

## INTERIM REPORT APRIL–JUNE 2017

### Second quarter

- Revenue increased by 14.5% to €141.6m (€123.7m). In constant currency, organic revenue grew by 12.2%.
- Operating profit more than tripled to €5.7m (€1.6m), representing an operating margin of 4.0% (1.3%).
- Net profit amounted to €2.3m (€-1.1m), which represents a net profit margin of 1.6% (-0.9%).
- Cash flow from operating activities amounted to €8.9m (€3.2m).
- Basic/diluted earnings per share (EPS) was €0.016 (€-0.015).
- EBITDA increased by 17.3% to €12.2m (€10.4m), corresponding to an EBITDA margin of 8.6% (8.4%). Excluding IPO costs expensed, EBITDA increased by 30.8% to €13.6m a margin of 9.6%.

- Number of members increased by 17.1% reaching 964 K members at 30 June 2017 (823 K). Number of lab tests increased by 10.7% to 31m (28m) for the quarter.
- The Company's Class B shares were listed on the Nasdaq Stockholm Exchange on May 23, 2017.

### First half

- Revenue increased by 17.8% to €283.5m (€240.7m). In constant currency, organic revenue grew by 15.4%.
- Net profit increased more than four-fold to €6.7m (€1.6m), which represents a net profit margin of 2.4% (0.7%).
- EBITDA increased by 23.9% to €25.4m (€20.5m), corresponding to an EBITDA margin of 9.0% (8.5%). Excluding IPO costs expensed EBITDA increased by 32.7% to €27.2m a margin of 9.6%.

### REVENUE AND EARNINGS

€ millions (€m)	Q2 2017	Q2 2016	Growth	6M 2017	6M 2016	Growth	FY 2016
Revenue	141.6	123.7	14.5%	283.5	240.7	17.8%	497.3
Operating profit	5.7	1.6	256.3%	12.5	7.0	78.6%	17.6
Operating profit margin, %	4.0%	1.3%		4.4%	2.9%		3.5%
Net profit	2.3	(1.1)	n/m	6.7	1.6	318.8%	6.5
Net profit margin, %	1.6%	(0.9)%		2.4%	0.7%		1.3%
Earnings per share, €	0.016	(0.015)	n/m	0.054	0.007	671.4%	0.046
Diluted earnings per share, €	0.016	(0.015)	n/m	0.054	0.007	671.4%	0.045
EBITDA <sup>1)</sup>	12.2	10.4	17.3%	25.4	20.5	23.9%	44.3
EBITDA margin, % <sup>1)</sup>	8.6%	8.4%		9.0%	8.5%		8.9%

<sup>1)</sup> For Alternative Performance Measure definitions and reconciliations, refer to note 10

Medicover is a leading international healthcare and diagnostic services company and was founded in 1995. Medicover operates a large number of ambulatory clinics, hospitals, specialty-care facilities and laboratories and the largest markets are Poland and Germany. In 2016, Medicover had revenue around €0.5 billion and 14,400 employees. For more information, go to [www.medicover.com](http://www.medicover.com)

## CEO STATEMENT

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I am very pleased with Medicover's first interim report as a listed company. We reported strong revenue growth of 14.5% and EBITDA grew 17.3% over the quarter. Constant currency organic revenue growth was 12.2%. All in all, we reached revenue of €141.6m (€123.7m) for the second quarter, and EBITDA of €12.2m (€10.4m). Excluding costs expensed relating to the IPO process, EBITDA grew 30.8% to €13.6m (€10.4m).

Healthcare Services reported good growth for the quarter supported by favourable market development in Poland and Romania. The member base continued to strengthen driving revenue growth of the established businesses. Growth was 15.8% in the quarter, lifting revenue to €70.3m (€60.7m) with constant currency organic growth at 11.9%.

The German clinical business is an important driver for Diagnostic Services, adding €12.0m (€6.4m) to revenue in the quarter, however the revenue impact quarter by quarter is levelling out as we have not added any medical centres since the start of the year. We expect growth to pick-up as we add new clinics in Germany. In the quarter, revenue for Diagnostic Services rose 13.5% to €73.8m (€65.0m), with constant currency organic growth of 12.9%. Revenue was driven by good growth in all the major markets with self-pay growing volumes.

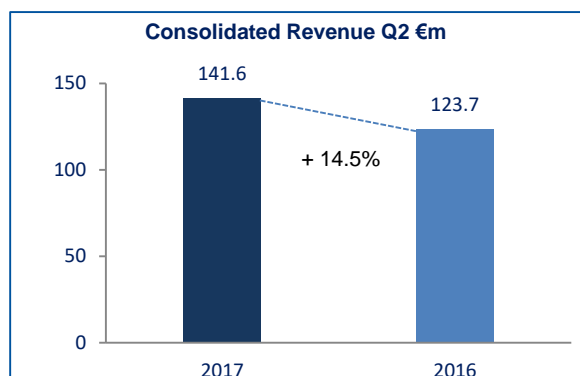
Profitability grew nicely in the quarter. Both divisions made good contributions to earnings with improving German Clinical business performance being a factor. Profitability for Healthcare Services was positively impacted by the late Easter as it reduced utilisation rates compared to the prior year and thereby costs.

Both divisions are performing well, reflecting a continuing economic stability in all major markets and the established businesses are performing well, however, some of the government funded programs in Poland are facing changes. For example, our in-vitro fertilization business in Poland has been impacted by government funding program changes from mid-2016 but has now largely replaced this revenue source with self-pay. Our strong basis of private paid funding protects us from most of these changes.

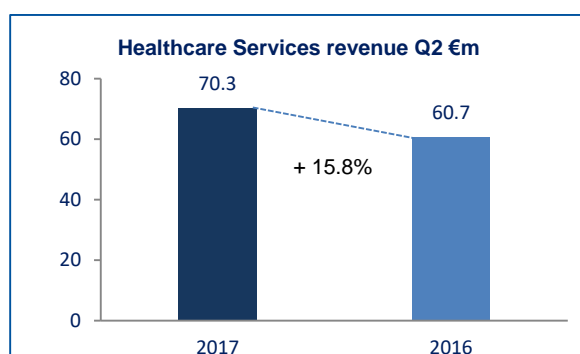
Our IPO was carried out successfully during the quarter with gross proceeds of €207.6m raised, substantially strengthening our balance sheet and our possibilities to accelerate growth. We are fully committed to continue to deliver on our long term targets and strategy and to grow our presence in our major markets through acquisitions.

I would like to take the opportunity to thank all employees for their fantastic contribution to the IPO process with a continued focus on operations during the period.

## REVENUE SECOND QUARTER 2017

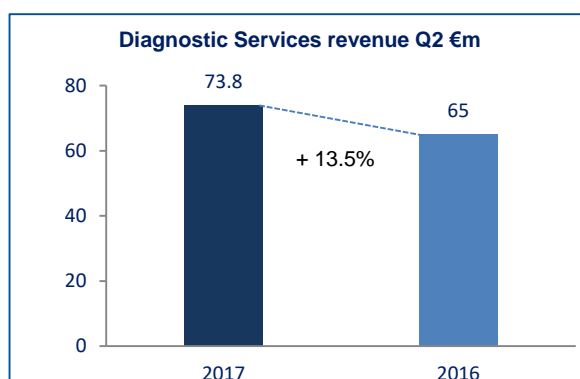


**Consolidated revenue** increased by 14.5% to €141.6m (€123.7m) with constant currency organic revenue growth at 12.2%. The Polish Zloty has strengthened compared to prior year with a strong economic performance driving fundamentals.



**Healthcare Services** revenue grew by 15.8% to €70.3m (€60.7m), with constant currency organic growth of 11.9%. Members grew by 17.1% to 964 K at period end (823 K). A favorable employment market in the major countries has driven increasing members under employee health packages in the funded businesses. This has been the strongest growth driver representing some 2/3rds of the growth. The out of pocket private pay has been the other growth driver. Healthcare Services continue to see good economic development in the main economies with increasing employment, real wage increases and

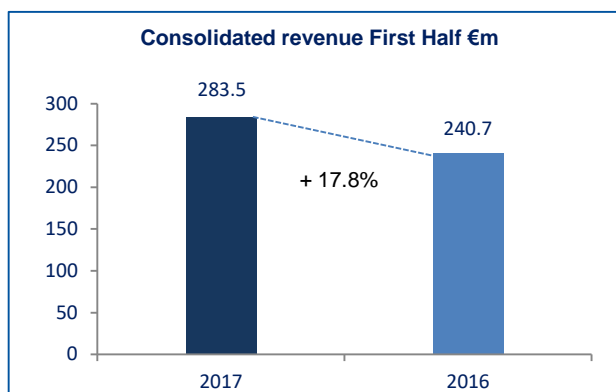
increasing consumer spending. The seasonal shift of Easter to the second quarter in 2017 has an impact on self-pay revenue in the segment, however as the weighting of this is smaller in relation to the funded business the impact is not significant for this segment.



