INTERIM REPORT JULY–SEPTEMBER 2018

Third Quarter

- Revenue increased by 16.3% to €167.4m (€144.0m). Organic revenue grew by 13.8%.
- Operating profit amounted to €7.4m (€8.5m), representing an operating margin of 4.4% (5.9%).
- Net profit amounted to €6.2m (€4.3m), which represents a net profit margin of 3.7% (3.0%).
- Cash flow from operating activities amounted to €21.8m (€15.3m).
- Basic/diluted earnings per share (EPS) were €0.042 (€0.030).
- EBITDA increased by 0.7% to €15.1m (€15.0m), corresponding to an EBITDA margin of 9.0% (10.4%).

Nine Months

- Revenue increased by 14.7% to €490.4m (€427.5m). Organic revenue grew by 13.9%.
- Net profit amounted to €22.6m (€11.0m), which represents a net profit margin of 4.6% (2.6%).
- EBITDA increased by 7.9% to €43.6m (€40.4m), corresponding to an EBITDA margin of 8.9% (9.5%).

REVENUE AND EARNINGS

€ millions (€m)	Q3 2018	Q3 2017	Growth	9M 2018	9M 2017	Growth	FY 2017
Revenue	167.4	144.0	16%	490.4	427.5	15%	580.2
Operating profit	7.4	8.5	-13%	21.9	21.0	4%	28.8
Operating profit margin, %	*4.4%*	*5.9%*		*4.5%*	*4.9%*		*5.0%*
Net profit	6.2	4.3	44%	22.6	11.0	105%	20.2
Net profit margin, %	*3.7%*	*3.0%*		*4.6%*	*2.6%*		*3.5%*
Earnings per share, €	0.042	0.030	40%	0.159	0.085	87%	0.157
Diluted earnings per share, €	0.042	0.030	40%	0.159	0.085	87%	0.157
EBITDA	15.1	15.0	1%	43.6	40.4	8%	55.0
EBITDA margin, %	*9.0%*	*10.4%*		*8.9%*	*9.5%*		*9.5%*

For Alternative Performance Measure definitions and reconciliations, refer to note 8.

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 2017, Medicover had revenue around €580 million and 15,900 employees. For more information, go to www.medicover.com

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CEO STATEMENT

Performance in the third quarter was strong for revenue growth with profit held back by the regulatory changes in Germany. Market dynamics continue to be favourable in our main operations with low unemployment rates, good economic development and continued strong demand for private healthcare. We continue to focus on accessibility and good service to meet demand in the market.

Overall, revenue grew by 16.3% to €167.4m (€144.0m), with organic growth amounting to 13.8% in the quarter, confirming our strong growth position. Apart from Germany all our main markets continue to grow strongly supported by our prepaid business, broad diagnostics offering and Fee-For-Service business. Germany continues to be affected by the public reimbursement revision. Adjusted EBITDA amounted to €16.0m (€15.3m), corresponding to an EBITDA margin of 9.6% (10.6%). Excluding Medicover Fertility India, adjusted EBITDA reached €16.5m (€15.3m), equal to an EBITDA margin of 9.9% (10.6%).

Revenue for Healthcare Services grew by 21.5% to €86.9m (€71.5m), with organic growth of 14.0% in Q3. The integrated healthcare model continues to be the main growth driver combined with good performance for our Fee-For-Service offerings. The number of members reached 1,166K at the end of Q3, implying growth of 16.6% compared to the same period last year. EBITDA was €9.1m (€8.4m) in the quarter, corresponding to an EBITDA margin of 10.5% (11.7%). The third quarter is seasonally a strong quarter given lower medical demand over the summer months but as the member base has been growing strongly our increased investments in capacity are slightly dampening short term margins.

We have continued to invest in India with Medicover Fertility and we are now running a total of 15 fertility clinics. Our ownership in MaxCure effectively amounts to 45.1%, with expectations to be further increased in the first half of 2019. MaxCure operates a total of 11 hospitals and reported revenue for Q3 of €14.1m (€13.9m), reflecting local currency growth of 9.4%.

