

YEAR-END REPORT JANUARY–DECEMBER 2017

Fourth Quarter

- Revenue increased by 15.2% to €152.7m (€132.5m). Organic revenue grew by 12.6%.
- Operating profit amounted to €7.8m (€3.9m), representing an operating margin of 5.1% (2.9%).
- Net profit amounted to €9.2m (€1.7m), which represents a net profit margin of 6.0% (1.3%).
- Cash flow from operating activities amounted to €17.3m (€7.3m).
- Basic/diluted earnings per share (EPS) was €0.067 (€0.008).
- EBITDA increased by 28.1% to €14.6m (€11.4m), corresponding to an EBITDA margin of 9.6% (8.6%).

Full Year

- Revenue increased by 16.7% to €580.2m (€497.3m). Organic revenue grew by 14.5%.
- Net profit amounted to €20.2m (€6.5m), which represents a net profit margin of 3.5% (1.3%).
- EBITDA increased by 24.2% to €55.0m (€44.3m), corresponding to an EBITDA margin of 9.5% (8.9%). Excluding IPO costs expensed, EBITDA increased by 27.5% to €56.5m a margin of 9.7%.
- Number of members increased by 15.2% reaching 1,024K members at 31 December 2017 (889K). Number of lab tests increased by 7.8% reaching 124.0m (115.0m) for the year.
- The Board of Directors proposes that no dividend be paid for the 2017 financial year.

With this release, Medicover also announces another investment of €4.1m into MaxCure, which in addition to the €2.6m in January will bring Medicover's holding to 30.5%.

REVENUE AND EARNINGS

€ millions (€m)	Q4 2017	Q4 2016	Growth	FY 2017	FY 2016	Growth
Revenue	152.7	132.5	15%	580.2	497.3	17%
Operating profit	7.8	3.9	100%	28.8	17.6	64%
Operating profit margin, %	5.1%	2.9%		5.0%	3.5%	
Net profit	9.2	1.7	N/M	20.2	6.5	211%
Net profit margin, %	6.0%	1.3%		3.5%	1.3%	
Earnings per share, €	0.067	0.008	N/M	0.157	0.046	241%
Diluted earnings per share, €	0.067	0.008	N/M	0.157	0.045	249%
EBITDA ¹	14.6	11.4	28%	55.0	44.3	24%
EBITDA margin, % ¹	9.6%	8.6%		9.5%	8.9%	

¹ For Alternative Performance Measure definitions and reconciliations, refer to note 11

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

CEO STATEMENT



With the close of the fourth quarter we leave a very prosperous year behind us. We have carried out a successful listing at Nasdaq Stockholm, we have continued to grow with strong organic growth and acquisitions as well as established a new footprint in the Indian healthcare market.

For the fourth quarter we reached revenue growth of 15.2% for the whole company and organic growth of 12.6%. For the full year 2017 revenue grew by 16.7% and 14.5% organically. All in all, revenue rose to €152.7m (€132.5m) for the fourth quarter and €580.2m (€497.3m) for the full year.

EBITDA increased to €14.6m (€11.4m) for the fourth quarter and to €55.0m (€44.3m) for full year 2017. For the fourth quarter adjusted EBITDA, excluding the impact of IPO costs expensed and initial losses of the greenfield Indian fertility business, amounted to €15.7m with a margin of 10.3% (€13.1m with 9.9% margin) a growth of 19.8%. Corresponding numbers for the full year are €58.6m with 10.1% margin (€46.5m with 9.4% margin), a growth of 26.0%

versus prior year.

Healthcare Services continued to see a positive development for members which reached 1,024K members in Q4, which will support future revenue growth. Market conditions are stable and continue to support our development especially in Poland and Romania. India is a new market for Healthcare Services that was added in 2017 with the greenfield fertility clinic network being consolidated for this quarter and our 23.0%¹ stake in MaxCure hospital group at the end of the year. The fertility network had eight clinics operating at year end with one opened during the fourth quarter and two more opened in January 2018. MaxCure is a sizeable operation with nine units at year end and a tenth added in January 2018 and had €55.0m of revenue for 2017.

All in all, revenue growth for Healthcare Services was 18.8% in the quarter, lifting revenue to €76.5m (€64.4m) with organic growth of 14.4%.

In the quarter, revenue for Diagnostic Services rose 12.4% to €79.0 m (€70.3 m), with organic growth of 11.5%. Poland and Romania contributed strongly to the development in the quarter. Medicover Germany, our specialist clinic network, continues to develop with revenue of €12.7m (€10.0m) for the quarter and €0.7m (€0.0m) EBITDA. In Q4 we opened another 13 blood drawing points, giving a total of 57 opened over 2017.

Looking back, I am very proud of what we have achieved so far. I would therefore like to address myself to all our staff and say 'thank you'. You are making a fantastic achievement in providing outstanding care for millions of people. By constantly striving to become even more professional you make the Medicover difference. This is the solid foundation upon which our company rests and we are in great shape to continue our exciting journey.

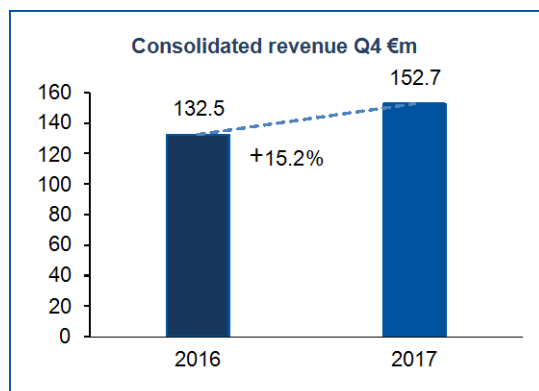
Fredrik Rågmark

CEO

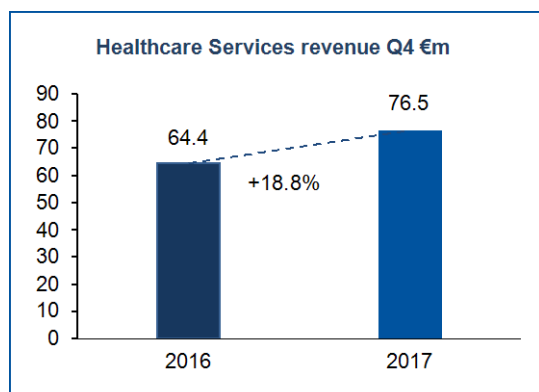
¹ 22% initial interest increased during the quarter by 1% with additional investment

REVENUE FOURTH QUARTER 2017

Consolidated revenue increased by 15.2% to €152.7m (€132.5m) with organic revenue growth of 12.6%. Growth has been strong in all major business lines.



Healthcare Services revenue grew by 18.8% to €76.5m (€64.4m), with organic growth of 14.4%. Members grew by 15.2% to 1,024K at period end (889K).



The favourable employment market in the major countries supports member growth under employer funded employee health packages. This has been the strongest growth driver representing some 60% of the growth with out of pocket fee for service being the other growth driver. Fee for service volume increased in the fourth quarter reflecting the seasonally higher levels of healthcare demand in this period. Healthcare Services continue to see good economic development in the main economies with increasing employment, real wage increases and increasing consumer spending.

The Indian fertility business was consolidated for the whole quarter. This is a greenfield investment with 8 clinics operating at the end of the quarter of which 1 was opened during the quarter. As this is at an early development stage, revenue is not

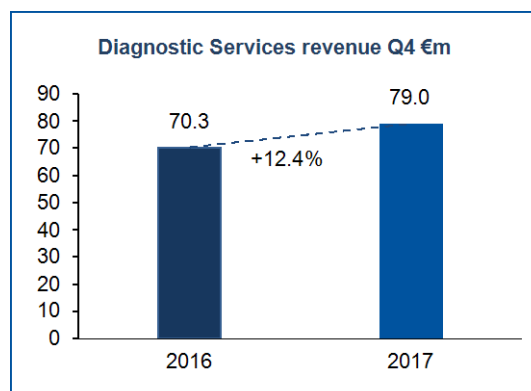
significant. No other acquisitions were made in the Healthcare Services Segment.

MaxCure hospital group where Medicover has a 23.0%¹ interest at the end of December had revenue of approximately €55.0m in 2017. This investment has been treated as an associate and has not been consolidated.

The Polish fertility business, the market leader in Poland, was back to strong growth having more than replaced with out of pocket fee for service, the July 2016 central government cancellation of funding for this area of medicine.

Diagnostic Services revenue grew by 12.4% to €79.0m (€70.3m), with organic growth of 11.5%. Laboratory test volume increased 3.3% to 31.0m (30.0m), with composition changes driving the revenue increase.

