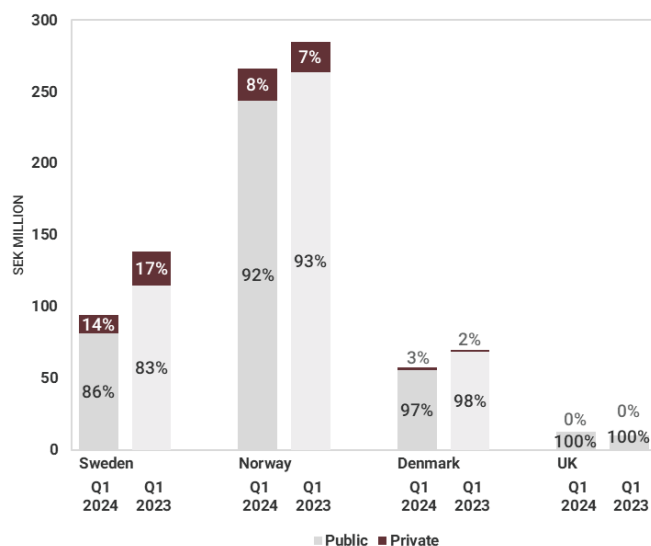
Revenue category

With the exception of Life Science, over 90 percent of the market consists of public sector customers like regions, municipalities, hospitals and public authorities. The Nordics make up one of Europe's larger healthcare staffing markets.

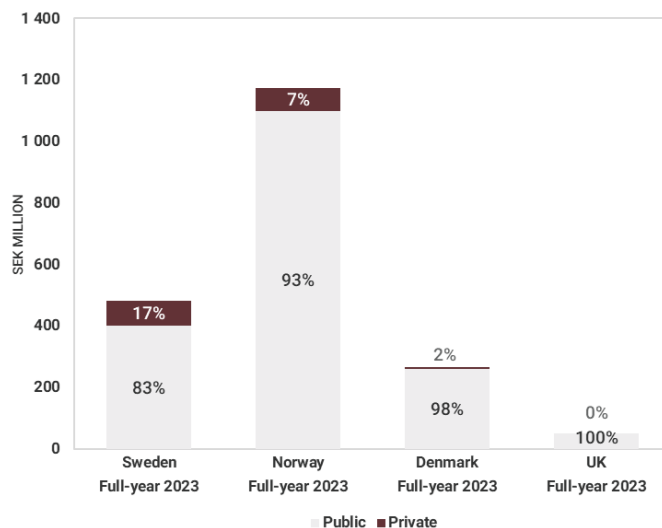
Net sales by segment and revenue category follow.



Net sales breakdown Public/Private Q1, by category.



Net sales breakdown Public/Private full-year, by category



The share

On 31 March 2024, share capital was SEK 4,781,321, divided between 9,562,642 shares, of which 2,011,907 class A shares (carrying one vote) and 7,550,735 class B shares (carrying 1/5 vote) with a quotient value of SEK 0.50.

Share-based incentive programme

In 2021, the AGM resolved on the issue of a maximum of 90,000 share warrants. Each warrant confers entitlement to one class B share. The warrants have a three-year term from the date the subscription price is determined. All options have been subscribed and no new incentive programmes have been created.

Dedicare AB's largest shareholders 31 March 2024	NO. of shares	Class A Shares	Class B Shares	Holdings, %	Votes, %
Jenny Pizzignacco	1,174,609	978,539	196,070	12.28	28.90
Björn Örås	713,563	713,563	-	7.46	20.26
Rödgäddan AB	1,860,527	319,805	1,540,722	19.46	17.83
Försäkringsbolaget Avanza pension	570,570	-	570,570	5.97	3.24
Healthinvest Partners AB	355,742	-	355,742	3.72	2.02
Nordnet pensionsförsäkring AB	197,305	-	197,305	2.06	1.12
KBC Bank NV, W-8IMY	187,939	-	187,939	1.97	1.07
Caroline Örås	177,000	-	177,000	1.85	1.01
The bank of New York Mellon W9	165,641	-	165,641	1.73	0.94
Saxo Bank A/S Client Assets	134,856	-	134,856	1.41	0.77

Risks and uncertainties

Significant risks and uncertainties are reviewed below. For a more detailed description, please refer to pages 29-33 of the Annual Report for 2023.