Revenue for Diagnostic Services grew by 11.1% to €83.1m (€74.8m), with organic growth of 13.5% supported by laboratory tests growing by 7.8% to 31.9 million in the quarter. We have in the quarter continued to strengthen our positions in Ukraine and Romania and the strong economic development in these markets combined with capacity investments in blood drawings points have spurred growth. In the quarter a total of 18 new blood drawing points were opened and we are now operating a total of 566 blood drawing points across all our geographies. EBITDA was €9.3m for the quarter (€9.8m), implying an EBITDA margin of 11.2% (13.1%). As stated earlier the German laboratory business is still affected by the double cut reimbursement revision for publicly funded tests, which has held back profit growth for the division. It is still too early to state that we see a normalisation in referral patterns.

We announced in the quarter the signing of an important acquisition in genetics – the centre for genetic diagnostics of Dr. Klein, Dr. Rost and colleagues – a leading genetics laboratory in Munich in Southern Germany. This acquisition is expected to close at the beginning of January 2019 and will serve as our genetics centre of excellence, both driving further growth across Germany and serving all our international markets in this important field for our diagnostics development. During the quarter we also closed the acquisition of Pelican, a hospital operator in Oradea in north-western Romania. We are already underway expanding the facilities to add new capacity.

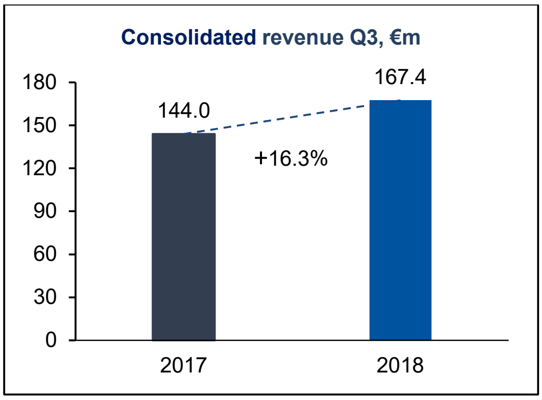
Taking into account the impact of the double cut in the German public reimbursement, the organic EBITDA growth rate for 2018 is expected to be in the range of 8-12% as communicated earlier. Our 3-year mid-term financial targets remain unchanged, implying targeted compounded 3-year mid-term organic revenue growth of 9–12% and EBITDA growth rate of 18-20% for 2016-2019.

Fredrik Rågmark

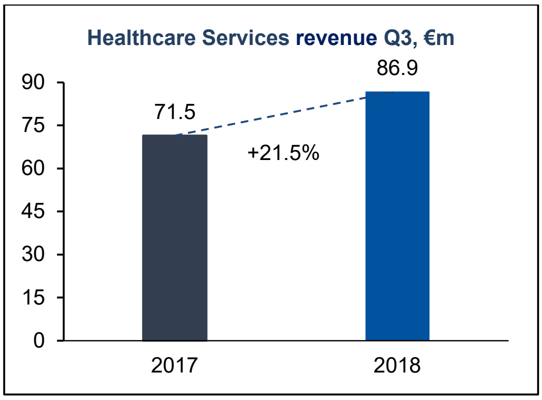
CEO

REVENUE THIRD QUARTER 2018

Consolidated revenue increased by 16.3% to €167.4m (€144.0m) with organic growth of 13.8%. Growth has been good double digit in most major business lines with single digit growth rates in the Polish hospital, fertility business and the German laboratory services.



Healthcare Services revenue grew by 21.5% to €86.9m (€71.5m) with organic growth of 14.0%. Members grew by 16.6% to 1,166K versus prior year third quarter (1,000K).



The favourable employment market in the major countries supports member growth under employer funded employee health packages. This has been the strongest growth driver at 60% of the organic growth with out of pocket Fee-For-Service being the other organic growth driver. Fee-For-Service volume increased in the quarter reflecting the increase in healthcare demand. Healthcare Services continue to benefit from a good economic background in its major countries of operation. Such strong growth presents challenges to ensure that the supply infrastructure can adequately service our existing and new customers. Over the last nine months 10,000 m² of additional medical facilities have been opened.