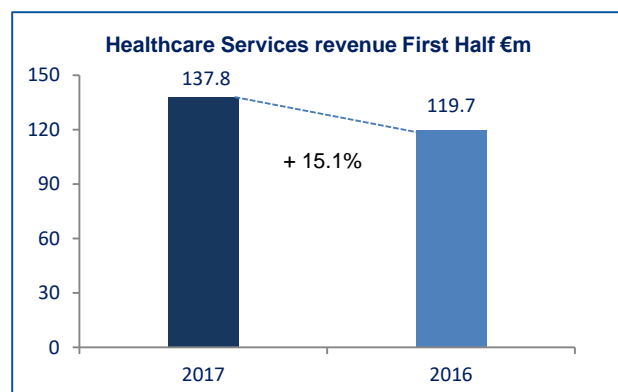
**Diagnostic Services** revenue grew by 13.5% to €73.8m (€65.0m), with constant currency organic growth of 12.9%. Laboratory test volumes grew by 10.7% to 31m (28m). As a large part of the business in this segment comes from self-pay customers the timing of Easter had an impact with the Western Easter falling in the second quarter versus the first quarter in 2016 and the Orthodox Easter being combined with May day in 2016. This leads to a higher sales level in the first quarter 2017 as activity was not interrupted by vacations, versus the second quarter with more interruptions for public holidays

and vacations being taken around Easter. Adjusting for working day effects underlying sales per working day increased in the major markets in the second quarter. The German clinical business is still a large contributor to strong growth year on year. As the number of medical centers is now static, the growth from quarter to quarter reduces with revenue being only slightly higher than the first quarter of 2017, with again a holiday timing effect. The ambition is to increase the number of doctors in these medical centers which is a factor that drives continuing growth and seek to acquire established clinics. The German clinical business had revenue of €12.0m (€6.4m). The established businesses grew well in all major markets. The continuing economic stability in Romania and Poland as well as an economic recovery in Ukraine is leading to increased ability to self-pay for health care and the expansion of access through more blood drawing centers supports this growth.

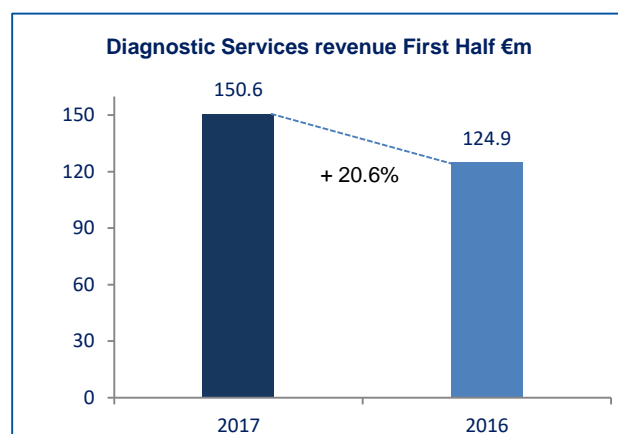
## REVENUE FIRST HALF 2017



**Consolidated revenue** increased by 17.8% to €283.5m (€240.7m) with constant currency organic revenue growth of 15.4%. The Polish Zloty has strengthened compared to prior year with a strong economic performance driving fundamentals.



**Healthcare Services** revenue grew by 15.1% to €137.8m (€119.7m), with constant currency organic growth of 11.3%. A favorable employment market combined with continued good economic development are driving member growth and revenue in the funded business representing approximately 2/3rds of the growth. The self-pay business in both Poland and Romania grows at a faster rate but from a smaller base, making the other 1/3rd of the growth.



**Diagnostic Services** revenue grew by 20.6% to €150.6m (€124.9m), with constant currency organic growth of 19.7%. Laboratory test volumes grew by 12.5% to 63m (56m). The German clinical business is the largest contributor to strong growth adding revenue as doctor activity increases and referral streams increase. The 14 sites opened or taken over in 2016 were all operational for the first half of 2017 with no new sites added over the first half. The German clinical business had revenue of €23.9m (€10.1m). The established businesses also grew well in all markets, including the German laboratory activity. As mentioned above the economic situation is supportive for growth.

## PROFIT DEVELOPMENT SECOND QUARTER 2017

**Operating profit (EBIT)** more than tripled to €5.7m (€1.6m) with operating profit margin increasing by 2.7 %-points to 4.0% (1.3%). €1.4m of costs for the stock exchange listing were expensed in the second quarter 2017. Adjusted for the stock exchange listing costs expensed operating profit grew more than fourfold to €7.1m with an operating profit margin of 5.0%.

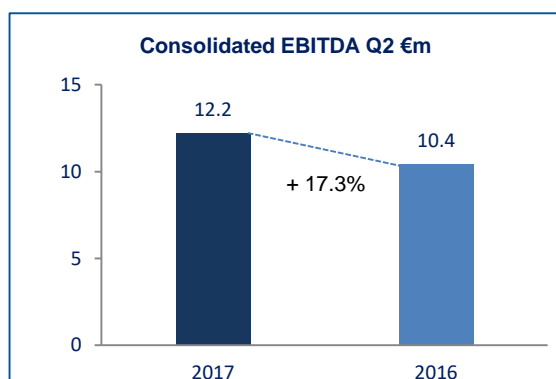
**Profit for the period** amounted to €2.3m (loss €1.1m), a margin of 1.6% (-0.9%); adjusted for the costs of the stock exchange listing costs expensed, profit was €3.7m a margin of 2.6%.

Net financial items for the quarter amount to €2.3m (€0.9m). Unamortised legal and arrangement fees of €0.5m were accelerated and expensed in the quarter relating to the early termination of the prior credit facility, replaced with a new undrawn facility of €200m. €1.4m was interest charged on the Group's debt and other discounted liabilities, slightly lower than prior quarters with the repayment of the debt facility at end of May 2017. Foreign exchange losses of €0.4m.

Earnings per share of €0.016 (€-0.015).

**Consolidated EBITDA** increased by 17.3% to €12.2m (€10.4m) with an EBITDA margin of 8.6% (8.4%). Adjusted for the expensing of the costs relating to the stock exchange listing, EBITDA increased by 30.8% to €13.6m a margin of 9.6%.

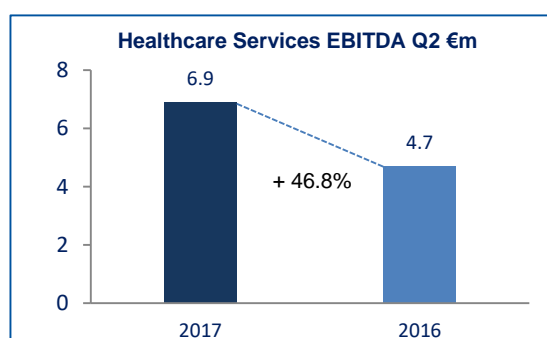
The improvement in the profit was due to increased volume in both segments making contributions and in particular the development of the German Clinical business.



### Items affecting comparability

- In the second quarter 2016 a one off non-cash charge of €3.5m was made in the Diagnostic Segment for impairment of goodwill and intangibles for the Turkish business operations.
- In the second half of 2016 the Warsaw hospital previously leased by the Healthcare Services segment was acquired hence reducing the operational costs and increasing Operating profit and EBITDA for the future. Compared to the prior year the impact of this is €0.5m for Operating profit and €0.9m for EBITDA.
- In May 2017 the Company's B class of shares were listed on the Nasdaq Stockholm exchange and new capital raised. Costs incurred in respect of this were €10.4m of which €1.4m was expensed in the second quarter, €0.4m in the first quarter and €8.6m offset against capital raised.

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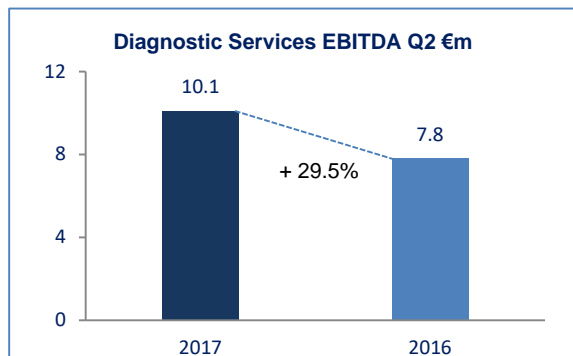


EBITDA for **Healthcare Services** increased by 46.8% to €6.9m (€4.7m), an EBITDA margin of 9.8% (7.7%). With €0.9m of this improvement due to the change of the property ownership of the hospital building in Poland. The balance of the improvement is through contribution on the new business volumes. Operating profit increased by 59.1% to €3.5m (€2.2m) with €0.5m of the improvement due to the change in the ownership of the real property. Operating profit margin was 5.0% (3.7%).

The segment results were driven by the increase in funded members and incremental increases in the developing businesses. The late Western Easter timing aided in service costs for the funded business compared to the prior year. The in-vitro fertility business in Poland has progressed well in growing self-pay revenue replacing the revenue from the National Health Fund which stopped their funding program in June 2016.