Regulated business/political risk

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

Competition

Dedicare is active on a competitive market with substantial price pressure. The investments necessary to start up a staffing operation in healthcare, life science and social work are relatively low compared to many other sectors. Increased competition may have a negative impact on the group's sales, profitability and growth.

Contract dependency

Dedicare has a small number of customers that represent a high share of the company's total sales. Usually, staffing services are procured through a collective tendering process. These public tenders are strictly legislated, and generally, a number of priority providers are selected on a roster, who then enter framework agreements.

These agreements usually have two-year terms, with maximum extensions of two years. On each occasion Dedicare was unable to win tenders with large individual customers, or moves down their roster, this could have a material temporary negative impact on the group's sales and profitability. Dedicare works continuously on ensuring that the group has the skills and staffing necessary, so its tenders consistently maintain high quality.

The largest customer in Sweden, the City of Stockholm, represented some 7.1 per cent (6.0) of Dedicare Sweden's net sales in the first quarter 2024. In Norway, the largest customer, the Helse Sør Øst regional health authority, generated approximately 8.2 percent (10.6) of Dedicare Norway's total net sales in the first quarter 2024. The North Jutland regional health authority was Dedicare Denmark's largest customer in the first quarter 2024, representing approximately 30.6 percent (32.6) of net sales.

The largest customer in the UK for the first quarter 2024 was King Edward's Hospital, which represented approximately 62.5 percent (50.9) of net sales.



Skills shortages in consulting business

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

Dedicare needs to keep staff turnover at a low level, so consultants remain with the company as long as possible. This is achieved by continuously developing and improving our offering to consultants, where Dedicare's goal is to be the best client in staffing healthcare, life, science, and social work.

IT security

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

Environmental and climate impact

Increased turnover means more travel for our consultants, and a greater environmental impact because many of our consultants work in different locations to those they live in. Dedicare's environmental policy encourages travel by train and other public transport where possible.

Transactions with related parties

No material transactions with related parties occurred in the first quarter 2024.



Financial goals and performance

Growth

Over time, Dedicare's objective is to grow by at least 10 percent yearly. Its growth goal includes further acquisitions. In the period Jan-Mar 2024, growth was -14.5 percent.

EBITA margin

Dedicare's target is for its EBITA margin to exceed 7.0 percent over time. For the period Jan-Mar 2024, its EBITA margin was 4.0 percent.

Equity/assets ratio

Dedicare should have a secure capital base and operations should mainly be financed with equity. The nature of operations implies a limited need for capital. Against this background, Dedicare's opinion is that its equity/assets ratio should be at least 30.0 percent. As of 31 March 2024, the equity/assets ratio was 44.9 percent.

Dividend policy

Dedicare's target is for its dividend to be at least 50.0 percent of net profit over a business cycle. For the financial year 2023, the proposed dividend is 56.3 percent (56.6) of net profit.

About Dedicare

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

The company is listed on Nasdaq Stockholm, and has operations in Sweden, Norway, Denmark and the UK.

Dedicare has three offices in Sweden, two in Norway, two in Denmark, and two in the UK.

In Sweden, Dedicare is a member of the Employers' Organisation for the Swedish Service Sector (Almega Kompetensföretagen) and operates through collective bargaining agreements. In Norway, Dedicare is a member of the Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon). In Denmark, Dedicare is a member of the Danish Chamber of Commerce (Dansk Erhverv). In the UK, Dedicare is a member of the REC (Recruitment & Employment Confederation)

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

Business concept

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

Business model

Based on **social needs** for healthcare and social work skills, we have formulated **strategies and objectives** to satisfy social needs and realise our vision.