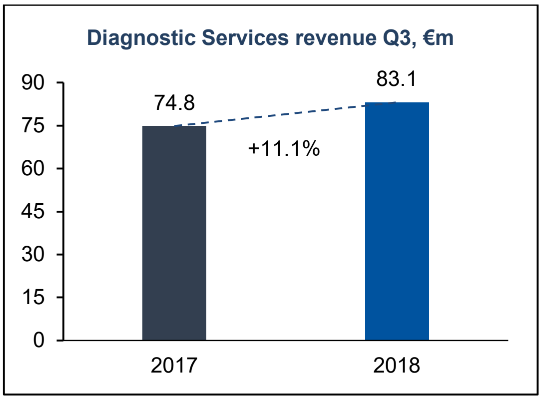
The Indian fertility business opened 3 other clinics around the end of the quarter taking the number of clinics to 15 as of now.

In June 2018, the Group has acquired 78.5% of OK System, a sports/fitness employee benefit business in Poland for a total price of €8.1m. 80% of Pelican, a hospital operator in Romania, was also acquired during the quarter for a total consideration of €23.3m. Both acquisitions were consolidated for the first time this quarter. For further information on acquisitions in Healthcare Services, refer to note 3.

The acquisitions of OK System and hospital Pelican represented 76% of revenue recognised from total acquisitions of €5.9m.

The MaxCure group, which is an associate and not consolidated, had revenue of approximately €14.1m for Q3 2018 with local currency growth of 9.4%. The ownership stake of MaxCure has not changed over the quarter with an effective stake of 45.1%. The total carrying value of the investment for the effective 45.1% is €44.5 m.

Diagnostic Services revenue grew by 11.1% to €83.1m (€74.8m) with organic growth of 13.5% with the Romanian and Ukrainian currencies being weaker and the Polish zloty stronger year on year. Laboratory test volume increased by 7.8% to 31.9 million (29.6 million).



The reimbursement revision actions first applied in Q2 for public insurance reimbursed tests in Germany continued to have an impact of reducing referrals from doctors for laboratory tests under the public insurance. The revision effectively reintroduced a bonus to doctors for managing their test referral volume. This was combined with a general price cut to manage budgets, which together had an impact to reduce sales levels and gross margin. The impact continues to be mitigated to a certain degree by increased volume of privately paid and private insured referrals, but has led to an overall year on year reduction in test volume for the quarter in Germany.

The Romanian and Ukrainian markets showed strong growth in volume and the Polish market grew well particularly in self-pay but at slightly lower rate than in Romania and Ukraine.

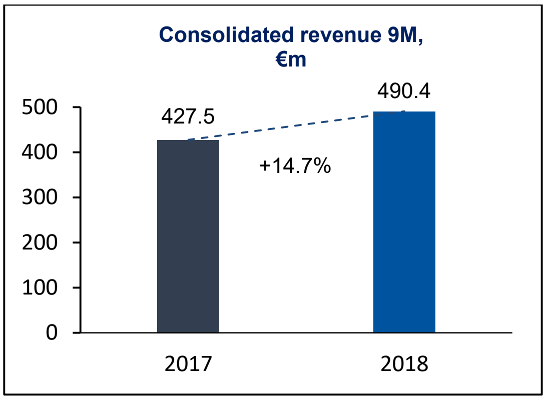
The German clinical business showed good growth with revenue of €14.0m (€12.2m). The impact of the reimbursement revision has had a more limited impact upon this area.

No acquisitions were made and consolidated during the quarter in Diagnostic Services. An agreement was signed to acquire the centre for genetic diagnostics of Dr. Klein, Dr. Rost and colleagues located near Munich in Germany. The expected closing date is in January 2019 as the transaction is subject to regulatory approvals.

The continuing strong economic development in Romania and Poland is leading to increased ability to self-pay for healthcare and the expansion of access through more blood drawing points supports this growth. During the quarter 19 new blood drawing points were opened and 1 was closed bringing the total to 566 locations at quarter end.