The Polish government is reforming how it funds hospitals with a preference for publicly controlled hospitals. This may endanger the publicly funded contracts in the hospital in Warsaw. Currently, public pay contracts are a minor part and represent 3.4% of the segment's revenue. Medicover is however quite an

essential factor in the provision of public services in the south of Warsaw so there is public pressure on the government authorities to include Medicover's activities within the revised public funded structures. This is expected to be clarified over the second half of 2017. If no contracts are awarded, Medicover will re-orientate the facility to solely private pay activities. The orthopedic surgery and rehabilitation business based in Poznan is being expanded in other cities in Poland and performed within expectations.



EBITDA for **Diagnostic Services** increased by 29.5% to €10.1m (€7.8m) with an EBITDA margin of 13.7% (12.0%). The established businesses all grew well with flow through to EBITDA margins from gross profit. The timing of Easter was a factor as due to vacations around Easter activity is reduced in the quarter with Easter. This boosted revenue in the first quarter versus the second quarter in 2017 whereas it was the other way around in 2016. Although revenue is slightly lower in the second quarter versus the first quarter the revenue per working day adjusted for the Easter effect has progressed higher in the second quarter in all

major markets. The development of the German clinical business boosted EBITDA, as it moved from being negative in the prior year to contributing in the current quarter, with an EBITDA of €0.6m and a margin of 5.2%.

Operating profit grew more than fourfold following a similar trend with a margin of 9.5% (2.4%). Adjusting the second quarter 2016 operating profit for the €3.5m impairment charge affecting comparability would give a 37.2% increase and a prior year comparative margin of 7.8%, an improvement of 1.7 % points for the second quarter 2017.

## PROFIT DEVELOPMENT FIRST HALF 2017

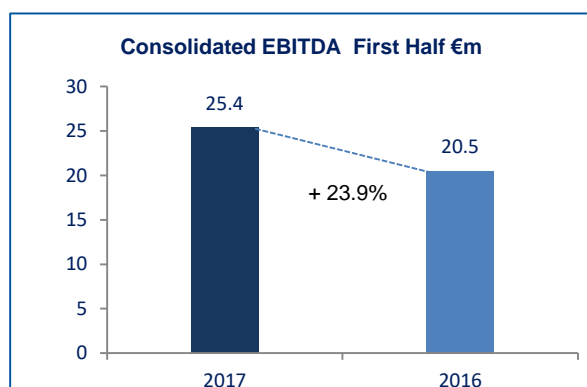
**Operating profit** grew by 78.6% to €12.5m (€7.0m) with operating margin increasing by 1.5 %-points to 4.4% (2.9%). Stock exchange costs expensed in the first half 2017 were €1.8m. Adjusted for the stock exchange listing costs expensed, operating profit more than doubled to €14.3m with an operating profit margin of 5.0%.

**Profit for the period** increased more than fourfold to €6.7m (€1.6m), a margin of 2.4% (0.7%) adjusted for the costs of the stock exchange listing costs expensed, profit was €8.5m, a five-fold increase representing a margin of 3.0%.

Net financial items for the first half amount to €2.6m (€2.4m). Unamortised legal and arrangement fees balances of €0.5m were accelerated and expensed in the first half relating to the early termination of the prior credit facility, replaced with a new undrawn facility for €200m. €2.9m was interest charged on the Group's debt and other discounted liabilities. Foreign exchange gains of €0.9m largely related to gains on the debt of the real estate financing in Poland.

Earnings per share of €0.054 (€0.007).

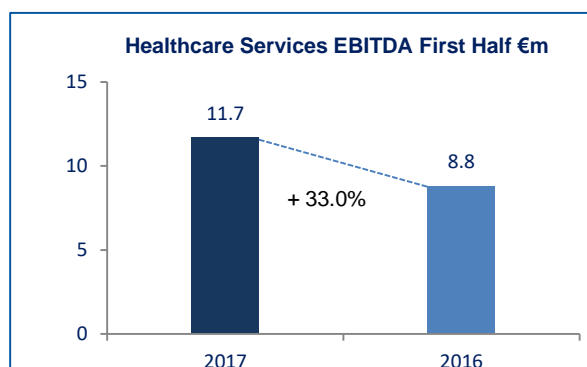
**Consolidated EBITDA** increased by 23.9% to €25.4m (€20.5m) with an EBITDA margin of 9.0% (8.5%). Adjusted for the expensing of the costs relating to the stock exchange listing, EBITDA was €27.2m, a growth of 32.7% with a margin of 9.6%.



The increase was due to the strong performance of the Diagnostic Services segment with the clinical business in Germany moving from start-up to being EBITDA profitable. EBITDA in the Healthcare Services segment improved on contribution from increased funded members and the change in the real estate acquired property in Poland.

### Items affecting comparability

- In the second quarter 2016 a one off non-cash charge of €3.5m was made in the Diagnostic Services segment for impairment of goodwill and intangibles for the Turkish business operations.
- In the second half of 2016 the Warsaw hospital previously leased by the Healthcare Services segment was acquired hence reducing the operational costs and increasing the profit measures. Compared to the prior year the impact of this is €0.9m for operating profit and €1.7m for EBITDA.
- In May 2017 the Company's B class of shares were listed on the Nasdaq Stockholm exchange and new capital raised. Costs incurred in respect of this were in total €10.4m with €1.8m expensed in the first half and €8.6m offset against capital raised.



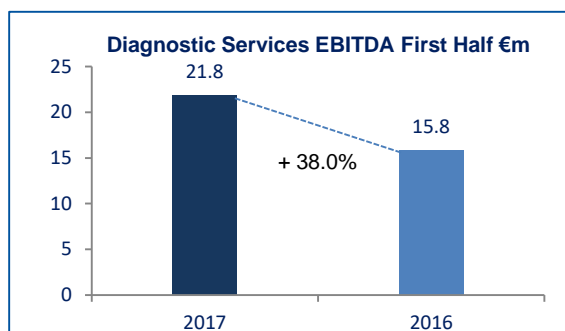
EBITDA for **Healthcare Services** increased by 33.0% to €11.7m (€8.8m), an EBITDA margin of 8.5% (7.4%). The increase in EBITDA derived from the change in the property ownership of the hospital building in Warsaw, an impact of €1.7m. The balance of the improvement is through contribution on the new business volumes. Operating profit amounted to €5.0m (€4.0m), an increase of 25% with an operating margin of 3.6% (3.3%).

The Polish orthopedic surgery and rehabilitation business has developed to expectations and its activities are being expanded across several cities in Poland, including Warsaw. The Warsaw hospital has seen tariffs reduced in the first half for some cardiac procedures, despite this it has increased volumes and underlying profitability although held back by the reduced contribution from the public tariff cuts.

As the employment market in Poland and Romania is performing well and driving demand for funded employee health packages so the cost of staffing providing services to customers in clinics is increasing.



This will become a theme over the rest of 2017 and into 2018, where the Group will increase productivity to manage but will also need to seek to increase prices and are already seeing this happening in certain markets.



EBITDA for **Diagnostic Services** increased by 38.0% to €21.8m (€15.8m) with an EBITDA margin of 14.5% (12.7%). The established businesses all grew well with flow through to EBITDA margins from gross profit. The development of the German clinical business boosted EBITDA as it moved from being negative to contributing in the first half with an EBITDA of €1.2m and a margin of 4.9%.

Operating profit for the segment followed a similar trend with 114% growth amounting to €15.6m (€7.3m) a margin of 10.4% (5.8%). Adjusting for the impairment charge in the first half 2016 the comparative would have been €10.8m, at a growth level of 44.4% with a margin of 8.6%.

Strong economic activity in the major markets are boosting self-pay demand for health care. Where governments are increasing funding for public health this is largely being consumed by increased staff salaries with little impact on volumes of services. With unsatisfied medical needs in the public system, patients are increasingly using trusted private services as these services become more affordable and accessible. The Diagnostic Services segment has increased its number of blood collection points and distribution in Romania, Poland and Ukraine.