By **selling** to the public and private sector, we secure assignments in **recruitment** and **staffing** to satisfy customer needs for resources in health and social care. Society's needs are changing continuously, and we constantly adapt our business to match these changes.

Financial statements, group

Condensed Consolidated Statement of Comprehensive Income

SEK million	note	Q1 2024	Q1 2023	Full-year 2023
Operating revenue				
Net sales	1	430.2	503.2	1,970.7
Work performed by the company for its own use and capitalised		0.7	0.9	2.1
Other operating income ¹		0.6	3.7	21.3
Total operating revenue		431.5	507.8	1,994.1
Operating expenses				
Purchased services		-77.1	-110.3	-396.8
Personnel expenses		-287.9	-301.1	-1,224.5
Other operating expenses		-46.0	-52.2	-200.0
Depreciation and impairments of tangible and intangible assets	2	-5.4	-6.2	-24.4
Operating profit²		15.1	38.0	148.4
Financial items		-1.6	-6.7	-8.5
Profit after financial items		13.5	31.3	139.9
Income taxes		-3.0	-6.8	-29.5
Profit for the period		10.5	24.5	110.4
Other comprehensive income				
<i>Items that may be reclassified to profit</i>				
Exchange differences		5.7	-1.9	-5.6
Total comprehensive income for the period		16.2	22.6	104.8
Of which attributable to:				
Parent Company's shareholders		16.2	22.6	104.8
Basic earnings per share (SEK)		1.09	2.57	11.55
Diluted earnings per share (SEK)		1.08	2.55	11.44

¹ Other operating income for the full year 2023 includes a revalued contingent consideration which had a SEK 10.9 million positive impact.

² EBIT includes acquisition costs of SEK 0 million (0.2) for the first quarter.

Financial statements, group

Condensed Consolidated Statement of Financial Position

SEK million	Note	31 Mar 2024	31 Mar 2023	Full-year 2023
Assets				
Intangible assets	2	167.8	174.6	165.2
Right-of-use assets		20.0	25.1	21.5
Other fixed assets		2.5	2.2	2.6
Deferred tax assets		2.0	4.6	0.4
Deposits paid		5.1	4.9	5.0
Total fixed assets		197.4	211.4	194.7
Current assets				
Current receivables		327.2	372.5	345.5
Cash and cash equivalents		202.3	163.9	187.1
Total current assets		529.5	536.4	532.6
TOTAL ASSETS		726.9	747.8	727.3
Equity		326.1	285.1	309.9
Non-current liabilities				
Provisions		3.1	4.6	3.1
Other non-current liabilities	3,4	15.2	87.5	30.6
Deferred tax liabilities		11.8	17.5	12.0
Total non-current liabilities		30.1	109.6	45.7
Current liabilities				
Current tax liabilities		21.2	25.6	30.8
Other current liabilities	3,4	349.5	327.5	340.9
Total current liabilities		370.7	353.1	371.7
TOTAL EQUITY AND LIABILITIES		726.9	747.8	727.3

Financial statements, group

Condensed Consolidated Statement of Changes in Equity

SEK million	31 Mar 2024	31 Mar 2023	Full-year 2023
Equity at beginning of period	309.9	262.6	262.6
Profit for the period	10.5	24.5	110.4
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences	5.7	-1.9	-5.6
Transactions with shareholders			
Transaction fees	-	-0.1	-0.1
Dividend	-	-	-57.4
Equity at end of period	326.1	285.1	309.9