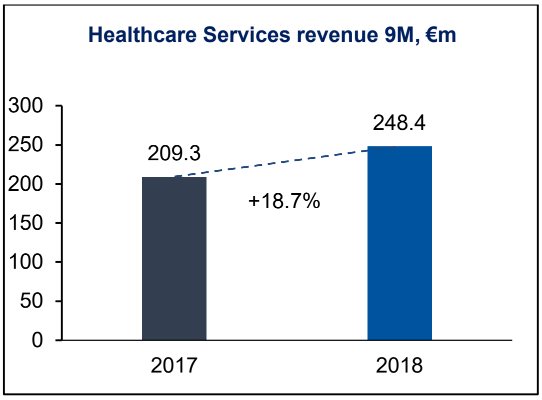
REVENUE NINE MONTHS 2018

Consolidated revenue increased by 14.7% to €490.4m (€427.5m) with organic growth at 13.9%. Growth has been balanced, slightly weighted to the Healthcare Services segment being 60% of the organic growth.



Revenue recognised in the nine-months period 2018 from acquisitions made since 1 January 2017 was €10.1m.

Healthcare Services revenue grew by 18.7% to €248.4m (€209.3m) with organic growth of 15.0%. A favourable employment market combined with continued good economic development are driving member growth and revenue in the employer funded business. The Fee-For-Service business in both Poland and Romania grew at a faster rate but from a smaller base. New facilities were added over the year.

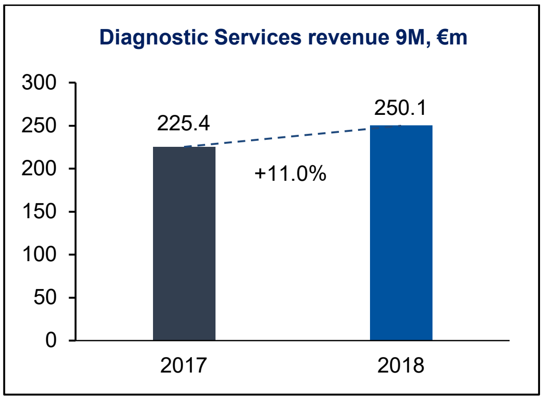


In September 2018, the acquisition of an 80% share of Pelican, a hospital operator located in Oradea, Romania was closed. This strengthens Medicover's position in the Romanian market. The business has now started to expand the main facility. OK System, a sports/fitness employee benefit business was acquired in Poland at the end of the first half and has been consolidated for the full quarter. The employee benefit sports card market is growing dynamically and complements the existing medical healthcare range of employee benefits. This acquisition is expected to strengthen the market position in Poland. In February and July 2018, the Group acquired two Polish dental businesses which are growing well with a focus on combining organic and acquisition growth in developing this business area. Given Medicover's strong membership referral base, organic growth supports the strategy well.

In June 2018, the fertility business in the UK was disposed of with a loss of €1.8m recorded in other income/costs.

The MaxCure group, which is an associate and not consolidated, had revenue of €41.7m for the nine months 2018 with local currency growth of 15.0%.

Diagnostic Services revenue grew by 11.0% to €250.1m (€225.4m) with organic growth of 12.9%. Strong growth in both Romania and Ukraine with good but slightly lower growth in Poland. Despite the reimbursement revision impact, the German laboratory business still grew but at a lower rate.



As at 30 September, 19 clinics were operating for the German clinical business with revenue of €40.3m (€36.1m), a growth of 11.6%.

56 new blood drawing points were opened and 1 was closed in the nine months bringing the total to 566.

PROFIT DEVELOPMENT THIRD QUARTER 2018

Operating profit (EBIT) amounted to €7.4m (€8.5m) with an operating margin of 4.4% (5.9%), including a loss of €0.5m for the greenfield Indian fertility business. Adjusting for this item, the operating profit was €7.9m, a margin of 4.7% (€8.5m with a margin of 5.9%). The regulatory actions in Germany have held back the profit development.

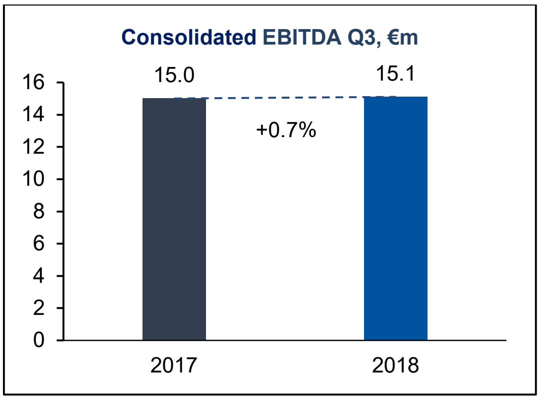
Profit for the period increased to €6.2m (€4.3m), a margin of 3.7% (3.0%), impacted by other income. Adjusting for the loss of €0.5m for the greenfield Indian fertility business, the net profit increased to €6.7m, a margin of 4.0% (€4.3m with a margin of 3.0%).