The German clinical business still shows strong growth however the number of clinics in the current and comparative period are now similar, reducing the impact overall of the growth on the segment. The ambition is to increase the number of doctors in existing medical centres which is a factor that drives continuing growth and seek to acquire established clinics within existing and new cities. The German clinical business had revenue of €12.7m (€10.0m). The established businesses grew well in all major markets.



A Berlin infectious diseases clinic was acquired at the start of the quarter and has been consolidated. This is our 7th clinical site in Berlin. The continuing strong economic development in Romania and Poland is leading to increased ability to self-pay for health care and the expansion of access through more blood drawing points supports this growth. During the quarter 13 new blood drawing points were opened bringing

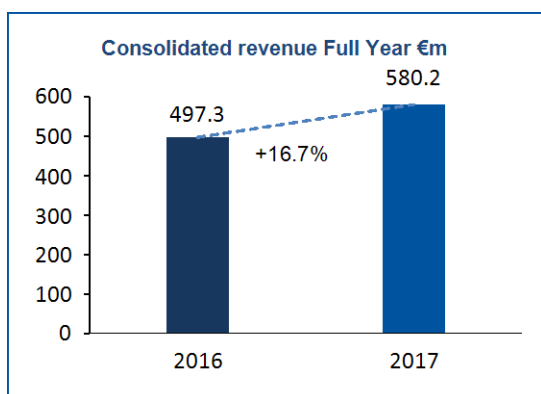
¹ Increased in early January 2018 with a follow on investment

the total to 57 additional locations in 2017. The delay of the IMF and the EU in advancing funds to Ukraine under the Extended Fund Facility (EFF) packages has led to weakening in the Ukrainian Hryvna exchange rate at the end of the quarter

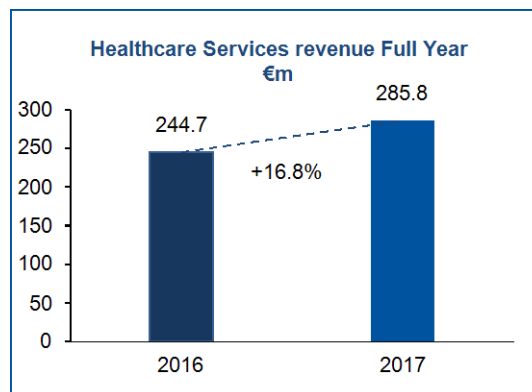
and into the first quarter, which although reducing reported euro figures has not impacted volume growth.

REVENUE FULL YEAR 2017

Consolidated revenue increased by 16.7% to €580.2m (€497.3m) with organic growth at 14.5%. Growth for the year has been balanced, slightly weighted to the Diagnostic Services segment with 53.0% of the growth.

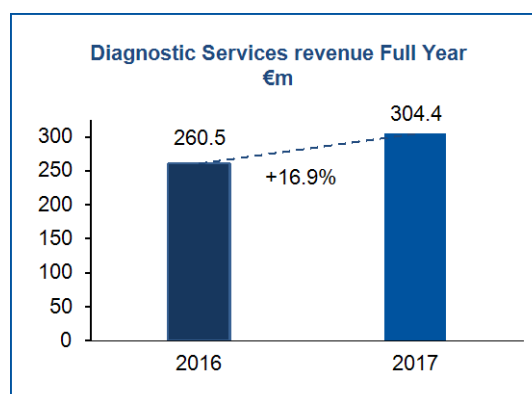


Healthcare Services revenue grew by 16.8% to €285.8m (€244.7m), with organic growth of 12.7%. A favourable employment market combined with continued good economic development are driving member growth and revenue in the employer funded business which represented approximately 2/3rds of the growth. The fee for service business in both Poland and Romania grew at a faster rate but from a smaller base, representing the other 1/3rd of the growth, while public reimbursed services reduced versus prior year with the cancellation of central government funding for fertility medicine in Poland halfway through 2016. New facilities were added over the year and acquisitions in the dental field in Poland and clinical assets in Romania. The Indian fertility business has been consolidated for the fourth quarter, however as it is at an early stage of development revenue is not significant.



Diagnostic Services revenue grew by 16.9% to €304.4m (€260.5m), with organic growth of 16.5%. The German clinical business is the largest contributor to the strong growth. The 14 sites opened or taken over in 2016 were all operational for the year 2017 and 2 new specialised medical practises were added in 2017. The German clinical business had revenue of €48.8m (€28.6m).

The established businesses also grew well in all markets, including the German laboratory activity with above market growth. The economic situation is supportive for growth in all key markets, with the devaluation pressures resurfacing in Ukraine being the only negative economic factor becoming visible at the end of the year.



Diagnostic Services has expanded its activities in the field of genetic testing over the year making acquisitions in this field in Germany and investing in facilities in Romania and Poland.

PROFIT DEVELOPMENT FOURTH QUARTER 2017

Operating profit (EBIT) increased to €7.8m (€3.9m) with operating margin growth of 2.2 percentage points to 5.1% (2.9%). Included within this is a loss of €0.9m for the greenfield Indian fertility business, adjusting for this the operating profit was €8.7m a margin of 5.7%.

Profit for the period amounted to €9.2m (€1.7m), a margin of 6.0% (1.3%).

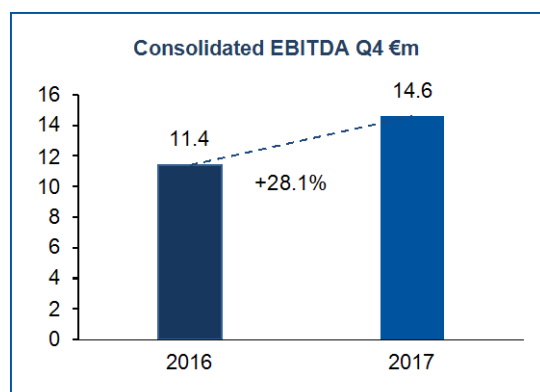
Other income/costs were €2.9m (€0.2m) mainly arising from accounting for fair value changes in put and call options. This income reflects the net increase in valuation of the contracts rights and obligations that Medicover has entered into with the other shareholders of MaxCure which will enable Medicover to acquire over 51% of the equity.

Net financial result for the quarter amounted to income of €0.9m (loss €1.7m). Debt costs reduced as the credit facility of €200.0m was largely unutilised, however commitment fees continue to be incurred. €0.5m of interest was charged on the Group's other debt, commitment fees and other discounted liabilities. Foreign exchange gains of €1.3m, mostly unrealised, relate to the strengthening of the Polish zloty in relation to financing for the Polish hospital real estate.

Basic/diluted earnings per share of €0.067 (€0.008).

Consolidated EBITDA increased by 28.1% to €14.6m (€11.4m) with an EBITDA margin of 9.6% (8.6%). Adjusted EBITDA was €15.1m (€13.1m) a margin of 9.9% (9.9%). Included within this is a loss of €0.9m for the greenfield Indian fertility business. Excluding this and the IPO costs, the adjusted EBITDA was €15.7m a margin of 10.3%.

The improvement reflects the increased revenue in both segments, the development of the German clinical business and the contribution of facilities opened in earlier periods becoming profitable.



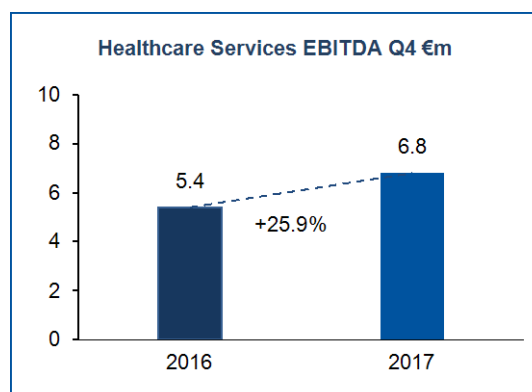
Items affecting comparability

Acquisitions have been made over the year in the fields of clinical, dental and genetic testing in Romania, Poland and Germany. Revenue recognised in the fourth quarter 2017 from acquisitions made since 31 December 2016 was €3.1m.

The Indian fertility business was acquired from the largest shareholder, Celox Holding AB. The results of the unit were consolidated for the quarter with an operating loss of €0.9m for the quarter consolidated in the operating profit and EBITDA result.

The MaxCure hospital group equity stake along with certain rights to call shares and obligations to fulfil put options over MaxCure shares was acquired at the start of the quarter. These options are required to be valued using valuation models and other income/costs of €2.7m (€0.0m) was recognised in the quarter relating to these valuations. The net value of these options has increased during the quarter due to the underlying growth of profitability of the MaxCure business and corresponding increase in value of the equity. MaxCure has moved its EBITDA margin from low double digit figures earlier in the year to high teens towards the end of the year on higher occupancy rates.