## KEY FINANCIAL DATA

<b>Medicover</b>	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Growth</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Growth</b>	<b>Jan-Dec 2016</b>
Revenue, €m	141.6	123.7	14.5%	283.5	240.7	17.8%	497.3
Operating profit	5.7	1.6	256.3%	12.5	7.0	78.6%	17.6
Operating profit margin, %	4.0%	1.3%		4.4%	2.9%		3.5%
Net profit	2.3	(1.1)	n/m	6.7	1.6	318.8%	6.5
Net profit margin, %	1.6%	(0.9%)		2.4%	0.7%		1.3%
Earnings per share, €	0.016	(0.015)	n/m	0.054	0.007	671.4%	0.046
Diluted earnings per share, €	0.016	(0.015)	n/m	0.054	0.007	671.4%	0.045
EBITDA, €m <sup>1)</sup>	12.2	10.4	17.3%	25.4	20.5	23.9%	44.3
EBITDA margin, % <sup>1)</sup>	8.6%	8.4%		9.0%	8.5%		8.9%
Adjusted EBITDA, €m <sup>2)</sup>	12.3	10.4	18.3%	25.7	20.6	24.8%	46.1
Adjusted EBITDA margin, % <sup>2)</sup>	8.7%	8.4%		9.1%	8.6%		9.3%
<b>Healthcare Services</b>	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Growth</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Growth</b>	<b>Jan-Dec 2016</b>
Revenue, €m	70.3	60.7	15.8%	137.8	119.7	15.1%	244.7
EBITDA, €m	6.9	4.7	46.8%	11.7	8.8	33.0%	20.0
EBITDA margin, %	9.8%	7.7%		8.5%	7.4%		8.2%
Members (period end), (000's) <sup>1)</sup>	964	823	17.1%	964	823	17.1%	889
<b>Diagnostic services</b>	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2016</b>	<b>Growth</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Growth</b>	<b>Jan-Dec 2016</b>
Revenue, €m	73.8	65.0	13.5%	150.6	124.9	20.6%	260.5
EBITDA, €m	10.1	7.8	29.5%	21.8	15.8	38.0%	33.3
EBITDA margin, %	13.7%	12.0%		14.5%	12.7%		12.8%
Lab tests (period volume) (m) <sup>1)</sup>	31	28	10.7%	63	56	12.5%	115

1) For Alternative Performance Measure definitions and reconciliations, refer to note 10

2) EBITDA adjusted for non-cash share based payments. For Alternative Performance Measure definitions and reconciliations, refer to note 10

## CASH FLOW

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### SECOND QUARTER

Cash generated from operations before working capital changes and taxes paid for the quarter amounted to €12.3m (€10.8m), being 101% (104%) of EBITDA. Net cash outflow from changes in working capital was €2.0m (outflow of €5.4m), as the growth rate in the German Clinical business is slowing in the quarter and the working capital is starting to catch up. Cash flows from operating activities generated €8.9m (€3.2m) of cash.

Cash outflow from net investments in tangible and intangible assets amounted to €5.4m (€11.3m) lower than prior year as there have been no new clinics opened in Germany during the quarter. Cash flow from financing activities was an inflow related to the new capital issue of €199.0m and a net outflow of €167.4m with repayment of the central credit facility with the capital increase, a net inflow of €29.4m.

Cash and cash equivalents increased by €33.1m (€12.3m) to €53.4m (€32.5m).

### FIRST HALF

Cash generated from operations before working capital changes and taxes paid for the 6 months amounted to €25.9m (€21.0m), being 102% (102%) of EBITDA. Net cash outflow from changes in working capital was €4.3m (outflow of €9.4m), as the growth rate in the German Clinical business is slowing in the first half and the working capital is starting to catch up. Cash flows from operating activities generated €17.7m (€7.4m) of cash.

Cash outflow from net investments in tangible and intangible assets amounted to €9.4m (€21.4m) lower than prior year as there have been no new clinic opened in Germany since the start of 2017 compared to 11 in the first half 2016. Cash flow from financing activities was an inflow of €199.0m related to the new capital issue and a net outflow of €168.1m with repayment of the central credit facility following the capital increase, a net inflow of €27.2m.

Cash and cash equivalents increased by €35.2m (€15.5m) to €53.4m (€32.5m).

## FINANCIAL POSITION

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Consolidated equity as at 30 June 2017 amounted to €305.6m (31 December 2016: €98.8m). The increase in the levels of equity are as a result of profits for the period and the new share issue with share capital of €7.3m and €191.7m additional paid in capital.

Consolidated debt and discounted long term obligations amounted to €59.8m (€227.3m at the end of 2016). Net debt has been paid down with the proceeds from the new share issue, with full repayment of the €167m outstanding of the former €220m credit facility. Remaining drawn credits

comprise a €31.1m loan financing the hospital building in Warsaw, Poland and other minor operational overdrafts and facilities. Cash net of loans and borrowings was positive €10.2m. Net debt including a long term discounted liability balance of €13.7m (representing a liquidity obligation for acquisition of a non-controlling share of a business) was €6.4m.

## TAX

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The Group's tax rate is expected to be approximately 32% for the year. This estimate was applied to the first half profit before tax to determine the corporate tax charge. The final outcome of the tax rate depends on the results of

the Group's various subsidiaries and the corporate tax rates in each country and the recognition or not of deferred tax amounts.

## PARENT COMPANY

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The parent company, Medicover AB (publ) is the listed parent company of the Group with the CEO being employed by the parent company since 1 April 2017 in conjunction with appointments in major operating entities. There was no revenue for the half year and the loss after tax was €0.8m. The Parent company's assets consist of participation in Group companies and loans to Group companies.

The business is financed with equity contributed by the owners. Equity of the parent company at 30 June 2017 was €433.1m.

## EVENTS AFTER THE REPORTING PERIOD

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After the period end, the Group has acquired a network of five medical centres in Romania for a consideration of up to €1.9m with €1.0m to be

settled in cash at closing and a potential future earnout of up to €0.9m.

## RISK FACTORS

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Operating risks faced by the Medicover Group include risk relating to access to qualified employees and payroll expense, risk relating to medical quality or service deficiencies and medical malpractice. External risks include risk relating to regulatory environment and the general economy, political risk and change in public government funding policies.

Apart from the risks described in the *Initial Public Offering Circular*, no other significant new risks are deemed to have emerged.<sup>1</sup>

Medicover Group is exposed to various financial risks, such as credit risk, interest rate risk, liquidity risk and foreign currency risk. Financial risks are managed by the central finance department.

For further information on risk management and financial instruments, see the consolidated financial statements of the Group as at and for the year ended 31 December 2016: note 22 on pages F-49-F-51.<sup>1</sup>

## OWNERS AND SHARE CAPITAL

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Medicover AB (publ) is a public listed company that was listed on the Nasdaq Stockholm exchange on May 23 2017. Share capital as of 30 June 2017 was €26.7m represented by 133,335,195 shares divided into 81,865,591 class A shares and 51,469,604 class B shares. The quota value is €0.2

per share. Celox Holding AB owns 47,157,365 shares with 54.2% of the voting rights.

Refer to note 8 for more details on share capital and additional paid in capital.

## BASIS & AUDIT

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This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read together with the consolidated financial statements of the Group for the year

ended 31 December 2016.<sup>1</sup> The interim information on page 1-12 is an integral part of this interim report. This report has been reviewed by the Company's statutory auditor.

<sup>1</sup> The Group's consolidated financial statements are available in the investor section on [medicover.com](http://medicover.com)



The Board of Directors and Chief Executive Officer declare that the interim report for the period January-June 2017 gives a fair overview of the Parent Company's and Group's operations, financial position and results of operations and describes significant risks and uncertainties facing the Parent Company and companies included in the Group.

Stockholm on 28 July 2017

Fredrik Stenmo

*Chairman of the Board*

Arno Bohn  
*Board member*

Michael Flemming  
*Board member*

Jonas af Jochnick  
*Vice Chairman*

Peder af Jochnick  
*Board member*

Robert af Jochnick  
*Board member*

Margareta Nordenvall  
*Board member*

Fredrik Rågmark  
*Board member and CEO*

Sonali Chandmal  
*Board member*

This information is information that Medicover AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 8.00 (CET) on 28 July 2017. This interim report and other information about Medicover, is available at [medicover.com](http://medicover.com).

#### **Financial Calendar**

Interim report January–September 2017      27 October 2017

#### **Contact information**

For further information, please contact:

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#### **Address**

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Medicover AB (publ)

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SE-114 83 Stockholm

Visiting address: Riddargatan 12A

Stockholm, Sweden

Phone: +46 8-622 36 00

## **REVIEW REPORT**

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Medicover AB (publ), org no 559073–9487

### **INTRODUCTION**

We have reviewed the interim report for Medicover AB (publ) as at 30 June 2017 and for the six-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report on in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that might be identified in an audit. Therefore, the conclusion based on a review does not give the same level of assurance as a conclusion based on an audit.

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and in accordance with the Swedish Annual Account Acts for the Parent Company.