Condensed Consolidated Statement of Cash Flows

SEK million	Q1 2024	Q1 2023	Full-year 2023
Operating activities			
Cash flow from operating activities before changes in working capital	6.6	29.3	116.4
Changes in working capital	15.0	12.5	29.0
Cash flow from operating activities	21.6	41.8	145.4
Investing activities			
Acquisition of subsidiaries	-	-5.1	-5.1
Acquisition of tangible and intangible fixed assets	-0.9	-1.6	-4.5
Sales value of tangible and intangible fixed assets	0.0	-	-
Cash flow from investing activities	-0.9	-6.7	-9.6
Financing activities			
Transaction fees	-	-0.1	-0.1
Repayments of loans	-3.5	-3.4	-13.7
Repayment of of lease liability	-2.6	-2.3	-10.4
Cash deposits	0.0	-	-0.2
Dividend paid	-	-	-57.4
Cash flow from financing activities	-6.1	-5.8	-81.8
Cash flow for the period	14.6	29.3	54.0
Cash and cash equivalents at beginning of period	187.1	142.8	142.8
Exchange differences in cash and cash equivalents	0.6	-8.2	-9.7
Cash and cash equivalents at end of period	202.3	163.9	187.1

Notes

Accounting policies

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

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

The accounting policies and computation methods applied for the group and parent company are

consistent with those accounting policies and computation methods applied when preparing the most recent annual accounts.

No other new or revised IFRS or interpretation statements from IFRIC that come into effect in 2023 or later had or will have any material impact on Dedicare's financial statements.

Note 1. Segment information

A division between segments has been determined, based on how Dedicare's Group Management monitors and manages operations to evaluate performance and allocate resources. Group Management monitors segment EBITA both including and excluding items affecting comparability.

The identified operating segments are Sweden, Norway, Denmark, UK (formerly New Markets) and Group-wide.

Dedicare has altered the allocation of costs in its segment structure. In the previous segment reporting, shareholder-related expenses were allocated between all segments of the group, but from the first quarter of 2024, all these expenses will be reported in the Group-wide segment. Segment reporting for 2023 has been recalculated and comparative figures have been updated in the segment-related tables presented on pages 4–5 of this Report to give a fair comparison between years. A summary for the full year follows.

The Sweden, Norway, Denmark and UK segments consist of business operations in recruitment and staffing in each country, as well as allocated central expenses for support functions such as

Group Management, Accounting, & Finance, Legal, Corporate Communication, Business Development, HR and IT management.

Allocation is pursuant to an allocation key based on the segments' sales or average number of employees. This also includes the segment's transition to IFRS 16.

The Group-wide segment consists of group-wide items such as shareholder-related expenses, amortisation of surplus values from acquisitions, amortisation related to business transfers, intra-group transactions, eliminations, etc. It also includes the segment's transition to IFRS 16.

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

For more information on Dedicare's operating segments, please refer to pages 4-6 of this Interim Report: net sales by operating segment on p. 4 and EBITA by operating segment on p. 5-6.

Notes

Note 1 cont. Segment information

	Jan-Mar 2023		Jan-Jun 2023		Jan-Sep 2023		Jan-Dec 2023	
	New Segment reporting	Previous Segment reporting	New Segment reporting	Previous Segment reporting	New Segment reporting	Previous Segment reporting	New Segment reporting	Previous Segment reporting
Net sales, SEK million								
Sweden	138.7	138.6	260.5	260.4	369.7	369.0	482.7	482.3
Norway	284.6	284.8	565.0	563.8	903.4	902.1	1,176.3	1,175.1
Denmark	70.3	69.9	137.8	137.4	201.9	200.9	266.0	264.5
UK	9.9	9.9	20.5	20.5	34.5	34.5	48.8	48.8
Group-wide sales	14.6	-	27.7	-	41.5	-	54.5	-
Intersegmental sales	-14.9	-	-29.4	-	-44.4	-	-57.6	-
Total net sales	503.2	503.2	982.1	982.1	1506.5	1506.5	1,970.7	1,970.7
EBIT, MSEK								
Sweden	10.0	8.7	16.0	13.3	22.7	17.4	29.1	21.1
Norway	29.6	26.1	59.4	54.5	92.9	84.8	119.1	109.5
Denmark	5.1	4.6	9.2	8.7	14.1	13.0	15.2	13.2
UK	0.5	0.6	1.4	1.7	2.9	3.3	4.3	4.5
Group-wide costs	-7.2	-2.0	-13.6	-5.8	-23.5	-9.4	-19.3	0.1
EBIT	38.0	38.0	72.4	72.4	109.1	109.1	148.4	148.4
EBIT margin								
Sweden	7.2%	6.3%	6.1%	5.1%	6.1%	4.7%	6.0%	4.4%
Norway	10.4%	9.2%	10.5%	9.7%	10.3%	9.4%	10.1%	9.3%
Denmark	7.2%	6.6%	6.7%	6.3%	7.0%	6.4%	5.7%	5.0%
UK	5.5%	6.1%	6.7%	8.3%	8.5%	9.5%	8.8%	9.2%
EBIT margin	7.6%	7.6%	7.4%	7.4%	7.2%	7.2%	7.5%	7.5%