EBITDA for **Healthcare Services** increased by 25.9% to €6.8m (€5.4m), an EBITDA margin of 8.9% (8.4%). Most of the improvement is through contribution of the new business volume. Operating profit increased by 52.4% to €3.2m (€2.1m). Operating profit margin was 4.2% (3.3%).



Within this segment a loss of €0.9m was included relating to the greenfield India fertility business in its development phase. Excluding this loss EBITDA

would be €7.7m (€5.4m) an increase of 42.6% and a margin of 10.1% (8.4%).

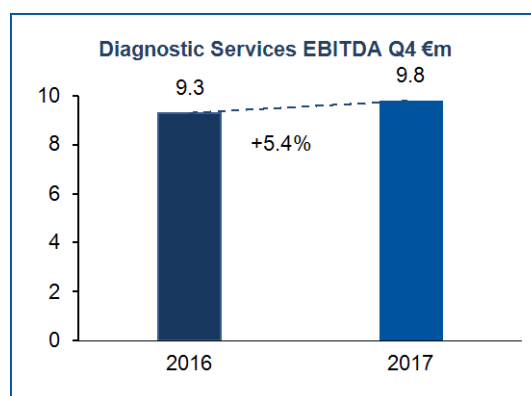
The segment results were driven by the increase in employer funded members and good growth of the fee for service business areas such as fertility. In the winter months' costs for the funded members increase as demand increases with factors such as seasonal flu, this tends to reduce seasonally profitability. This is offset to a degree with fee for service demand increasing due to the same reason, which is positive for the segment. The fertility business in Poland has progressed well in growing fee-for-service revenue replacing the revenue from the National Health Fund which stopped their funding program from July 2016. All business units grew strongly in the quarter across all markets.

Regarding the outlook for the publicly funded services in the Warsaw hospital, we are still awaiting final information. Public pay contracts are a minor part of Medicovert's business and represent 3.4 percent of the segment's revenue.

EBITDA for **Diagnostic Services** increased by 5.4% to €9.8m (€9.3m) with an EBITDA margin of 12.4% (13.2%).

The winter months are seasonally the best performing periods for the segment due to higher demand for services on the back of higher illness and medical activity. The number of working days

were slightly lower in the German market for the fourth quarter, around 2% lower. The development of the German clinical business boosted EBITDA, as it moved from being breakeven in the prior year to contributing in the current quarter, with an EBITDA of €0.7m and a margin of 5.5%. The development is flat on the prior quarter as patient growth numbers were behind expectations in some of the newer locations with a lag in bringing in new doctors. A new unit has been added for the fourth quarter of 2017 with the acquisition of a Berlin based clinic focusing on infectious diseases, such as hepatitis and HIV. This takes the total of clinics to 16. Operating profit for the segment was €6.7m (€5.3m) a margin of 8.5% (7.5%), an improvement of 1.0 percentage point.



PROFIT DEVELOPMENT FULL YEAR 2017

Operating profit (EBIT) grew by 63.6% to €28.8m (€17.6m) with operating margin increasing to 5.0% (3.5%). IPO costs charged to the income statement were €1.5m over the year. Adjusted for IPO costs, operating profit was €30.3m with an operating profit margin of 5.2%.

Profit for the period was €20.2m (€6.5m), a margin of 3.5% (1.3%) and excluding IPO costs, profit was €21.7m, more than a three-fold increase representing a margin of 3.7%.

Other income/costs mainly representing fair value movements on financial instruments was €2.9m (€0.2m).

Net financial costs for the year amounted to €3.9m (€5.6m). 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 facility, replaced with a new undrawn facility for €200.0m and commitment fees paid subsequently on the undrawn facility. €4.9m (€4.6m) of interest was charged on the Group's

debt and other discounted liabilities. Foreign exchange gains amounted to €0.8m mainly relating to the movements in relation to debt financing for the Hospital real estate in Poland.

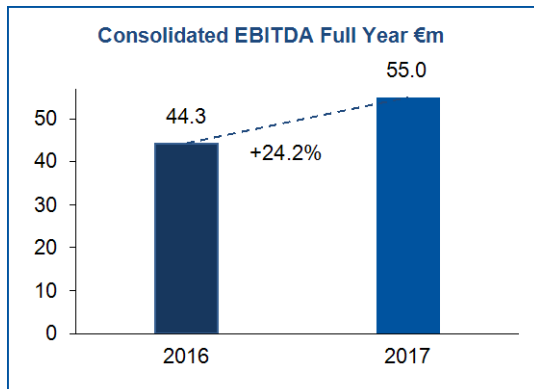
Earnings per share were €0.157 (€0.046) and diluted earnings per share of €0.157 (€0.045).

Consolidated EBITDA increased by 24.2% to €55.0m (€44.3m) with an EBITDA margin of 9.5% (8.9%). Adjusted EBITDA, also excluding the €1.5m of IPO costs, was €57.7m, a growth of 24.1% with a margin of 9.9% (9.4%).

Within this is a loss of €0.9m in the fourth quarter related to the greenfield Indian fertility business acquired at the start of the quarter. Adjusted EBITDA excluding the Indian fertility results and the IPO expenses would be €58.6m, a margin of 10.1%.

The increase was more weighted to the Diagnostic Services segment, with both segments growing contribution and the absolute growth flowing through to profit. Within the Diagnostic Segment this was driven by revenue growth and the

development of the clinical business in Germany and within the Healthcare Services segment from increased funded members.



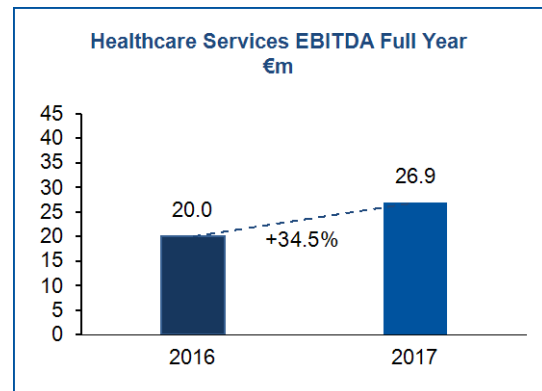
Items affecting comparability

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.

From August 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 €0.6m for operating profit and €2.0m for EBITDA.

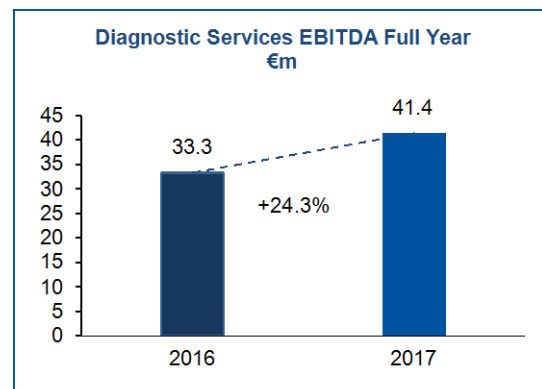
In May 2017 the Company's B class of shares were listed on the Nasdaq Stockholm exchange and new capital raised. Costs incurred in respect of this were in total €9.8m with €1.5m expensed in the year and €8.3m offset against capital raised.

EBITDA for **Healthcare Services** increased by 34.5% to €26.9m (€20.0m), an EBITDA margin of 9.4% (8.2%). The increase in EBITDA derived from the change in the property ownership of the hospital building in Warsaw was an impact of €2.0m. The balance of the improvement is through contribution on the new business volumes. Operating profit amounted to €13.2m (€8.9m), an increase of 48.3% with an operating margin of 4.6% (3.6%).



EBITDA for **Diagnostic Services** increased by 24.3% to €41.4m (€33.3m) with an EBITDA margin of 13.6% (12.8%). The established businesses all grew well and gross profit has been the main driver for the increased profitability. The development of the German clinical business boosted EBITDA as it moved from being negative to contributing in the year with an EBITDA of €2.5m and a margin of 5.1%.

Operating profit for the segment followed a similar trend with 62.6% growth to €29.1m (€17.9m) a margin of 9.6% (6.9%). Adjusting for the impairment charge in the first half 2016 the comparative would have been €21.4m, a margin of 8.2%. Strong economic activity in the major markets continues to support fee for service demand for health care. The Diagnostic Services segment has increased its number of blood collection points and distribution in Romania, Poland and Ukraine, with the addition of 57 blood drawing locations over 2017.