Other income/costs of €1.1m (nil) represents the movement for non-cash fair value changes in puts written and calls held over share interests in MaxCure. This item reflects the net increase in valuation of the contractual rights and obligations that Medicover has entered into with the other shareholders of MaxCure which would enable Medicover to possibly acquire over 51% of the equity.

Net financial result amounted to €-0.3m (€-2.2m). €0.1m of interest was charged on the Group's debt, commitment fees and other discounted liabilities. Foreign exchange losses amounted to €0.3m.

Basic/diluted earnings per share were €0.042 (€0.030).

Consolidated EBITDA increased by 0.7% to €15.1m (€15.0m) with an EBITDA margin of 9.0% (10.4%). Adjusted EBITDA was €16.0m (€15.3m), a margin of 9.6% (10.6%). Included within this is a loss of €0.5m (nil) for the greenfield Indian fertility business. Excluding this, the adjusted EBITDA grew 7.8% to €16.5m (€15.3m), a margin of 9.9% (10.6%).



The profitability growth has been impacted by the reimbursement revision in the German laboratory business.

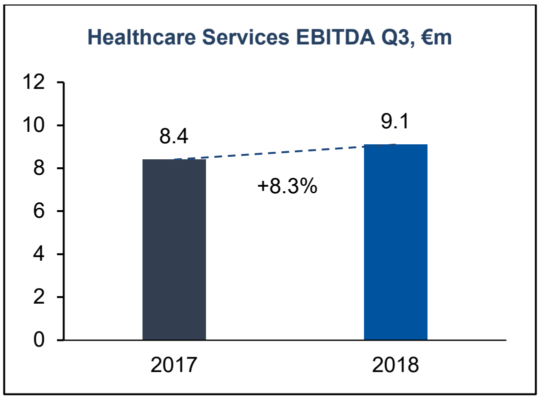
Items affecting comparability

The MaxCure group equity stake along with certain rights to call shares and obligations to fulfil put options over MaxCure shares was acquired in the fourth quarter 2017. These options are required to be valued using valuation models. Other income of €0.8m (nil) was recognised in the quarter relating to these revaluations and release of the initially deferred net profit on these positions.

During the comparable period there was no charge or release of costs related to the 2017 IPO.

EBITDA for **Healthcare Services** increased by 8.3% to €9.1m (€8.4m), an EBITDA margin of 10.5% (11.7%). Included in the segment result is a loss of €0.5m (nil) for the greenfield Indian fertility business. Excluding this, EBITDA was €9.6m

(€8.4m), a growth of 14.3% and an EBITDA margin of 11.2% (11.7%).



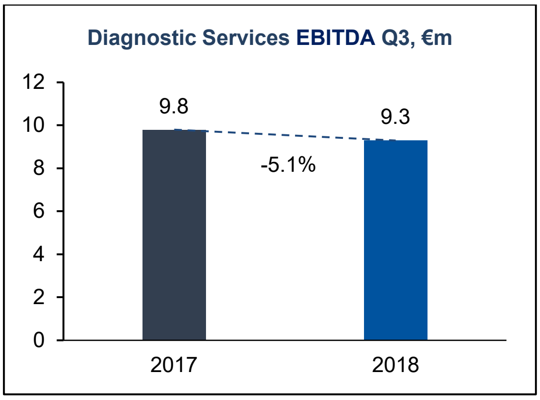
Operating profit at €4.9m (€5.0m) was also impacted by the loss of €0.5m for the greenfield Indian fertility business. Excluding this, the operating profit grew 8.0% to €5.4m (€5.0m), a margin of 6.3% (7.0%).

Medical costs have been higher than the comparable quarter by 110bp overall. A part of this is mix with acquisitions being incorporated for the quarter with the largest component being increased provision costs for the employer funded members. This is driven by new facilities and costs of adding new medical staff in advance of the busier fourth quarter to service the increased volume of members. Given the strong growth in members the ability to service those additional members is a focus area.