Sollentuna, 28 July 2017

BDO Sweden AB

Jörgen Lövgren

Authorized Public Accountant

## CONDENSED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

Note	€ m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	<b>Revenue</b>	<b>141.6</b>	<b>123.7</b>	<b>283.5</b>	<b>240.7</b>	<b>497.3</b>
	<b>Operating expenses</b>					
	Medical provision costs	(107.1)	(94.7)	(214.2)	(183.7)	(377.3)
	<b>Gross profit</b>	<b>34.5</b>	<b>29.0</b>	<b>69.3</b>	<b>57.0</b>	<b>120.0</b>
	Distribution, selling and marketing costs	(6.9)	(6.2)	(13.8)	(11.6)	(25.0)
	Administrative costs	(21.9)	(21.2)	(43.0)	(38.4)	(77.4)
	<b>Operating profit</b>	<b>5.7</b>	<b>1.6</b>	<b>12.5</b>	<b>7.0</b>	<b>17.6</b>
	<b>Investment income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
	Interest income	0.0	0.1	0.0	0.1	0.1
	Interest expense	(1.9)	(1.4)	(3.5)	(2.3)	(4.6)
	Other financial income/(loss)	(0.4)	0.4	0.9	(0.2)	(1.1)
	<b>Total financial result</b>	<b>(2.3)</b>	<b>(0.9)</b>	<b>(2.6)</b>	<b>(2.4)</b>	<b>(5.6)</b>
	Share of profit of associates	-	0.1	-	0.1	0.1
	<b>Profit before income tax</b>	<b>3.4</b>	<b>0.8</b>	<b>9.9</b>	<b>4.7</b>	<b>12.3</b>
	Income tax	(1.1)	(1.9)	(3.2)	(3.1)	(5.8)
	<b>Profit/(loss) for the period</b>	<b>2.3</b>	<b>(1.1)</b>	<b>6.7</b>	<b>1.6</b>	<b>6.5</b>
	<b>Profit/(loss) attributable to:</b>					
	Owners of the parent	1.8	(1.4)	5.7	0.7	4.3
	Non-controlling interests	0.5	0.3	1.0	0.9	2.2
	<b>Profit for the period</b>	<b>2.3</b>	<b>(1.1)</b>	<b>6.7</b>	<b>1.6</b>	<b>6.5</b>
	<b>Earnings per share (EPS) attributable to parent:</b>					
	Basic	€ 0.016	€ (0.015)	€ 0.054	€ 0.007	€0.046
	Diluted	€ 0.016	€ (0.015)	€ 0.054	€ 0.007	€0.045

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	€ m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	<b>Profit for the period</b>	<b>2.3</b>	<b>(1.1)</b>	<b>6.7</b>	<b>1.6</b>	<b>6.5</b>
	<b>Other comprehensive income:</b>					
	Items that may be reclassified subsequently to profit and loss:					
	Exchange differences on translating foreign operations	(0.7)	(1.1)	1.9	(2.0)	(2.4)
	Income tax relating to these items	-	-	(0.1)	0.0	0.1
	<b>Other comprehensive income for the period, net of tax:</b>	<b>(0.7)</b>	<b>(1.1)</b>	<b>1.8</b>	<b>(2.0)</b>	<b>(2.3)</b>
	<b>Total comprehensive income for the period</b>	<b>1.6</b>	<b>(2.2)</b>	<b>8.5</b>	<b>(0.4)</b>	<b>4.2</b>
	<b>Total comprehensive income attributable to:</b>					
	Owners of the parent	1.2	(2.6)	7.5	(1.3)	2.0
	Non-controlling Interests	0.4	0.4	1.0	0.9	2.2
		<b>1.6</b>	<b>(2.2)</b>	<b>8.5</b>	<b>(0.4)</b>	<b>4.2</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	as at: € m	June 30 2017	June 30 2016	Dec 31 2016
	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	Goodwill	119.6	116.9	118.6
	Other intangible fixed assets	31.9	30.0	31.6
	Tangible fixed assets	142.4	88.1	141.8
	<b>Total fixed assets</b>	<b>293.9</b>	<b>235.0</b>	<b>292.0</b>
	Deferred tax assets	3.3	2.9	3.7
	Investment in associates	0.6	0.9	1.0
4	Other assets	1.3	2.4	1.3
	<b>Total non-current assets</b>	<b>299.1</b>	<b>241.2</b>	<b>298.0</b>
	<b>Current assets</b>			
	Inventories	25.3	25.3	25.8
4	Trade and other receivables	83.9	71.1	77.3
4	Cash and cash equivalents	53.4	32.5	18.4
	<b>Total current assets</b>	<b>162.6</b>	<b>128.9</b>	<b>121.5</b>
	<b>Total assets</b>	<b>461.7</b>	<b>370.1</b>	<b>419.5</b>
	<b>SHAREHOLDERS' EQUITY</b>			
8	Issued capital and reserves attributable to owners of the parent	299.6	84.4	92.7
	Non-controlling interests	6.0	6.2	6.1
	<b>Total shareholders' equity</b>	<b>305.6</b>	<b>90.6</b>	<b>98.8</b>
	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
4-6-7	Loans payable	35.7	163.2	195.4
	Deferred tax liabilities	23.8	23.7	23.4
	Provisions	0.4	0.3	0.4
4,7	Other non-current liabilities	16.6	15.7	16.6
	<b>Total non-current liabilities</b>	<b>76.5</b>	<b>202.9</b>	<b>235.8</b>
	<b>Current liabilities</b>			
4-6-7	Loans payable	7.5	11.5	15.3
	Provision for unearned premiums	8.1	5.4	6.7
	Corporate tax payable	3.1	4.5	4.4
4	Trade and other payables	60.9	55.2	58.5
	<b>Total current liabilities</b>	<b>79.6</b>	<b>76.6</b>	<b>84.9</b>
	<b>Total liabilities</b>	<b>156.1</b>	<b>279.5</b>	<b>320.7</b>
	<b>Total shareholders' equity and liabilities</b>	<b>461.7</b>	<b>370.1</b>	<b>419.5</b>

## CONSOLIDATED CASH FLOW STATEMENT

Note	€ m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	<b>Profit before income tax</b>	<b>3.4</b>	<b>0.8</b>	<b>9.9</b>	<b>4.7</b>	<b>12.3</b>
	Adjustments for:					
	Depreciation and amortization	6.5	5.3	12.9	10.0	23.3
	Impairment		3.5		3.5	3.5
	(Gain)/loss on disposal of fixed assets	-	-	(0.1)	-	(0.1)
	Investment portfolio (gain)/loss	-	-	-	-	(0.2)
	Net Interest expense	1.9	1.3	3.5	2.2	4.5
	Employee share based compensation	0.1	-	0.3	0.1	1.8
	Other non-cash transactions	0.1	0.2	0.4	0.4	1.5
	Unrealized foreign exchange (gain)/loss	0.3	(0.3)	(1.0)	0.1	0.5
	<b>Cash generated from operations before working capital changes and tax</b>	<b>12.3</b>	<b>10.8</b>	<b>25.9</b>	<b>21.0</b>	<b>47.1</b>
	<b>Changes in operating assets and liabilities:</b>					
	Increase in receivables & inventories	(4.3)	(9.7)	(4.7)	(17.7)	(25.5)
	Increase in payables	2.3	4.3	0.4	8.3	11.7
	Cash generated from operations before tax payments	10.3	5.4	21.6	11.6	33.3
	Income tax paid	(1.4)	(2.2)	(3.9)	(4.2)	(7.4)
	<b>Net cash inflow from operating activities</b>	<b>8.9</b>	<b>3.2</b>	<b>17.7</b>	<b>7.4</b>	<b>25.9</b>
	<b>Investing Activities:</b>					
3	Payment for acquisition of fixed assets	(5.5)	(12.4)	(9.5)	(22.7)	(54.3)
	Proceeds from disposal of fixed assets	0.1	1.1	0.1	1.3	0.2
	Investment in associates	0.2	0.4	-	0.2	0.2
	Payment for acquisition of subsidiaries, net of cash acquired	-	(0.9)	(0.4)	(8.6)	(12.3)
	Proceeds from disposal of subsidiaries, net of cash sold	-	(0.4)	-	(0.4)	0.0
	Interest received	-	0.1	0.1	0.1	0.1
	<b>Net cash outflow from investing activities</b>	<b>(5.2)</b>	<b>(12.1)</b>	<b>(9.7)</b>	<b>(30.1)</b>	<b>(66.1)</b>
	<b>Financing activities:</b>					
8	Proceeds from issue of shares	199.0	-	199.0	-	2.7
7	Loans repaid	(173.0)	-	(184.0)	(1.3)	(21.1)
7	Loans received	5.6	23.2	15.9	41.6	64.6
	Interest paid	(2.2)	(2.0)	(3.7)	(2.1)	(4.7)
	<b>Net cash inflow from financing activities</b>	<b>29.4</b>	<b>21.2</b>	<b>27.2</b>	<b>38.2</b>	<b>41.5</b>
	<b>Total cash flow</b>	<b>33.1</b>	<b>12.3</b>	<b>35.2</b>	<b>15.5</b>	<b>1.3</b>
	<b>Cash and cash equivalents</b>					
	Cash balance beginning of the period	20.6	20.3	18.4	17.2	17.2
	Net effects of exchange loss on cash balances	(0.3)	(0.1)	(0.2)	(0.2)	(0.1)
	<b>Total cash balance as at end of period</b>	<b>53.4</b>	<b>32.5</b>	<b>53.4</b>	<b>32.5</b>	<b>18.4</b>
	<b>Increase in cash and cash equivalents</b>	<b>33.1</b>	<b>12.3</b>	<b>35.2</b>	<b>15.5</b>	<b>1.3</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