KEY FINANCIAL DATA

Medicover	Oct-Dec 2017	Oct-Dec 2016	Growth	FY 2017	FY 2016	Growth
Revenue, €m	152.7	132.5	15%	580.2	497.3	17%
Operating profit	7.8	3.9	100%	28.8	17.6	64%
Operating profit margin, %	5.1%	2.9%		5.0%	3.5%	
Net profit	9.2	1.7	N/M	20.2	6.5	211%
Net profit margin, %	6.0%	1.3%		3.5%	1.3%	
Earnings per share, €	0.067	0.008	N/M	0.157	0.046	241%
Diluted earnings per share, €	0.067	0.008	N/M	0.157	0.045	249%
EBITDA, €m ¹	14.6	11.4	28%	55.0	44.3	24%
EBITDA margin, % ¹	9.6%	8.6%		9.5%	8.9%	
Adjusted EBITDA, €m ²	15.1	13.1	15%	56.2	46.5	21%
Adjusted EBITDA margin, % ²	9.9%	9.9%		9.7%	9.4%	
IPO costs expensed, €m	-0.3	-		1.5	-	
Adjusted EBITDA excluding IPO costs, €m	14.8	13.1	13%	57.7	46.5	24%
Adjusted EBITDA excluding IPO costs margin, %	9.7%	9.9%		9.9%	9.4%	
EBITA, €m ¹	8.5	4.8	77%	31.4	23.6	33%
EBITA margin, % ¹	5.6%	3.6%		5.4%	4.7%	
Healthcare Services	Oct-Dec 2017	Oct-Dec 2016	Growth	FY 2017	FY 2016	Growth
Revenue, €m	76.5	64.4	19%	285.8	244.7	17%
EBITDA, €m	6.8	5.4	26%	26.9	20.0	35%
EBITDA margin, %	8.9%	8.4%		9.4%	8.2%	
Members (period end), (000's) ¹	1,024	889	15%	1,024	889	15%
Diagnostic Services	Oct-Dec 2017	Oct-Dec 2016	Growth	FY 2017	FY 2016	Growth
Revenue, €m	79.0	70.3	12%	304.4	260.5	17%
EBITDA, €m	9.8	9.3	5%	41.4	33.3	24%
EBITDA margin, %	12.4%	13.2%		13.6%	12.8%	
Lab tests (period volume) (m) ¹	31.0	30.0	3%	124.0	115.0	8%

¹ For Alternative Performance Measure definitions and reconciliations, refer to note 11

² EBITDA adjusted for non-cash share based payments and merger and acquisition related expenses. For Alternative Performance Measure definitions and reconciliations, refer to note 11

CASH FLOW

Fourth Quarter

Cash generated from operations before working capital changes and taxes paid amounted to €15.7m (€13.3m), being 107.5% of EBITDA (116.7%). Net working capital decreased by €3.2m (increase of €4.5m), with the German clinical business reducing its days of sales outstanding from the state health service. Cash paid tax was €1.6m (€1.5m). Cash generated from operations was €17.3m (€7.3m).

Cash paid for investments in tangible and intangible assets amounted to €13.2m (€11.3m). Payments were made for acquisitions of €9.7m (€3.5m) consisting mainly of an acquisition of a greenfield fertility business in India for €5.2m and German assets for a total of €3.9m. €13.8m was paid to acquire a 23.0% stake in MaxCure hospital group during the quarter. Of the €13.8m some €9.3m was originally injected into MaxCure as new equity to grow the business and €4.5m was for purchase of existing shares.

Net loans drawn were €12.0m, (net loans repaid €2.8m). Interest paid reduced to €0.5m (€1.6m) being the payment of commitment fees on the undrawn portion of the €200.0m facility and payment of interest on the remaining drawn debt amounts.

Cash and cash equivalents decreased by €-8.6m in the quarter to €45.4m.

Full Year

Cash generated from operations before working capital changes and taxes paid amounted to €57.0m (€47.1m), being 103.6% of EBITDA (106.3%). Net working capital decreased by €0.4m (increase €13.8m) as the growth rate in the German clinical business slowed in 2017 after the rapid build-up over 2016. Cash paid tax was €7.1m (€7.4m). Cash generated from operations was €50.3m (€25.9m).

Cash paid for investments in tangible and intangible assets amounted to €29.4m (€54.3m) with the Polish hospital real estate being acquired in the prior year along with the investments in the German clinical business. Payments were made of €10.6m (€12.3m) to acquire businesses.

Net proceeds of the share issue in May 2017 were €199.3m of which €158.8m net was used to repay debt. Interest paid was €5.0m (€4.7m) due to the higher levels of debt in the first part of the year, the arrangement fees for new facilities in relation to the IPO, interest on the real estate funding and commitment fees for the unused facility in the second half of the year.

Cash and cash equivalents increased by €28.1m for the year to €45.4m (€18.4m).

FINANCIAL POSITION

Consolidated equity as at 31 December 2017 amounted to €304.0m (31 December 2016: €98.8m). The increase in the levels of equity are a result of profits for the period and the new share issue with share capital of €7.3m and €192.0m additional paid in capital recognised during the year.

Consolidated debt amounted to €57.2m (€10.7m at the end of 2016). Debt has been paid down with the proceeds from the new share issue, with full repayment of the €167.0m outstanding of the

former €220.0m credit facility in the second quarter. Remaining drawn credits comprise a €30.3m loan financing the hospital building in Warsaw Poland which has been repaid after year end in January 2018 and other minor operational overdrafts and facilities. Consolidated debt net of cash was €11.8m (€192.3m).

TAX

The Group's effective tax rate amounted to 27.9% (47.2%) for the year with a tax charge of €7.8m (€5.8m). The number of legal entities in a development stage and making tax losses reduced over the year, particularly the start-up phase of the

German clinical business which had the effect of increasing the group's effective tax rate in 2016. Cash paid taxes during the year were €7.1m (€7.4m).

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 significant revenue in 2017 and the loss after tax was €3.7m. 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 31 December 2017 was €430.5m.

EVENTS AFTER THE REPORTING PERIOD

In January 2018 Medicover has increased its ownership in Sahrudaya Health Care Private Limited (MaxCure) through an injection of new capital of €2.6m. Currently Medicover is now closing an injection of an additional €3.1m of new capital and a purchase of existing shares for €1.0m to bring Medicover's holding in MaxCure to 30.5%. The funds were used to acquire MaxCure's 10th unit giving total beds of 1,522, to acquire a minority in one of the existing units and to fund the

launch of an additional greenfield 286 bed unit opening in the second quarter 2018. Additional investments for secondary shares of up to €2.3m is expected to occur in the first half 2018 which would bring our holding to 40.1 percent¹.

Medicover repaid €30.3m of debt secured on its real estate in Poland and refinanced with debt advanced under its revolving credit facility.

RISK FACTORS

Operating risks faced by the Medicover Group include risk relating to access to sufficient qualified employees and the related payroll expense to fulfil growth and customer service expectations, risk relating to medical quality or service deficiencies and medical malpractice. External risks include risk relating to the 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.

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-51.²

¹ Including the effect of share restructuring which will reduce the effective shares in issue and thereby increase Medicover's share

² The Group's consolidated financial statements are available in the investor section on medicover.com

OWNERS AND SHARE CAPITAL

Medicover AB (publ) is a public listed company that was listed on the Nasdaq Stockholm exchange on 23 May 2017. Share capital as of 31 December 2017 was €26.7m represented by 133,335,195 shares divided into 81,348,161 class A shares and 51,987,034 class B shares. The quota value is €0.2 per share. Celox Holding AB owns 47,157,365 shares with 54.5% of the voting rights.

Refer to note 10 for more details on share capital and additional paid in capital.

DIVIDEND

No dividend is proposed for 2017. Medicover's policy in respect of dividends is that no dividend will be payable to shareholders in 2017 or 2018. From 2019 onwards, the Board of Directors will consider

an annual dividend of up to 30 percent of net profits taking into account Medicover's long term development opportunities and its financial position.

BASIS & AUDIT

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 2016¹. The interim information on page 1-12 is an integral part of this interim report. This report has not been reviewed by the Company's statutory auditor.

¹ The Group's consolidated financial statements are available in the investor section on medicover.com



The Board of Directors and Chief Executive Officer declare that the interim report for the period January-December 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 9 February 2018

Fredrik Stenmo
Chairman of the Board

Jonas af Jochnick
Vice Chairman

Arno Bohn
Board member

Sonali Chandmal
Board member

Michael Flemming
Board member

Peder af Jochnick
Board member

Robert af Jochnick
Board member

Margareta Nordenvall
Board member

Fredrik Rågmark
Board member and CEO

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 9 February 2018. This interim report and other information about Medicover, is available at medicover.com.