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 and dental. The major business lines grew well except for the Warsaw hospital which was held back by the need to replace revenue from the reforms in Poland.

The announced reimbursement changes in Poland have so far not had any significant impact on earnings but have meant that new Fee-For-Service revenue streams have been developed to compensate for the publicly paid reductions. Some of the contracts have been extended and some have been cancelled. These changes will not have a significant financial impact in full year 2018 but will hold back any profit growth in the hospitals for 2018 as the contract work is replaced with Fee-For-Service patients.

EBITDA for **Diagnostic Services** decreased by 5.1% to €9.3m (€9.8m), an EBITDA margin of 11.2% (13.1%).



The German reimbursement revision have held back the growth of profitability with reduced volume from doctor referrals and a reduction of approximately 2.6% in reimbursement rates. This impacts roughly 50% of public revenue in the segment, equivalent to around 15% of total revenue for Diagnostic Services. This has been offset to a certain degree by private insured referrals growing. The impact of these revisions is expected to normalise as doctors understand and adapt to the changes, however it is still too early to state that we see this in referral patterns. Medicover is taking steps to address the cost structure, which have incurred some one-off costs in the quarter.

The Romanian and Ukraine markets performed strongly for the quarter, with the Polish market performing well but profit growth has been held back on higher staff cost inflation.

The German clinical business continues to develop with an EBITDA of €0.9m (€0.7m) and a margin of 6.4% (5.7%). Revenue was €14.0m (€12.2m) up 14.8%.

Operating profit for the segment amounted to €5.9m (€6.7m), a margin of 7.1% (9.0%).

PROFIT DEVELOPMENT NINE MONTHS 2018

Operating profit (EBIT) grew by 4.3% to €21.9m (€21.0m) with an operating margin of 4.5% (4.9%) and including a loss of €2.3m for the greenfield Indian fertility business (€1.8m of IPO costs). Adjusting for these items, the operating profit increased by 6.1% to €24.2m, a margin of 5.0% (€22.8m, a margin of 5.3%).

Profit for the period was €22.6m (€11.0m), a margin of 4.6% (2.6%). Adjusting for the loss of €2.3m for the greenfield Indian fertility business (€1.8m of IPO costs), the net profit increased to €24.9m, a margin of 5.1% (€12.8m, a margin of 3.0%).

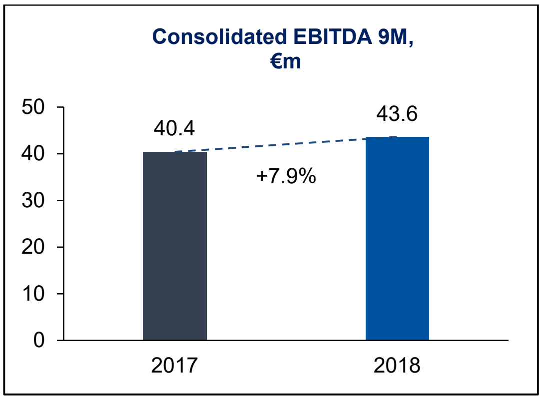
Other income/costs mainly representing fair value movements on financial instruments was €8.0m (nil). It also included a €1.8m non-cash loss on disposal of the UK fertility business and a cash profit of €1.5m on a real estate development project in Poland, realising and extracting the value of surplus land.

Net financial result for the nine-month period amounted to €-1.8m (€-4.8m). €2.6m (€4.4m) of interest was charged on the Group's debt. Foreign exchange gains amounted to €0.1m.

€0.3m (nil) has been added to share of profit of associates relating to holding in MaxCure for the period since ownership.

Basic/diluted earnings per share were €0.159 (€0.085)

Consolidated EBITDA increased by 7.9% to €43.6m (€40.4m), an EBITDA margin of 8.9% (9.5%). Adjusted EBITDA was €45.6m, a growth of 6.3% with a margin of 9.3%.



Within this is a loss of €2.2m (nil) in the nine-month period related to the greenfield Indian fertility business. Adjusted EBITDA for this was €47.8m (€42.9m), a growth of 11.4% with a margin of 9.8% (10.0%).

The increase was balanced between the two segments. Diagnostic Services was supported by Romania, Ukraine and overall held back by the German reimbursement revision. Growth in Healthcare Services was driven by the increase in employer paid members.