€ m	Share Capital	Reserve for own shares	Additional paid in Capital	Accumulated profit and loss reserve	Non-controlling interests put-option reserve	Other Reserves	Translation Reserve	Total attributable to owners of the parent	Non-controlling Interests	Total Equity
<b>Opening balance as at 1 January, 2016</b>	<b>106.3</b>	<b>(0.1)</b>	<b>46.5</b>	<b>(37.4)</b>	<b>(10.0)</b>	<b>2.3</b>	<b>(18.4)</b>	<b>89.2</b>	<b>4.0</b>	<b>93.2</b>
Profit for the period	-	-	-	0.7	-	-	-	0.7	0.9	1.6
Other comprehensive income	-	-	-	-	-	0.0	(2.0)	(2.0)	(0.0)	(2.0)
<i>Total comprehensive income for the period</i>	-	-	-	0.7	-	0.0	(2.0)	(1.3)	0.9	(0.4)
<i>Transactions with owners in their capacity as owners:</i>										
Non-controlling interests put-option reserve	-	-	-	-	(3.6)	-	-	(3.6)	(0.8)	(4.4)
Non-controlling interests on business combinations	-	-	-	-	-	-	-	-	2.1	2.1
Employee share compensation costs	-	-	-	-	-	0.1	-	0.1	-	0.1
<i>Total transactions with owners in their capacity as owners</i>	-	-	-	-	(3.6)	0.1	-	(3.5)	1.3	(2.2)
<b>Closing Balance as at 30 June, 2016</b>	<b>106.3</b>	<b>(0.1)</b>	<b>46.5</b>	<b>(36.7)</b>	<b>(13.6)</b>	<b>2.4</b>	<b>(20.4)</b>	<b>84.4</b>	<b>6.2</b>	<b>90.6</b>
<b>Opening balance as at 1 January, 2017</b>	<b>109.0</b>	-	<b>46.4</b>	<b>(29.3)</b>	<b>(13.0)</b>	<b>0.4</b>	<b>(20.8)</b>	<b>92.7</b>	<b>6.1</b>	<b>98.8</b>
Profit for the period	-	-	-	5.7	-	-	-	5.7	1.0	6.7
Other comprehensive income	-	-	-	-	-	-	1.8	1.8	-	1.8
<i>Total comprehensive income for the period</i>	-	-	-	5.7	-	-	1.8	7.5	1.0	8.5
<i>Transactions with owners in their capacity as owners:</i>										
De-recognition of previous parent company	(109.0)	-	(125.1)	-	-	-	-	(234.1)	-	(234.1)
Issuance of Medicover AB (publ) shares for in kind contribution	19.4	-	214.7	-	-	-	-	234.1	-	234.1
Contributions of equity, net of transaction costs (note 8)	7.3	-	191.7	-	-	-	-	199.0	-	199.0
Non-controlling interests put-option reserve	-	-	-	-	0.1	-	-	0.1	(1.1)	(1.0)
Non-controlling interests on business combinations	-	-	-	-	-	-	-	-	0.0	0.0
Employee share compensation costs	-	-	-	-	-	0.3	-	0.3	-	0.3
Reclassification on issuance of shares to employees	-	-	-	0.2	-	(0.2)	-	-	-	-
<i>Total transactions with owners in their capacity as owners</i>	<i>(82.3)</i>	-	<i>281.3</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>	-	<i>199.4</i>	<i>(1.1)</i>	<i>198.3</i>
<b>Closing Balance as at 30 June, 2017</b>	<b>26.7</b>	-	<b>327.7</b>	<b>(23.4)</b>	<b>(12.9)</b>	<b>0.5</b>	<b>(19.0)</b>	<b>299.6</b>	<b>6.0</b>	<b>305.6</b>

## PARENT COMPANY INCOME STATEMENT

Note	€ m	Apr-Jun 2017	Jan-Jun 2017
	<b>Revenue</b>	-	-
	Operating expenses	(0.7)	(0.8)
	<b>Operating profit/(loss)</b>	<b>(0.7)</b>	<b>(0.8)</b>
	Interest expense and similar profit/loss	-	-
	<b>(Loss) before income tax</b>	<b>(0.7)</b>	<b>(0.8)</b>
	Income tax	-	-
	<b>(Loss) for the period</b>	<b>(0.7)</b>	<b>(0.8)</b>

As the loss for the period corresponds with the amount in total comprehensive income, no separate statement is presented.

The parent company was formed on 22 August 2016 and hence no comparatives are presented.

## PARENT COMPANY BALANCE SHEET

Note	€ m	June 30 2017	Dec 31 2016
	Investment in subsidiaries	234.1	-
	Other assets	200.9	-
	<b>Total non-current assets</b>	<b>435.0</b>	<b>-</b>
	Current receivables	0.1	-
	Cash and bank balances	0.2	0.0
	<b>Total current assets</b>	<b>0.3</b>	<b>0.0</b>
	<b>Total assets</b>	<b>435.3</b>	<b>0.0</b>
	Restricted equity	26.7	0.0
	Non-restricted equity	406.4	-
	<b>Total equity</b>	<b>433.1</b>	<b>0.0</b>
	Non-current liabilities	0.7	-
	Current liabilities	1.5	-
	<b>Total equity and liabilities</b>	<b>435.3</b>	<b>0.0</b>

## SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Basis of preparation and principal accounting policies

#### *Basis of preparation*

Medicover AB (publ) ("the Company") together with its subsidiaries are referred to as "the Group". Medicover AB (publ) is a company domiciled in Sweden. The reporting and functional currency of the Company and the Group is the Euro.

On 2 February 2017, Medicover AB (publ) became the parent company of Medicover Holding SA. The former Medicover Holding SA shareholders were issued new shares in Medicover AB (publ) on a one-for-one basis under the terms of an exchange offer approved by Medicover Holding SA shareholders. Immediately following the approval of the exchange offer, the former shareholders of

Medicover Holding SA held the same economic interest in Medicover AB (publ) as they held in Medicover Holding SA immediately prior to its implementation. The effect of this is that the consolidated financial statements of the combined group represent a continuation of Medicover Holding SA's consolidated financial statements. The assets and liabilities of Medicover Holding SA have been recognized and measured in these financial statements at their pre-combination carrying amounts. The consolidated accumulated losses and other reserves of the combined group are based on the amount of Medicover Holding SA's pre-combination "total equity".

#### *Statement of compliance*

This interim report has been prepared in accordance with IAS 34: *Interim Financial Reporting* and should be read together with the consolidated financial statements of the Group as at and for the year ended 31 December 2016<sup>1</sup>. The interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements. The accounting policies applied are consistent with those in the

consolidated financial statements of the Group for 2016.<sup>1</sup>

The condensed interim financial information on pages 1-12 is an integral part of this interim report.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 28 July 2017.

#### *Significant accounting policies, use of judgements and estimates*

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies applied by the Group in this condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016. The new or amended IFRS standards, which became effective 1 January 2017, have had no material effect on the condensed consolidated interim financial statements.

The Group has not early adopted any of the standards or *interpretations* issued but not yet effective. The anticipated effects of IFRS 9: *Financial Instruments*; IFRS 15: *Revenue from Contracts with Customers*; and IFRS 16: *Leases*, (expected to be endorsed by the EU later this year) have been discussed in the consolidated financial statements of the Group as at and for the year

ended 31 December 2016. For more details on the Group's assessment of the impact of these new standards and interpretations, refer page F-31.<sup>1</sup>

The Group is currently reviewing the impact of IFRS 17: *Insurance Contracts*, issued in May 2017 (but not yet endorsed by the EU), and establishing the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

The preparation of interim condensed financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies.

There were no changes in the areas where significant judgments and estimates have been

<sup>1</sup> The Group's consolidated financial statements are available in the investor section on [medicover.com](http://medicover.com)

made. Refer to the Group's consolidated financial statements as at and for the year ended 31 December 2016.<sup>1</sup>

The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities.

At the beginning of 2017, the parent company changed its accounting and reporting framework from local Swedish GAAP BFNAR 2012:1 Annual report and consolidation (Sw. BFNAR 2012:1 Årsredovisning och koncernredovisning) to RFR 2.

The parent company's stand-alone accounting principles are aligned to the consolidated financial statements, except for the following:

a) the parent company's income statement and balance sheet are presented in accordance with the format described in the Swedish Annual Accounts Act,

b) the parent company accounts for investments in subsidiaries using the cost method,

c) the parent company does not apply IAS 39 to financial instruments, instead measures non-current assets at cost less any impairment and financial current assets at the lower of cost or market value.

As the balances of the parent company at the start of the year comprised solely share capital and cash no retrospective restatement of prior periods' balances was required by the change in accounting and reporting framework.

## 2. Segment information

The chief executive officer examines the Group's performance under two reportable segments of the business model.

The Healthcare Services segment has a focus upon a broad range of medical services characterized with direct contact between the patient and the medical professional.

The Diagnostic Services segment has a focus upon invitro diagnostics characterized with indirect contact between the patient and the medical diagnostic professionals.

The chief executive officer receives information about the segments' revenue on a monthly basis.

A measure of earnings before interest, tax, depreciation and amortisation (EBITDA) is used to assess the performance of the operating segments.

Segment results represent the contribution of the segments to central overheads. Where central costs are specific to a segment they have been allocated to that segment and the remaining balance of central costs is shown separately.

Revenue is disclosed on the basis of location of the legal entity providing the services, which is materially the same as location of client.

Depreciation of segment assets includes depreciation of property, plant and equipment and amortization of intangible assets. Impairment of assets includes impairment related to property, plant and equipment, intangible assets and goodwill.