Financial Calendar

Interim report January-March 2018	26 April 2018
Annual Report	Week 14
Annual General Meeting	26 April 2018
Interim report January-June 2018	27 July 2018
Interim report January-September 2018	26 October 2018

Contact information

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CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Note	€m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Revenue	152.7	132.5	580.2	497.3
	Operating expenses				
	Medical provision costs	-116.4	-99.9	-438.2	-377.3
	Gross profit	36.3	32.6	142.0	120.0
	Distribution, selling and marketing costs	-7.8	-7.1	-28.5	-25.0
	Administrative costs	-20.7	-21.6	-84.7	-77.4
	Operating profit	7.8	3.9	28.8	17.6
6	Other income/costs	2.9	0.2	2.9	0.2
	Interest income	0.1	0.0	0.2	0.1
	Interest expense	-0.5	-0.6	-4.9	-4.6
	Other financial income/(loss)	1.3	-1.1	0.8	-1.1
	Total financial result	0.9	-1.7	-3.9	-5.6
	Share of profit of associates	0.2	0.0	0.2	0.1
	Profit before income tax	11.8	2.4	28.0	12.3
	Income tax	-2.6	-0.7	-7.8	-5.8
	Profit for the period	9.2	1.7	20.2	6.5
	Profit attributable to:				
	Owners of the parent	9.0	0.7	18.7	4.3
	Non-controlling interests	0.2	1.0	1.5	2.2
	Profit for the period	9.2	1.7	20.2	6.5
	Earnings per share (EPS) attributable to parent:				
	Basic	€0.067	€0.008	€0.157	€0.046
	Diluted	€0.067	€0.008	€0.157	€0.045



MEDICOVER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	€m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Profit for the period	9.2	1.7	20.2	6.5
	Other comprehensive income:				
	Items that may be reclassified subsequently to profit and loss:				
	Exchange differences on translating foreign operations	-3.3	-1.7	-1.0	-2.4
	Income tax relating to these items	-	0.1	-0.2	0.1
	Other comprehensive income for the period, net of tax	-3.3	-1.6	-1.2	-2.3
	Total comprehensive income for the period	5.9	0.1	19.0	4.2
	Total comprehensive income attributable to:				
	Owners of the parent	5.6	-0.9	17.2	2.0
	Non-controlling Interests	0.3	1.0	1.8	2.2
		5.9	0.1	19.0	4.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	as at: €m	Dec 31 2017	Dec 31 2016
	ASSETS		
	Non-current assets		
	Goodwill	126.8	118.6
	Other intangible fixed assets	36.4	31.6
	Tangible fixed assets	148.9	141.8
	Total fixed assets	312.1	292.0
	Deferred tax assets	3.7	3.7
4	Investment in associates	22.1	1.0
6	Other financial assets	5.2	1.3
	Total non-current assets	343.1	298.0
	Current assets		
	Inventories	30.7	25.8
6	Other financial assets	2.1	-
6	Trade and other receivables	82.5	77.3
6	Cash and cash equivalents	45.4	18.4
	Total current assets	160.7	121.5
	Total assets	503.8	419.5
	SHAREHOLDERS' EQUITY		
10	Issued capital and reserves attributable to owners of the parent	300.3	92.7
	Non-controlling interests	3.7	6.1
	Total shareholders' equity	304.0	98.8
	LIABILITIES		
	Non-current liabilities		
6-8-9	Loans payable	52.9	195.4
	Deferred tax liabilities	22.8	23.4
	Provisions	0.4	0.4
4-6	Other financial liabilities	23.6	16.6
3	Other non-current liabilities	4.7	-
	Total non-current liabilities	104.4	235.8
	Current liabilities		
6-8-9	Loans payable	4.3	15.3
	Provision for unearned premiums/deferred revenue	12.3	6.7
	Corporate tax payable	6.8	4.4
6	Other current financial liabilities	4.9	1.3
6	Trade and other payables	67.1	57.2
	Total current liabilities	95.4	84.9
	Total liabilities	199.8	320.7
	Total shareholders' equity and liabilities	503.8	419.5

CONSOLIDATED CASH FLOW STATEMENT

Note	€m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Profit before income tax	11.8	2.4	28.0	12.3
	Adjustments for:				
	Depreciation and amortisation	6.8	7.5	26.2	23.3
	Impairment	-	-	-	3.5
	Gain/loss on disposal of fixed assets	-	-	-0.1	-0.1
6	Other income/costs	-2.9	-0.3	-2.9	-0.2
	Net interest expense	0.4	0.6	4.7	4.5
	Employee share based compensation	0.5	1.6	1.1	1.8
	Other non-cash transactions	0.6	0.9	1.4	1.5
	Unrealised foreign exchange (gain)/loss	-1.5	0.6	-1.4	0.5
	Cash generated from operations before working capital changes and tax payments	15.7	13.3	57.0	47.1
	Changes in operating assets and liabilities:				
	(Increase)/decrease in receivables & inventories	1.8	-5.9	-10.1	-25.5
	Increase/(decrease) in payables	1.4	1.4	10.5	11.7
	Cash generated from operations before tax payments	18.9	8.8	57.4	33.3
	Income tax paid	-1.6	-1.5	-7.1	-7.4
	Net cash from operating activities	17.3	7.3	50.3	25.9
	Investing activities:				
5	Payment for acquisition of fixed assets	-13.2	-11.3	-29.4	-54.3
5	Proceeds from disposal of fixed assets	0.1	-	0.2	0.2
4	Investment in associates	-13.8	-	-13.8	0.2
3	Payment for acquisition of subsidiaries, net of cash acquired	-9.7	-3.1	-10.6	-12.3
	Proceeds from disposal of subsidiaries, net of cash sold	-	-	-	0.0
	Interest received	0.0	-	0.1	0.1
	Net cash from investing activities	-36.6	-14.4	-53.5	-66.1
	Financing activities:				
10	Proceeds from issue of shares	0.3	2.7	199.3	2.7
	Acquisition of non-controlling interests	-	-	-3.1	-
9	Loans repaid	-3.0	-18.7	-174.8	-21.1
9	Loans received	15.0	15.9	16.0	64.6
	Interest paid	-0.5	-1.6	-5.0	-4.7
9	Distribution to non-controlling interests	-1.1	-	-1.1	-
	Net cash flow from financing activities	10.7	-1.7	31.3	41.5
	Total cash flow	-8.6	-8.8	28.1	1.3
	Cash and cash equivalents				
	Cash balance beginning of the period	54.4	27.4	18.4	17.2
	Net effects of exchange gain/(loss) on cash	-0.4	-0.2	-1.1	-0.1
	Total cash balance as at end of the period	45.4	18.4	45.4	18.4
	Increase/(decrease) in cash and cash equivalents	-8.6	-8.8	28.1	1.3

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
Opening balance as at 1 January 2016	106.3	-0.1	46.5	-37.4	-10.0	2.3	-18.4	89.2	4.0	93.2
Profit for the period	-	-	-	4.3	-	-	-	4.3	2.2	6.5
Other comprehensive income	-	-	-	-	-	0.1	-2.4	-2.3	-	-2.3
<i>Total comprehensive income for the period</i>	-	-	-	4.3	-	0.1	-2.4	2.0	2.2	4.2
<i>Transactions with owners in their capacity as owners:</i>										
Share issue	2.7	-	-	-	-	-	-	2.7	-	2.7
Movement on reserve for own shares	-	0.1	-0.1	-	-	-	-	-	-	-
Non-controlling interests put-option reserve	-	-	-	-	-3.0	-	-	-3.0	-2.1	-5.1
Non-controlling interests on business combinations	-	-	-	-	-	-	-	-	2.0	2.0
Employee share-based compensation costs	-	-	-	-	-	1.8	-	1.8	-	1.8
Reclassification on issuance of shares to employees	-	-	-	3.8	-	-3.8	-	-	-	-
<i>Total transactions with owners in their capacity as owners</i>	<i>2.7</i>	<i>0.1</i>	<i>-0.1</i>	<i>3.8</i>	<i>-3.0</i>	<i>-2.0</i>	<i>-</i>	<i>1.5</i>	<i>-0.1</i>	<i>1.4</i>
Closing balance as at 31 December 2016	109.0	-	46.4	-29.3	-13.0	0.4	-20.8	92.7	6.1	98.8
Opening balance as at 1 January 2017	109.0	-	46.4	-29.3	-13.0	0.4	-20.8	92.7	6.1	98.8
Profit for the period	-	-	-	18.7	-	-	-	18.7	1.5	20.2
Other comprehensive income	-	-	-	-	-	-	-1.5	-1.5	0.3	-1.2
<i>Total comprehensive income for the period</i>	-	-	-	18.7	-	-	-1.5	17.2	1.8	19.0
<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 shares for in kind contribution	19.4	-	214.7	-	-	-	-	234.1	-	234.1
Contributions of equity, net of transaction costs (note 10)	7.3	-	192.0	-	-	-	-	199.3	-	199.3
Acquisition of an additional interest in a subsidiary	-	-	-	-0.8	-	-	-	-0.8	-2.2	-3.0
Business combination under common control	-	-	-8.3	-	-	-	-	-8.3	-	-8.3
Non-controlling interests put-option reserve	-	-	-	-	-0.8	-	-	-0.8	-2.1	-2.9
Non-controlling interests on business combinations	-	-	-	-0.1	-	-	-	-0.1	0.1	0.0
Employee share compensation costs	-	-	-	-	-	1.1	-	1.1	-	1.1
Reclassification on issuance of shares to employees	-	-	-	0.2	-	-0.2	0.0	-	-	-
<i>Total transactions with owners in their capacity as owners</i>	<i>-82.3</i>	<i>-</i>	<i>273.3</i>	<i>-0.7</i>	<i>-0.8</i>	<i>0.9</i>	<i>-</i>	<i>190.4</i>	<i>-4.2</i>	<i>186.2</i>
Closing balance as at 31 December 2017	26.7	-	319.7	-11.3	-13.8	1.3	-22.3	300.3	3.7	304.0