Items affecting comparability

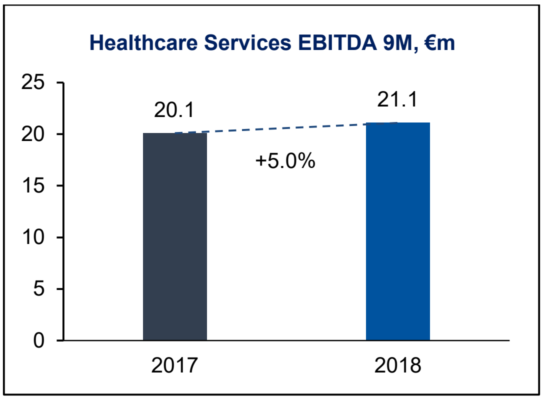
The MaxCure group equity stake along with certain rights to call shares and obligations to fulfil put options over MaxCure shares was acquired in the fourth quarter 2017. These options are required to be valued using valuation models. Other income of €7.8m (nil) was recognised in the nine months relating to these revaluations and release of the initially deferred net profit on these positions.

In May 2017, the Company's class B shares were listed on the Nasdaq Stockholm exchange and new capital was raised. Costs incurred in the nine-month period last year in respect of this were €10.4m with €1.8m expensed and €8.6m offset against capital raised.

Medicover completed and disposed of a real estate development project in Warsaw (Poland) thereby realising the value of a plot of surplus land, with a profit of €1.5m recognised in other income/costs.

Medicover disposed of its UK based fertility operation with a non-cash loss of €1.8m recorded in other income/costs. The EBITDA for this business for the first half 2018 was €-0.7m (€-0.2m).

EBITDA for **Healthcare Services** increased by 5.0% to €21.1m (€20.1m), an EBITDA margin of 8.5% (9.6%). Included in the segment result is a loss of €2.2m (nil) for the greenfield Indian fertility business. Excluding this, EBITDA was €23.3m (€20.1m), a growth of 15.9% and an EBITDA margin of 9.5% (9.6%).

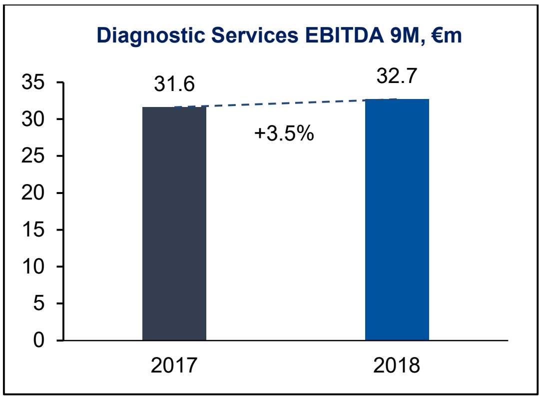


Operating profit amounted to €9.3m (€10.0m), a decrease of 7.0% with an operating margin of 3.7% (4.8%). Excluding the €2.3m loss for the greenfield India fertility business, operating profit grew by 16.0% to €11.6m (€10.0m), a margin of 4.7% (4.8%).

Given the strong background of increasing membership, facilities and medical staff have been expanded to enable to meet the service requirements. This has been against a backdrop of increasing general inflation and demand for medical staff. As a ratio to revenue, medical costs have increased slightly over the nine months but has been maintained at stable levels with an increase of 70bp for the main business in Poland compared to 2017.

EBITDA for **Diagnostic Services** increased by 3.5% to €32.7m (€31.6m), an EBITDA margin of 13.1% (14.0%). Except for the German laboratory business unit, and for Poland which was flat, the established businesses grew well and gross profit has been the main driver for the increased profitability. The German laboratory business reduced EBITDA for the period impacted by the reimbursement revision constraining price and volume.

The development of the German clinical business contributing to EBITDA for €2.4m with a margin of 6.0%. 3 new units have been added in 2018 including the acquisition of an endocrinology clinic. This takes the total of clinics to 19.