Unallocated items represent non-specific items whose allocation to a segment would be arbitrary and mainly comprises corporate expenses.

<sup>1</sup> The Group's consolidated financial statements are available in the investor section on [medicover.com](http://medicover.com)

## SEGMENT INFORMATION

€ m	Healthcare Services Jan-Jun 2017	Diagnostic Services Jan-Jun 2017	Other Jan-Jun 2017	Group Total Jan-Jun 2017
<b>Revenue</b>				
Total segment revenue	137.8	150.6	0.2	
Inter-segment revenue	(0.1)	(5.0)	-	
<b>Total revenue from external customers</b>	<b>137.7</b>	<b>145.6</b>	<b>0.2</b>	<b>283.5</b>
<b>Measure of segment profit/(loss): EBITDA</b>	<b>11.7</b>	<b>21.8</b>	<b>(8.1)</b>	<b>25.4</b>
Margin %	8.5%	14.5%		9.0%
Depreciation & Amortization	(6.7)	(6.1)	(0.1)	(12.9)
Impairment charge	-	-	-	-
Investment income				-
Share of profit in associates				-
Other financial income/ (loss)				0.9
Net interest expense				(3.5)
Tax charge				(3.2)
<b>Group profit after tax</b>				<b>6.7</b>
Additions to non-current assets:				
Tangible fixed assets, other than land & buildings	2.9	4.6	0.1	7.6
Land & buildings	0.0	0.0	-	0.0
Intangible fixed assets	0.8	1.7	-	2.5
Goodwill	0.5	-	-	0.5
<b>Total</b>	<b>4.2</b>	<b>6.3</b>	<b>0.1</b>	<b>10.6</b>

€ m	Healthcare Services Jan-Jun 2016	Diagnostic Services Jan-Jun 2016	Other Jan-Jun 2016	Group Total Jan-Jun 2016
<b>Revenue</b>				
Total segment revenue	119.7	124.9	0.2	
Inter-segment revenue	(0.1)	(4.0)	-	
<b>Total revenue from external customers</b>	<b>119.6</b>	<b>120.9</b>	<b>0.2</b>	<b>240.7</b>
<b>Measure of segment profit/(loss): EBITDA</b>	<b>8.8</b>	<b>15.8</b>	<b>(4.1)</b>	<b>20.5</b>
Margin %	7.4%	12.7%		8.5%
Depreciation & Amortization	(4.8)	(5.0)	(0.2)	(10.0)
Impairment charge	-	(3.5)	-	(3.5)
Investment income				(0.1)
Share of profit in associates				0.1
Other financial income/ (loss)				(0.1)
Net interest expense				(2.2)
Tax charge				(3.1)
<b>Group profit after tax</b>				<b>1.6</b>
Additions to non-current assets:				
Tangible fixed assets, other than land & buildings	8.8	11.1	0.1	20.0
Land & buildings	-	0.1	-	0.1
Intangible fixed assets	0.6	9.4	-	10.0
Goodwill	6.0	7.5	-	13.5
<b>Total</b>	<b>15.4</b>	<b>28.1</b>	<b>0.1</b>	<b>43.6</b>



€ m	External revenue by location of customers			Non-current assets by location of assets		
	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016	June 30 2017	June 30 2016	Dec 31 2016
Poland	126.2	110.4	224.4	119.1	57.6	117.1
Germany	74.3	57.0	122.2	127.1	122.7	126.0
Romania	36.0	30.5	61.7	28.6	26.4	28.3
Ukraine	22.1	18.4	38.1	7.3	6.1	7.4
Other	24.9	24.4	50.9	13.7	25.5	15.5
<b>TOTAL</b>	<b>283.5</b>	<b>240.7</b>	<b>497.3</b>	<b>295.8</b>	<b>238.3</b>	<b>294.3</b>

Non-current assets by geography include land and buildings, equipment and intangible assets including goodwill. Deferred tax assets are excluded. As almost all sales in each geography are denominated in the countries' respective

currency the above table also provides a fair indication of the exposure of the Group to foreign currency risks for revenue and for gross balance sheet translation exposures for non-current assets.

### 3. Investments – Cash flow impact

€ m	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Investments			
Investments in intangible assets	2.3	5.6	4.2
Investments in tangible assets	7.2	17.1	50.1
Disposals of tangible and intangible assets	(0.1)	(1.3)	(0.2)
<b>Total net investments</b>	<b>9.4</b>	<b>21.4</b>	<b>54.1</b>

### 4. Financial assets and liabilities

The following table shows the Group's significant financial assets and liabilities. All financial assets and liabilities are carried at amortized cost with the exception of:

- derivative financial instruments being reported at fair value through profit and loss;
- a put option liability being reported at fair value with the changes in fair value being reported to equity as a transaction between shareholders;
- a liquidity obligation for future distribution of minority interest share of profits with changes in fair value reported to non-controlling interests; and
- contingent considerations in relation to acquisitions reported at fair value through profit and loss.

All financial assets and liabilities are considered to have carrying amounts that materially correspond to fair value; for loan borrowings this is due to floating interest rates.

€ m	June 30 2017	June 30 2016	Dec 31 2016
<b>ASSETS</b>			
Receivables	83.9	71.1	77.3
Cash and cash equivalents	53.4	32.5	18.4
Other assets	1.3	2.4	1.3
<b>Total financial assets</b>	<b>138.6</b>	<b>106.0</b>	<b>97.0</b>
<b>LIABILITIES</b>			
<b>Financial liabilities at fair value</b>			
Put option liability long term	13.7	14.4	13.8
Contingent consideration payable	3.4	3.3	2.8
Other non-current liability	2.5	1.3	2.1
Other liability short term	2.0	1.1	1.3
Derivatives (interest rate swap)	0.4	0.0	0.7
<b>Subtotal financial liabilities at fair value</b>	<b>22.0</b>	<b>20.1</b>	<b>20.7</b>
<b>At amortized cost</b>			
Borrowings	36.7	169.3	204.8
Trade and other payables	58.9	54.1	57.2
Deferred consideration	3.1	2.1	3.1
<b>Subtotal financial liabilities at amortized cost</b>	<b>98.7</b>	<b>225.5</b>	<b>265.1</b>
<b>Total financial liabilities</b>	<b>120.7</b>	<b>245.6</b>	<b>285.8</b>

### Recognized fair value measurements - Valuation technique and principal inputs

A breakdown of how fair value is determined is indicated in the following three levels:

**Level 1:** Medicover presently has no financial assets or liabilities where the valuation is based on level 1.

**Level 2:** The fair value of interest rate swaps is determined by discounting the estimated cash flows. Discounting is based on quoted market rates on comparable instruments at the balance sheet date.

**Level 3:** The Group is contractually obliged to acquire at a future date a non-controlling interest at a market price determined at that future time. The put option presented above relates to one of the Group's German subsidiaries. The valuation is based on management's estimate of the exercise date and the expected valuation of the put option at that time. Due to contracted terms disadvantaging the holder, it is estimated that the put option will be exercised in 2023 at the earliest. In determining the fair value of the obligation estimations of key variables are made, of which the most significant

are the growth rate of the business to determine its profitability at the future date of exercise (compound rate of 5.5% in 2Q 2017 and year 2016; compound rate of 6.1% in 2Q 2016) and the discount rate applied to the nominal value (2Q 2017: 1.64%, 2016: 1.42% and 2Q 2016: 1.45%). This is a level 3 fair value technique with subsequent changes in fair value of the future obligation recognized as a movement within equity.

The fair value of contingent considerations payable is based on an estimated outcome of the conditional purchase price/contingent payments arising from contractual obligations. This is initially recognized as part of the purchase price and subsequently fair valued with changes recorded through profit or loss. No material changes have occurred to any related assumptions during the six months to 30 June 2017.

No financial assets or financial liabilities have been reclassified between the valuation categories during the period.

## 5. Related party transactions

The Group's financial position as at 30 June 2017 and profit for the 6-month period then ended were not significantly affected by the existence of related parties and by transactions and outstanding balances.

The following transactions were entered into with related parties during the first half, which may affect amounts reported in subsequent periods:

On 5 May 2017, one of the Company's subsidiaries entered into an agreement with two subsidiaries of the Company's principal owner regarding an option for 90 days following the IPO for the acquisition of 100% of the shares in Medicover Healthcare Private Limited, a company currently operating fertility clinics across the New Delhi region in India. This option has not yet been exercised. If it is exercised completion of the transaction would include payment of a purchase price of USD 7.4m, and would be conditional upon receipt of customary regulatory approvals.

On 5 May 2017, one of the Company's subsidiaries entered into an agreement with a subsidiary of the principal owner regarding an option for 90 days following the IPO for the acquisition of the principal owner's investment in shares in Sahrudaya Healthcare Private Limited ("MaxCure"), a company which owns, controls and operates eight hospitals in India. If it is exercised completion of the transaction would include payment of a cash consideration of €11.4m and would be conditional upon receipt of customary regulatory approvals. The principal owner has entered into a share purchase agreement, a subscription agreement and a shareholders' agreement that will be fully assigned to Medicover as part of the transaction, allowing it to optionally invest further capital into, and to take control of, MaxCure over the next three years. The total maximum investment amount for securing ownership in MaxCure to more than 50 percent is INR 3,200m corresponding to approximately € 43.6m.