PARENT COMPANY INCOME STATEMENT

Note	€m	Oct-Dec 2017	Jan-Dec 2017
	Revenue	0.1	0.1
	Operating expenses	-2.9	-4.0
	Operating profit/(loss)	-2.8	-3.9
	Interest income and similar profit/loss items	0.3	0.2
	(Loss) before income tax	-2.5	-3.7
	Income tax	-	-
	(Loss) for the period	-2.5	-3.7

As the loss for the period corresponds with the amount in total comprehensive income, no separate statement is presented. The Company conducted no activity in 2016 hence no comparatives are presented.

PARENT COMPANY BALANCE SHEET

Note	€m	Dec 31 2017	Dec 31 2016
	Tangible fixed assets	0.1	-
	Total fixed assets	0.1	-
	Investment in subsidiaries	434.8	-
	Other assets	0.0	-
	Total non-current assets	434.9	-
	Current receivables	0.7	-
	Other current assets	0.0	-
	Cash and bank balances	0.5	0.0
	Total current assets	1.2	0.0
	Total assets	436.1	0.0
	Restricted equity	26.7	0.0
	Non-restricted equity	403.8	-
	Total equity	430.5	0.0
	Non-current liabilities	3.3	-
	Current liabilities	2.3	-
	Total equity and liabilities	436.1	0.0

SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, with its head office in Stockholm. 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 recognised 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 2016¹. The interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements.

The condensed interim financial information on pages 1-12 is an integral part of this interim report. The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 9 February 2018.

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 2016¹ with the exception of a new accounting policy developed to account for business combinations between entities under common control (refer to note 3) and the accounting policy adopted on the difference between the fair value at initial recognition and the transaction price for financial instruments (refer to notes 4 and 6). 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.

IFRS 9 *Financial Instruments*: The Group has assessed the estimated impacts from the new measurement, classification and de-recognition rules on the Group's financial assets and liabilities and has concluded that they will not have any material impact.

IFRS 9 will be implemented as from 1st January 2018 under the exemption not to restate comparative information for prior periods. No differences in carrying amounts of financial assets and liabilities resulting from the adoption of the standard are expected to be made in retained earnings and reserves at 1 January 2018.

IFRS 15, *Revenue from Contracts with Customers*: This standard addresses the recognition of

¹ The Group's consolidated financial statements are available in the investor section on medicover.com

revenue, replacing IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. IFRS 15 sets out that revenue is recognised by reference to contracts and performance requirements and the stage of fulfilment of such performance obligations and to provide users of financial statements with more relevant disclosures. The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards. It provides a single, principles-based five-step model to be applied to all contracts with customers as follows:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation

Management has assessed the impact of the new standard and has not identified any areas of revenue recognition that have any material impact.

As there is no impact resulting from the application of IFRS 15, the Group will adopt IFRS 15 using the cumulative effect option. No differences in carrying amounts of financial assets and liabilities resulting from the adoption of the standard are expected to be made in retained earnings and reserves at 1 January 2018.

IFRS 16, *Leases*: the IASB has issued a new standard on the recognition and accounting for leases. The Group has completed an initial evaluation of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. As the impact will be material the standard will be applied retrospectively to comparative figures and balances thereby assisting users of the financial statements by providing a context of comparability. The expected date of adoption by the Group is 1st January 2019. The anticipated effects of IFRS 16: *Leases*, 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-31¹.

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. The only additional areas of significant judgement in these interim statements are for the items recognised in the accounting for the MaxCure associate in relation to the choice of suitable valuation models for fair value measurement of financial instruments and in relation to IFRS 2 estimates and provisions for cash settled share-based arrangements for Medicover India Fertility. Please see notes 3, 4 and 6 for further information. Other than these items there were no major changes in the areas where significant judgments and estimates have been made. Refer to the Group's consolidated financial statements as at and for the year ended 31 December 2016.¹

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,
- a) the parent company accounts for investments in subsidiaries using the cost method,
- b) 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 period balances was required by the change in accounting and reporting framework.

¹ The Group's consolidated financial statements are available in the investor section on medicover.com

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 characterised with direct contact between the patient and the medical professional.

The Diagnostic Services segment has a focus upon in vitro diagnostics characterised 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 the location of the client. Depreciation of segment assets includes depreciation of property, plant and equipment and amortisation 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.

SEGMENT INFORMATION

€m	Healthcare Services Jan-Dec 2017	Diagnostic Services Jan-Dec 2017	Other Jan-Dec 2017	Group Total Jan-Dec 2017
Revenue				
Total segment revenue	285.8	304.4	0.3	
Inter-segment revenue	-0.4	-9.9	-	
Total revenue from external customers	285.4	294.5	0.3	580.2
Measure of segment profit/(loss): EBITDA	26.9	41.4	-13.3	55.0
Margin %	9.4%	13.6%		9.5%
Depreciation & amortisation	-13.7	-12.3	-0.2	-26.2
Impairment charge	-	-	-	-
Other income/costs				2.9
Share of profit in associates				0.2
Other financial income/(loss)				0.8
Net interest expense				-4.7
Tax charge				-7.8
Group profit after tax				20.2
Additions to non-current assets:				
Tangible fixed assets, other than land & buildings	13.1	11.0	1.7	25.8
Land & buildings	-	0.1	-	0.1
Intangible fixed assets	2.7	4.0	2.4	9.1
Goodwill	2.1	5.5	-	7.6
Total	17.9	20.6	4.1	42.6

€m	Healthcare Services Jan-Dec 2016	Diagnostic Services Jan-Dec 2016	Other Jan-Dec 2016	Group Total Jan-Dec 2016
Revenue				
Total segment revenue	244.7	260.5	0.7	
Inter-segment revenue	-0.4	-8.2	-	
Total revenue from external customers	244.3	252.3	0.7	497.3
Measure of segment profit/(loss): EBITDA	20.0	33.3	-9.0	44.3
Margin %	8.2%	12.8%		8.9%
Depreciation & amortisation	-11.1	-11.9	-0.3	-23.3
Impairment charge	-	-3.5	-	-3.5
Other income/costs				0.2
Share of profit in associates				0.2
Other financial income/(loss)				-1.1
Net interest expense				-4.5
Tax charge				-5.8
Group profit after tax				6.5
Additions to non-current assets:				
Tangible fixed assets, other than land & buildings	16.1	17.7	0.1	33.9
Land & buildings	51.7	0.0	0.0	51.7
Intangible fixed assets	5.1	13.4	-	18.5
Goodwill	4.8	9.8	-	14.6
Total	77.7	40.9	0.1	118.7

€m	External revenue by location of customers		Non-current assets by location of assets	
	Jan-Dec 2017	Jan-Dec 2016	Dec 31 2017	Dec 31 2016
Poland	259.8	224.4	125.5	117.1
Germany	150.7	122.2	137.6	126.0
Romania	73.8	61.7	30.7	28.3
Ukraine	44.0	38.1	7.7	7.4
Other	51.9	50.9	37.9	15.5
Total	580.2	497.3	339.4	294.3

Non-current assets by geography include land and buildings, equipment, intangible assets including goodwill and other financial assets and investments in associates. Deferred tax assets are excluded. As almost all sales in each

geography are denominated in the countries' respective currency the above table shows the exposure of the Group to foreign currency risks for revenue and for gross balance sheet translation exposures for non-current assets.