Note 2. Intangible non-current assets

31 Mar 2024, SEK million	Customer agreements				Other intangible fixed assets	Total
	Goodwill	Database	Trademark			
Opening cost	116.9	54.4	15.4	1.6	13.0	201.3
Cost	-	-	-	-	0.7	0.7
Exchange differences	3.3	1.5	0.3	-	-	5.1
Closing cost	120.2	55.9	15.7	1.6	13.7	207.1
Opening accumulated amortisation and impairments	-	-23.8	-5.7	-1.6	-5.0	-36.1
Amortisation in the period	-	-1.0	-0.7	-	-0.6	-2.3
Exchange differences	-	-0.8	-	-	-0.1	-0.9
Closing accumulated amortisation and impairments	-	-25.6	-6.4	-1.6	-5.7	-39.3
Closing carrying amount	120.2	30.3	9.3	-	8.0	167.8

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

Notes

Note 2 cont. Intangible non-current assets

Full-year 2023, SEK million	Goodwill	Customer agreements	Database	Trademark	Other intangible fixed assets	Total
Opening purchase value	112.3	54.3	15.4	1.6	10.5	194.1
Aquisitions	5.1	-	-	-	-	5.1
Investments in the period	-	-	-	-	2.5	2.5
Exchange differences	-0.5	0.1	-	-	-	-0.4
Closing purchase value	116.9	54.4	15.4	1.6	13.0	201.3
Opening accumulated amortisation and impairments	-	-16.3	-3.0	-0.4	-3.3	-23.0
Amortisation in the period	-	-7.8	-2.7	-1.1	-1.7	-13.3
Impairment in the period	-	-	-	-0.1	-	-0.1
Exchange differences	-	0.3	-	-	-	0.3
Closing accumulated amortisation and impairments	-	-23.8	-5.7	-1.6	-5.0	-36.1
Closing carrying amount	116.9	30.6	9.7	-	8.0	165.2

Note 3. Financial liabilities

SEK million	31 Mar 2024	31 Mar 2023	Full-year 2023
<i>Non-current</i>			
Liabilities to institutions	0.0	25.8	15.2
Contingent consideration liability	7.4	47.4	7.3
Lease liabilities	7.8	14.3	8.1
Total	15.2	87.5	30.6
<i>Current</i>			
Liabilities to institutions	26.3	13.6	13.4
Contingent consideration liability	33.4	0.0	31.9
Lease liabilities	10.9	10.3	12.0
Total	70.6	23.9	57.3
Total financial liabilities	85.8	111.4	87.9

Note 4. Financial liabilities measured at fair value

Financial liabilities measured at fair value, SEK million	31 Mar 2024	31 Mar 2023	Full-year 2023
<i>Contingent considerations</i>			
Dedicare Life Science AB (formerly H&P Search & Interim AB)	25.4	34.1	25.0
Optimal Medical Limited	15.4	13.3	14.2
Total	40.8	47.4	39.2

The contingent considerations for **Dedicare Life Science AB** (formerly H&P Search & Interim AB), due for payment in July 2024 and July 2025, are based on the company's earnings performance for two and three years respectively from the acquisition date (1 April 2022). Of a liability of SEK 25.4 million, SEK 18.1 million has been classified as a current liability in the Consolidated Balance Sheet.