## 6. Loans and borrowings

€ m	June 30 2017	June 30 2016	Dec 31 2016
<b>Non-current loans payable</b>			
Loans	29.1	157.4	189.1
Finance lease liabilities	0.7	1.3	0.9
Other and acquisition vendor notes	5.9	4.5	5.4
<b>Total non-current loans payable</b>	<b>35.7</b>	<b>163.2</b>	<b>195.4</b>
<b>Current loans payable</b>			
Loans	5.9	9.9	14.0
Finance lease liabilities	0.6	0.5	0.6
Other and acquisition vendor notes	1.0	1.1	0.7
<b>Total current loans payable</b>	<b>7.5</b>	<b>11.5</b>	<b>15.3</b>

Debt has been repaid with the proceeds from the new share issue, with repayment of €167.0m of the former €220m credit facility.

## 7. Liabilities arising from financing activities

The Group monitors debt in accordance with the definitions set out in its major loan agreements. This includes loans payable and other non-current liabilities mainly composed of a future liquidity obligation that would arise from the exercise of a put option over a non-controlling share of one of the Group's businesses.

€ m	June 30 2017	June 30 2016	Dec 31 2016
<b>Gross debt</b>			
Non-current loans payable	35.7	163.2	195.4
Other non-current liabilities	16.6	15.7	16.6
Current loans payable	7.5	11.5	15.3
<b>Total gross debt</b>	<b>59.8</b>	<b>190.4</b>	<b>227.3</b>

A reconciliation of movements of gross debt and a reconciliation to debt net of cash is presented below:

€ m	June 30 2017	June 30 2016	Dec 31 2016
<b>Opening Balance gross debt</b>	<b>227.3</b>	<b>141.2</b>	<b>141.2</b>
Changes from cash flows	(168.1)	40.3	43.5
Foreign exchange	0.2	(0.1)	0.4
Debt assumed upon business combinations and acquisition of assets	-	2.0	38.8
Fair value changes, recognized through equity	(0.1)	3.6	3.0
Other non-cash transactions	0.5	3.4	0.4
<b>Closing Balance gross debt</b>	<b>59.8</b>	<b>190.4</b>	<b>227.3</b>
Less cash balance	(53.4)	(32.5)	(18.4)
<b>Net debt balance</b>	<b>6.4</b>	<b>157.9</b>	<b>208.9</b>

## 8. Share capital additional paid in capital

Under the Company's articles of association, the Company may issue class A and class B shares. The Company may also issue class C shares, as a part of the implementation of the Company's long term performance-based share program. One class

A share carries one vote and one class B share and one class C share, respectively, carries one tenth vote. Medicover's Class B share has been listed on Nasdaq Stockholm since May 2017.

An overview of the movements in share capital and additional paid in capital is presented below:

Share capital and additional paid-in capital	June 30 2017	Dec 31 2016	June 30 2017	Dec 31 2016
	<b>Shares</b>	<b>Shares</b>	<b>€ m</b>	<b>€ m</b>
Capital	133,335,195	6,500	26.7	0.0
Additional paid-in capital			327.7	-
<b>Total capital and additional paid-in capital</b>			<b>354.4</b>	<b>0.0</b>

	Number of shares Class A	Number of shares Class B	Par value €m	Additional paid-in capital €m	Total €m
<b>Opening balance 1 January 2017</b>	<b>6,500</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Completion of exchange offer and change of parent company	17,532,722	1,875,317	19.4	136.0	155.4
5:1 share split	70,156,888	7,501,268	-	-	-
Share issue on initial public offering	-	36,262,500	7.3	200.3	207.6
Less: Transaction costs arising on share issue	-	-	-	(8.6)	(8.6)
Conversion between class A and class B shares	(5,830,519)	5,830,519	-	-	-
<b>Balance 30 June 2017</b>	<b>81,865,591</b>	<b>51,469,604</b>	<b>26.7</b>	<b>327.7</b>	<b>354.4</b>

The shareholders on 31 March 2017 approved for the Company to issue up to 994,000 Class C shares to provide performance shares for an employee long term incentive plan subject to fulfillment of certain service and non-market performance conditions. This could equate to a potential dilution of approximately 0.7%.

At June 30, 2017, rights entitling their holders to a maximum of 828,664 Class C shares have been granted relating to the long-term incentive plan, corresponding to a maximum dilution impact of 0.6%. As the shares are only contingently issuable, they were not included in the calculation of diluted earnings per share because the conditions are not yet satisfied.

## 9. Commitments

In March 2017, a call option acceptance notice was issued by a subsidiary of the Group to purchase the 49.9% minority participation interest in the registered capital of Intersono Group LLC, a fertility business located in Ukraine for an estimated consideration of €4.0 million to be settled in cash. This agreement is being finalised.

In April 2017, the Group entered into an agreement to acquire medical operations in Germany. The

minimum consideration would be €1.9 million and subsequent development of the business could lead to an additional contingent consideration of up to €3.7 million. This transaction is subject to regulatory approvals and will take economic effect from the date of approval.

## 10. Alternative performance measure definitions and reconciliations

The Group uses some alternative performance measures that are not defined in IFRS in its decision-making, because they provide information useful to assess the Group's performance. These measures should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS.

### Acquired revenue

Net revenue related to companies or operations acquired in the last 12 months.

### Constant currency organic revenue

Net revenue excluding acquisitions and currency effects. This measure provides information on the change in net revenue assuming that foreign currency exchange rates had not changed between the prior and current period. The comparisons

presented as constant currency rates reflect comparative local currency revenue at the prior year's foreign exchange rates. The Group routinely evaluates third party net revenue performance at constant currency so that revenue results can be viewed without the impact of foreign currency exchange rates, thereby facilitating a period-to-period comparison of the operational activities, and this presentation also provides useful information to investors.

### Constant currency organic growth

Increase of revenue excluding acquisitions and currency effects relative to the corresponding period prior year's revenue.

### EBITDA

Earnings before interest, other financial items, tax, amortization, depreciation and impairment.

### Adjusted EBITDA

Earnings before interest, other financial items, tax, amortization, depreciation and impairment adjusted for non-cash share based payments.

### EBITDA margin

EBITDA as a percentage of revenue.

### Adjusted EBITDA margin

Adjusted EBITDA as a percentage of revenue.

### Operating profit margin

Operating profit as a percentage of revenue.

### Gross profit margin

Gross profit as a percentage of revenue.

### Organic revenue

Net revenue excluding acquisitions.

### Profit margin

Profit for the period as a percentage of revenue.

### Laboratory tests

Number of laboratory tests performed within the Diagnostic Services segment for the period referenced.

### Members

Number of individuals covered under a pre-paid subscription or insurance plan within the Healthcare Services segment at the end of the relevant period.

Reconciliation to EBITDA in €m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating profit	5.7	1.6	12.5	7.0	17.6
Depreciation and amortization	6.5	5.3	12.9	10.0	23.2
Goodwill impairment charge	0	3.5	0	3.5	3.5
<b>EBITDA</b>	<b>12.2</b>	<b>10.4</b>	<b>25.4</b>	<b>20.5</b>	<b>44.3</b>
Share based payments	0.1	0.0	0.3	0.1	1.8
<b>Adjusted EBITDA</b>	<b>12.3</b>	<b>10.4</b>	<b>25.7</b>	<b>20.6</b>	<b>46.1</b>
Revenue	141.6	123.7	283.5	240.7	497.3
Operating profit margin	4.0%	1.3%	4.4%	2.9%	3.5%
EBITDA margin	8.6%	8.4%	9.0%	8.5%	8.9%
Adjusted EBITDA margin	8.7%	8.4%	9.1%	8.6%	9.3%
Profit margin	1.6%	(0.9)%	2.4%	0.7%	1.3%

Reconciliation to constant currency organic revenue in €m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Acquisition revenue accounted	1.8	5.0	3.7	9.3	20.6

€ m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Revenue	141.6	123.7	283.5	240.7	497.3
Less acquired revenue impact	(1.8)	(5.0)	(3.7)	(9.3)	(20.6)
<b>Organic revenue</b>	<b>139.8</b>	<b>118.7</b>	<b>279.8</b>	<b>231.4</b>	<b>476.7</b>

€ m	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Revenue as reported	141.6	123.7	283.5	240.7	497.3
Acquired revenue	(1.8)	(5.0)	(3.7)	(9.3)	(20.6)
Organic revenue	<b>139.8</b>	<b>118.7</b>	<b>279.8</b>	<b>231.4</b>	<b>476.7</b>
Constant currency impact	(1.0)	6.1	(2.0)	12.1	20.0
Constant currency organic revenue	<b>138.8</b>	<b>124.8</b>	<b>277.8</b>	<b>243.5</b>	<b>496.7</b>