3. Significant Business combinations

The Group acquired 100% of the shares in Medicover Healthcare Private Limited, a company operating fertility clinics in India on the 4 October 2017 for a payment net of cash acquired of €5.2m. The transaction also included the assumption of certain cash settled share based payment transaction obligations with a fair value financial liability measured at the date of acquisition of €4.8m for a total acquisition price of €10.0m. This investment as a green field development was originally funded by the major shareholder of the Group prior to the Company's listing on the Nasdaq Stockholm Exchange with the view of being transferred under the Group's ownership after the listing. See note 7, related party transactions for more details. This transaction is a business combination between

entities under common control and is not within the scope of IFRS 3 Business Combinations. The 'predecessor value method' has been applied resulting in a reduction to additional paid in capital of €8.3m, representing the difference between the consideration paid and the net book value of the assets and liabilities transferred. Consequently, no goodwill is recognised in relation to this transaction. The results from the acquired entity have been consolidated as from the date of the transaction. No restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control have been made. In the quarter an operating loss of €0.9m has been included in the income statement in relation to this entity.

4. Investment in associate

The Group acquired on the 4 October 2017 from Celox Holding AB (a related party), a 22.0% interest in the share capital of MaxCure (which was subsequently increased to 23.0% in November 2017) along with the assumption of contracts giving rise to rights and obligations under certain financial instruments. The cost was €21.3m consisting of €13.8m paid in cash and the assumption of a financial liability towards an unrelated third party. The financial liability is a virtual participation interest in the Group's MaxCure investment, remunerating work conducted on sourcing and negotiating the initial investment and assistance in managing the investment, to be settled in cash. It is measured at

fair value of €7.6m at the acquisition date and will increase in line with the increase in the effective interest of the Group in MaxCure to an amount of up to 5.1% of the value of equity of MaxCure. This investment was acquired from the major shareholder of the Group Company, refer to note 7 on related party transactions for more details.

Certain financial assets and liabilities arising from put and call options with MaxCure and its shareholders were also assumed in the transaction and are measured at fair value. Refer to note 6 for more details.

Summarised financial information for the calendar year 2017:

MaxCure €m	2017
Year ended 31 December (non-audited)	
Revenue	55.0
Profit for the year attributable to the shareholders	1.3

MaxCure is included in the consolidated financial statements using the equity method. Given the recent date of acquisition, the timing of this release and materiality, it has not been practical to disclose the information on the statement of financial position on a basis consistent with the Group's accounting policies in this report.

The information disclosed above reflects the amounts presented in the financial statements of the relevant associates and not a share of those amounts. These have not yet been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

5. Investments – Cash flow impact

€m	Jan-Dec 2017	Jan-Dec 2016
Investments		
Investments in intangible assets	6.1	4.2
Investments in tangible assets	23.3	50.1
Disposals of tangible and intangible assets	-0.2	-0.2
Total net investments	29.2	54.1

In August 2016, the Group acquired the land and building previously leased to operate a hospital in Warsaw, Poland. The value of the assets acquired amounted to €47.3m settled in a cash payment of €14.1m; debt assumed of €32.2m and other obligations assumed of €1.0m.

6. Financial assets and liabilities

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

- derivative financial instruments being reported at fair value through profit and loss;
- a put option liability over non-controlling interests in one of the Group's subsidiaries being reported at fair value with the changes in fair value being reported to equity as a transaction between shareholders;
- contingent considerations in relation to acquisitions;

- a financial liability, measured at fair value, towards an unrelated third party for sourcing the MaxCure investment and providing advisory services; and
- certain rights and obligations (put and call options) over shares of MaxCure granted to Medicover, reported at fair value through profit and loss.

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

Note	€m	Dec 31 2017			Dec 31 2016		
		Non-Current	Current	Total	Non-Current	Current	Total
	Assets at fair value through profit and loss						
b)	Call options on associate's shares	2.1	2.1	4.2	-	-	-
	Financial assets at amortised cost						
	Other financial assets	3.1	-	3.1	1.3	-	1.3
	Trade and other receivables gross	-	87.3	87.3	-	81.5	81.5
	Provision for bad debts	-	-4.8	-4.8	-	-4.2	-4.2
	Subtotal financial assets at amortised cost	3.1	82.5	85.6	1.3	77.3	78.6
	Cash and cash equivalents	-	45.4	45.4	-	18.4	18.4
	Total financial assets	5.2	130.0	135.2	1.3	95.7	97.0
	Financial liabilities at fair value through profit and loss						
b)	Put options on associate's shares	1.5	-	1.5	-	-	-
c)	Other financial liabilities	7.5	-	7.5	2.1	1.3	3.4
d)	Contingent acquisition consideration payable	5.8	0.5	6.3	2.8	-	2.8
	Derivatives (interest rate swap)	-	0.4	0.4	0.7	-	0.7
	Subtotal financial liabilities at fair value through profit and loss	14.8	0.9	15.7	5.6	1.3	6.9
a)	Put option liquidity obligation with non-controlling shareholder (with movement through equity)	14.6	-	14.6	13.8	-	13.8
	Subtotal financial liabilities at fair value	29.4	0.9	30.3	19.4	1.3	20.7
	Financial liabilities at amortised cost						
	Borrowings	44.1	2.3	46.4	190.2	14.6	204.8
	Other liabilities	-	4.5	4.5	-	-	-
	Trade and other payables	-	67.1	67.1	-	57.2	57.2
	Deferred consideration payable	3.0	1.5	4.5	2.4	0.7	3.1
	Subtotal financial liabilities at amortised cost	47.1	75.4	122.5	192.6	72.5	265.1
	Total financial liabilities	76.5	76.3	152.8	212.0	73.8	285.8

The following amounts were recognised in other income/costs in respect of changes in fair value:

€m	Oct-Dec 2017	Jan-Dec 2017
Change in fair value of financial assets/liabilities		
Release of deferred profit upon initial call option recognition	1.7	1.7
Release of deferred loss upon initial put option recognition	-0.2	-0.2
Change in fair value of call/put option on associate's shares	1.2	1.2
Change in fair value of other financial liabilities	0.1	0.1
Total fair value recognised in other income/costs	2.8	2.8

Recognised 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 has the following financial assets and liabilities recurrently measured using level 3 fair value measurements. Sensitivity of all financial assets and liabilities is presented in a table below:

- a) 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 2017 and 2016 and the discount rate applied to the nominal value (2017: 1.44% and 2016: 1.42%). This is a level 3 fair value technique with subsequent changes in fair value of the future obligation recognised as a movement within equity.
- b) The Group has rights to invest in an associate to inject new capital and to acquire a set number of existing shares at a price per share based upon a formula linked to a profit measure. The model used for these financial instruments is a level 3 model. Each option was valued individually. Market observable input for share price volatility was based on a group of listed Indian hospital stocks, matched to the duration of the options being valued. Volatility input ranged from 34.6%-38.4%. Market observable growth rates of profitability were used for the same group of stocks also matched to duration of the options. Observable growth rates at 9.5% and volatility of 19.3%.
- c) The Group has a contractual obligation to an unrelated third party in relation to the investment in the associate for services rendered in sourcing and negotiating the transaction and ongoing assistance in mergers and acquisitions as well as corporate governance of the associate. This is remunerated through a contract that grants the advisor a simulated participation in the Group's investment. The liability has been measured at the purchase date using a model relying upon observable and unobservable inputs related to the associate specifically projected growth of underlying profits and estimates of the likely date of exercise and payment of the obligation. The observable inputs relate to discount rates for the equity risks for the listed Indian hospital sector, represented by some 9 listed entities. The rate used at acquisition date was 12.1% and at the year end a revaluation rate of 12.9%. Management felt that this was a more appropriate model than one weighted to market based information. The expectations for growth are higher than market rates given the infusion of funds that Medicover is likely to make over 2018 and 2019 and the resulting boost to growth and profitability above the hospital sector averages in India. This gives a more prudent and more reliable estimation of the eventual liability likely to be realised. As the contractual obligation is payable regardless of subsequent assistance in areas identified above, the total liability is recognised at acquisition and subsequently remeasured at fair value at each reporting date with differences accounted through the income statement.
- d) 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 recognised as part of the purchase price and subsequently fair valued with changes recorded in the income statement. An additional €3.5m has been recognised as contingent consideration relating to 2017 acquisitions based on future performance targets. No material changes have occurred to any related assumptions during the year to 31 December 2017.

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

Unobservable valuation differences on initial recognition

The Group has entered into an option agreement with an associate Sahrudaya Health Care Private Limited ("MaxCure") and the majority of other investors in that associate to subscribe for shares to be issued by MaxCure in the future and to acquire existing shares from the majority of other investors in the future and has written put options to certain investors to acquire shares in the future at prices determined according to certain formulas. The strike price of these acquisitions/subscriptions is to be determined based upon formulas linked to profitability with price caps in some cases. The fair value of these options was determined using valuation techniques which rely on some observable inputs, including volatility of share prices of listed entities in the same field and market profit growth rates of similar listed entities, but also rely on unobservable inputs particularly in respect of inputs specific to the associate. The Group views these fair value calculations as reasonable given comparable observable price metrics that are considerably

higher even when adjusted for liquidity and size. The accounting policy of the Group is that upon initial recognition of the financial instruments the Group recognises the fair value and will account for the difference between cost and fair value as an adjustment to bring the carrying amount in line with the transaction price. The net profit will be deferred by reducing the initial carrying amount of the net asset. This reduction will then be reversed in the income statement over the life of the options until exercised or lapsed, as this gives assurance of the underlying value of the shares covered by the options as the associate increases its profitability.