The contingent consideration due for payment in July 2025 related to earnings performance in 1 April 2022 – 30 March 2025, was revalued and adjusted downwards by SEK 10.9 million in the fourth quarter 2023. This is due to a more challenging market in Life Science.

The contingent consideration for **Optimal Medical Ltd.**, due for payment in November 2024, is based on the company's earnings performance two years from the acquisition date (1 October 2022). All this liability is classified as a current liability in the Consolidated Balance Sheet.

Performance measures

Quarterly summary

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net sales, SEK million	503.2	478.9	524.5	464.1	430.2
EBITDA, SEK million	44.2	40.7	43.7	44.1	20.5
EBITDA margin, %	8.8%	8.5%	8.3%	9.5%	4.8%
EBITA, SEK million	41.6	38.0	40.6	41.6	17.4
EBITA margin, %	8.3%	7.9%	7.7%	9.0%	4.0%
Operating profit (EBIT), SEK million	38.0	34.4	36.7	39.3	15.1
Operating margin (EBIT-margin), %	7.6%	7.2%	7.0%	8.5%	3.5%
Profit after financial items, SEK million	31.3	29.8	37.2	41.5	13.5
Profit margin, %	6.2%	6.2%	7.1%	8.7%	3.1%
Net profit for the period, SEK million	24.5	22.9	29.2	33.7	10.5
Net Debt, SEK million	-52.5	-0.1	-37.7	-99.1	-116.5
Equity/assets ratio, %	38.1%	36.8%	39.3%	42.6%	44.9%
Return on equity, %	8.9%	8.4%	10.7%	11.3%	3.3%
Cash flow from operating activities, SEK million	41.8	9.6	38.3	55.8	21.6
Number of employees, average ¹	1,349	1,400	1,296	1,263	1,275
Revenue per employee, SEK thousand	373	342	405	367	337
Share ratio					
Share price at end of period, SEK	144.0	119.0	88.7	114.2	100.8
Basic earnings per share, SEK	2.57	2.40	3.05	3.53	1.09
Diluted earnings per share, SEK	2.55	2.37	3.02	3.50	1.08
Equity per share, SEK	29.81	27.14	29.85	32.41	34.10
Cash flow from currens operations per share, SEK	4.37	1.00	4.00	5.84	2.26
Number of shares before dilution	9,562,642	9,562,642	9,562,642	9,562,642	9,562,642
Number of shares after dilution	9,652,642	9,652,642	9,652,642	9,652,642	9,652,642
Number of outstanding shares	9,562,642	9,562,642	9,562,642	9,562,642	9,652,642

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

Reconciliation of alternative performance measures

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

Return on equity, SEK million	Q1 2024	Q1 2023	Q1 △	Full-year 2023
Profit for the period	10.5	24.5	-14.0	110.4
Average equity	318.0	273.8	44.2	280.5
Return on equity	3.3%	8.9%	-5.6%	39.4%
Return on total capital, SEK million	Q1 2024	Q1 2023	Q1 △	Full-year 2023
Profit after financial items	13.5	31.3	-17.8	139.9
Average total capital	727.1	745.2	-18.1	730.4
Return on total capital	1.9%	4.2%	-2.3%	19.2%
EBITDA margin, SEK million	Q1 2024	Q1 2023	Q1 △	Full-year 2023
EBITDA	20.5	44.2	-23.7	172.8
Net Sales	430.2	503.2	-73.0	1,970.7
EBITA margin	4.8%	8.8%	-4.0%	8.8%

Definitions on p. 22

Financial statements, parent company

Parent company

Support functions such as Group Management, Finance, Corporate Communication, HR and IT Management are conducted in the parent company.