Subsequent fair value re-measurement of the options at each reporting date is reflected in the income statement along with the release of the initial deferral.

The aggregate difference yet to be recognised in the income statement at the beginning and end of the year and a reconciliation of the changes of the balance during the year for derivative assets and liabilities are outlined below.

€m	Dec 31 2017	
	Call options	Put options
Opening balance at 1 January 2017	-	-
Increase due to options acquired	9.2	-6.5
Deferral of profit or loss of options acquired	-9.2	6.5
Release of profit or loss deferral	1.7	-0.2
Revaluation of options	2.5	-1.3
Closing balance at 31 December 2017	4.2	-1.5

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair Value €m at		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	Dec 31 2017	Dec 31 2016		Dec 31 2017	Dec 31 2016	
Put option (liquidity obligation with non-controlling shareholder)	14.6	13.8	Earnings growth factor	5.5%	5.5%	Increase of 5% profit growth = increase in FV liability of €0.2m
			Risk adjusted discount rate	1.44%	1.42%	Reduction of 5% discount rate = increase in FV liability of €0.1m
Call option (asset to acquire additional associate's shares)	11.7	-	Risk free rate	6.1% - 7.6%	-	Reduction of 5% of risk free rate = decrease in FV asset of €0.1m
			EBITDA growth rate	9.5%	-	Increase of 5% of the EBITDA growth rate = decrease in FV asset of €0.2m
Put option (liability to acquire associate's shares held by other investors)	7.8	-	Risk free rate	7.2% - 7.6%	-	Reduction of 5% of risk free rate = increase in FV liability of €0.4m
			EBITDA growth rate	9.5%	-	Increase of 5% of the EBITDA growth rate = increase in FV liability of €0.5m
Economic interest (other non-current liability)	7.5	-	4 year projected CAGR EBITDA	43.3%	-	Increase of 1% point in CAGR EBITDA = increase in FV liability of €0.2m
			Risk adjusted discount rate	12.9%	-	decrease in discount rate of 1% point = increase in FV liability of €0.4m
Contingent acquisition consideration payable	6.3	2.8	Risk adjusted discount rate	5.5%	-	Decrease in discount rate of 5% = increase in FV liability of €0.0m

7. Related party transactions

The Group's financial position as at 31 December 2017 and profit for the year was affected by the existence of related parties and transactions.

The following transactions were entered into with related parties during 2017:

On 5 May 2017, one of the Company's subsidiaries entered into an agreement with two subsidiaries of Celox Holding AB group ("Celox") regarding Medicover Healthcare Private Limited, a company operating fertility clinics in India and MaxCure, a company which controls and operates nine hospitals in India. These transactions were approved by a board meeting on the 7 April 2017. For details of these transactions please refer to the Initial Public Offering Circular available on www.medicover.com. These agreements were put in place to acquire the two assets from Celox at cost. The transactions were finalised on the 4 October 2017 with cash paid (net of cash assumed) of €18.4m. Along with the assets Medicover stepped into Celox's position in

several financial instruments giving it rights to call options over shares of MaxCure and put option obligations as well as obligations to staff and third parties for services provided. Please see note 6 for more details in relation to some of these obligations.

8. Loans and borrowings

€m	Dec 31 2017	Dec 31 2016
Non-current loans payable		
Loans	43.4	189.1
Finance lease liabilities	0.5	0.9
Other and acquisition vendor notes	9.0	5.4
Total non-current loans payable	52.9	195.4
Current loans payable		
Loans	1.6	14.0
Finance lease liabilities	0.6	0.6
Other and acquisition vendor notes	2.1	0.7
Total current loans payable	4.3	15.3

Debt was repaid with the proceeds from the new share issue, with repayment of €167.0m of the former €220.0m credit facility during the second quarter 2017.

9. Liabilities arising from financing activities

€m	Dec 31 2017	Dec 31 2016
Gross debt		
Non-current loans payable	52.9	195.4
Current loans payable	4.3	15.3
Total gross debt	57.2	210.7

€m	Dec 31 2017	Dec 31 2016
Other financial liabilities		
Non-current	23.6	16.6
Current	4.9	1.3
Total other financial liabilities	28.5	17.9

A reconciliation of movements of debt and other financial liabilities is presented below:

€m	Jan-Dec Debt		Jan-Dec Other financial liabilities	
	2017	2016	2017	2016
Opening balance	210.7	129.3	17.9	12.9
Loans repaid	-174.8	-21.1	-	-
Loans received	16.0	64.6	-	-
Net foreign exchange movements	0.1	0.4	-	-
Debt assumed upon business combinations and acquisition of assets	5.3	37.8	-	1.0
Distribution to non-controlling interests	-	-	-1.1	-0.8
Liquidity obligation to non-controlling interests	-	-	2.1	2.1
Economic interest liability for associate	-	-	7.6	-
Other non-cash transactions	-0.1	-0.3	-0.2	-0.3
Fair value changes recognized through equity	-	-	0.8	3.0
Fair value through profit and loss:				
Revaluation movements	-	-	1.2	-
Initial recognition deferral movements	-	-	0.2	-
Closing balance	57.2	210.7	28.5	17.9
Less cash balance	-45.4	-18.4	-	-
Debt net of cash	11.8	192.3	-	-

10. Share capital and 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. Each class A share carries one vote. Each class

B share or class C share carries one tenth of a 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	Dec 31 2017	Dec 31 2016	Dec 31 2017	Dec 31 2016
	Shares	Shares	€m	€m
Share capital	133,335,195	6,500	26.7	0.0
Additional paid in capital			319.7	-
Total share capital and additional paid-in capital			346.4	0.0

	Number of shares Class A	Number of shares Class B	Par value €m	Additional paid-in capital €m	Total €m
Opening balance 1 January 2017	6,500	-	0.0	0.0	0.0
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	-	-	-	-8.3	-8.3
Business combination under common control	-	-	-	-8.3	-8.3
Conversion between class A and class B shares	-6,347,949	6,347,949	-	-	-
Closing balance 31 December 2017	81,348,161	51,987,034	26.7	319.7	346.4

11. Alternative performance measure definitions and reconciliations

In its decision making, the Group uses some alternative performance measures that are not defined in IFRS, because they provide information useful to assess the Group's development and 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.

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.

Organic growth

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

EBITA

Earnings before interest, other financial income/(loss), tax, amortisation and impairment, other income/costs and share of profit of associates.

EBITA margin

EBITA as a percentage of revenue.

EBITDA

Earnings before interest, other financial income/(loss), tax, amortisation, depreciation and impairment, other income/costs and share of profit of associates.

Adjusted EBITDA

Earnings before interest, other financial income/(loss), tax, amortisation, depreciation and impairment, other income/costs and share of profit of associates adjusted for non-cash share based payments and merger and acquisition related expenses.

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.

Net Profit margin

Net 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	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating profit	7.8	3.9	28.8	17.6
Amortisation	0.7	0.9	2.6	2.5
Goodwill impairment charge	-	-	-	3.5
EBITA	8.5	4.8	31.4	23.6
Depreciation	6.1	6.6	23.6	20.7
EBITDA	14.6	11.4	55.0	44.3
Share based payments	0.3	1.6	0.8	1.8
Merger and acquisition related expenses	0.2	0.1	0.4	0.4
Adjusted EBITDA	15.1	13.1	56.2	46.5
Revenue	152.7	132.5	580.2	497.3
Operating profit margin	5.1%	2.9%	5.0%	3.5%
EBITDA margin	9.6%	8.6%	9.5%	8.9%
Adjusted EBITDA margin	9.9%	9.9%	9.7%	9.4%
Net profit margin	6.0%	1.3%	3.5%	1.3%

Reconciliation to organic revenue in €m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Acquisition revenue accounted	3.1	6.3	9.4	20.6

€m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Revenue	152.7	132.5	580.2	497.3
Less acquired revenue impact	-3.1	-6.3	-9.4	-20.6
Organic revenue	149.6	126.2	570.8	476.7

€m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Revenue	152.7	132.5	580.2	497.3
Acquired revenue	-3.1	-6.3	-9.4	-20.6
Organic revenue	149.6	126.2	570.8	476.7
Currency effect	-0.4	5.3	-1.4	20.0
Organic revenue adjusted for currency effect	149.2	131.5	569.4	496.7