Condensed Parent Company Income Statement

SEK million	note	Q1 2024	Q1 2023	Full-year 2023
Operating revenue				
Net sales		14.7	5.1	21.9
Work performed by the company for its own use and capitalised		0.7	0.9	2.1
Other operating revenue		0.1	0.6	3.1
Total operating revenue		15.5	6.6	27.1
Operating expenses				
Personnel expenses		-7.4	-6.7	-31.1
Other external expenses		-12.3	-12.8	-45.6
Depreciation of tangible and intangible assets		-0.7	-0.5	-1.9
Operating profit		-4.9	-13.4	-51.5
Profit from financial items				
Profit from participations in group companies		-	-	80.2
Other financial items		-3.2	-6.8	-10.5
Profit after financial items		-8.1	-20.2	18.2
Appropriations		-	-	56.5
Tax on profit for the period		1.7	4.1	-
Profit for the period		-6.4	-16.1	74.7

Financial statements, parent company

Condensed Parent Company Balance Sheet

SEK million	Note	31 Mar 2024	31 Mar 2023	Full-year 2023
Fixed assets				
Other fixed assets		8.3	8.0	8.3
Shares in subsidiaries		196.2	207.1	196.2
Deferred tax assets		1.7	4.1	-
Other financial assets		4.3	4.3	4.3
Total fixed assets		210.5	223.5	208.8
Current assets				
Other current receivables		41.9	133.0	50.8
Cash and bank		163.1	128.4	152.4
Total current assets		205.0	261.4	203.2
TOTAL ASSETS		415.5	484.9	412.0
Equity		211.7	184.8	218.1
Untaxed reserves		13.0	27.3	13.0
Long-term liabilities				
Other long-term liabilities		7.4	73.2	22.5
Total long-term liabilities		7.4	73.2	22.5
Current liabilities				
Other current liabilities		183.4	199.6	158.4
Total current liabilities		183.4	199.6	158.4
TOTAL EQUITY AND LIABILITIES		415.5	484.9	412.0

Condensed Parent Company Statement of Changes in Equity

SEK million	31 Mar 2024	31 Mar 2023	Full-year 2023
Equity at beginning of period	218.1	200.9	200.9
Profit for the period	-6.4	-16.1	74.7
Transactions with shareholders			
Transaction fees	-	-	-0.1
Dividend	-	-	-57.4
Equity at end of period	211.7	184.8	218.1

Definitions

Average equity

Average equity at quarter-end.

Average total capital

Average total capital at quarter-end.

Average number of employees (FTE)

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

Basic earnings per share

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

Cash flow from operating activities per share

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

Diluted earnings per share

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

EBITA

(Earnings before interest, taxes and amortisation)

EBIT before financial income and expenses, tax, amortisation and impairment of intangible assets.

EBITA margin

EBITA divided by net sales.

EBITDA

(Earnings before interest, taxes, depreciation and amortisation)

Operating profit before financial revenue and expenses, tax, depreciation and amortisation of tangible and intangible assets, as well as impairment.

EBITDA margin

EBITDA divided by net sales.

Equity/assets ratio

Equity divided by total capital.

Equity per share

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

Net debt/net cash

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

Non-recurring items

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

Profit after financial items

EBIT including financial revenue less financial expenses.

Profit margin

Profit after financial items divided by operating revenue.

Return on equity

Profit for the period divided by average equity.

Return on total capital

Profit after financial items divided by average total capital.

Revenue per employee

Net sales divided by the average number of employees.

Total capital

The total of the company's assets, i.e. total assets.

Calendar for financial information

12 July 2024
24 October 2024
7 February 2025

Interim Report 1 January – 30 June 2024
Interim Report 1 January – 30 September 2024
Year-end Report 1 January – 31 December 2024

Stockholm, Sweden, 25 April 2024

Krister Widström
CEO & Managing Director

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

Review

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

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This information is mandatory for Dedicare AB (publ) to publish pursuant to the EU Market Abuse Regulation (MAR) and the Swedish Securities Markets Act. This information was submitted for publication through the agency of the above contact at 3 p.m. CET on 25 April 2024.