Operating profit for the segment followed a similar trend with 2.7% growth to €23.0m (€22.4m), a margin of 9.2% (9.9%). Good economic activity in Romania, Ukraine and Poland continues to support Fee-For-Service demand for healthcare. The Diagnostic Services segment continues to invest in accessibility to services and has increased its number of blood drawing points and distribution in all geographies, with the addition of 56 blood drawing locations.

KEY FINANCIAL DATA

Medicover, €m	Jul-Sep 2018	Jul-Sep 2017	Growth	Jan-Sep 2018	Jan-Sep 2017	Growth	FY 2017
Revenue	167.4	144.0	16%	490.4	427.5	15%	580.2
Operating profit	7.4	8.5	-13%	21.9	21.0	4%	28.8
Operating profit margin, %	4.4%	5.9%		4.5%	4.9%		5.0%
Net profit	6.2	4.3	44%	22.6	11.0	105%	20.2
Net profit margin, %	3.7%	3.0%		4.6%	2.6%		3.5%
Earnings per share, €	0.042	0.030	40%	0.159	0.085	87%	0.157
Diluted earnings per share, €	0.042	0.030	40%	0.159	0.085	87%	0.157
EBITDA	15.1	15.0	1%	43.6	40.4	8%	55.0
EBITDA margin, %	9.0%	10.4%		8.9%	9.5%		9.5%
Adjusted EBITDA	16.0	15.3	5%	45.6	42.9	6%	57.7
Adjusted EBITDA margin, %	9.6%	10.6%		9.3%	10.0%		9.9%
EBITA	8.2	9.2	-11%	23.8	22.9	4%	31.4
EBITA margin, %	4.9%	6.4%		4.9%	5.4%		5.4%

Healthcare Services, €m	Jul-Sep 2018	Jul-Sep 2017	Growth	Jan-Sep 2018	Jan-Sep 2017	Growth	FY 2017
Revenue	86.9	71.5	22%	248.4	209.3	19%	285.8
Operating profit	4.9	5.0	-2%	9.3	10.0	-7%	13.2
Operating profit margin, %	5.6%	7.0%		3.7%	4.8%		4.6%
EBITDA	9.1	8.4	8%	21.1	20.1	5%	26.9
EBITDA margin, %	10.5%	11.7%		8.5%	9.6%		9.4%
Members (period end) (000's)	1,166	1,000	17%	1,166	1,000	17%	1,024

Diagnostic Services, €m	Jul-Sep 2018	Jul-Sep 2017	Growth	Jan-Sep 2018	Jan-Sep 2017	Growth	FY 2017
Revenue	83.1	74.8	11%	250.1	225.4	11%	304.4
Operating profit	5.9	6.7	-12%	23.0	22.4	3%	29.1
Operating profit margin, %	7.1%	9.0%		9.2%	9.9%		9.6%
EBITDA	9.3	9.8	-5%	32.7	31.6	3%	41.4
EBITDA margin, %	11.2%	13.1%		13.1%	14.0%		13.6%
Lab tests (period volume) (m)	32.0	30.0	7%	99.0	93.0	6%	124.0

For Alternative Performance Measure definitions and reconciliations, refer to note 8.

DIGITALISATION

The way in which information systems, technologies and data are leveraged is important to business performance, customer and patient engagement, and differentiation through innovation and the introduction of advanced medical and diagnostic services.

Digital presence continues to grow strongly in the third quarter

Digital traffic has continued to grow across both segments. Diagnostic Services recorded 9.9 million views on websites and other digital platforms per month. Healthcare Services also saw increasing numbers of patients and visitors accessing through its digital platforms. During the quarter, Medicover's library of over 700 medical and lifestyle articles authored by our medical and editorial community attracted over 400,000 visitors monthly.

Digital patient pre-registration facility improves patient waiting times and efficiency at blood drawing points

In some markets including Ukraine, Diagnostic Services customers are primarily patients attending blood drawing points on a Fee-For-Service basis. At these locations, the efficiency of the patient registration process is key to service patients in a timely manner, especially during the peak 07.00-09.00am period.

The registration process, especially for new patients, has historically represented a disproportionately large amount of both the patients' and the nurses' time when compared to the time taken to provide the blood drawing service itself. The Diagnostic Services team has introduced the first pre-registration digital service which allows patients to pre-register, order, and pay in advance for the tests their medical practitioner has prescribed plus any additional tests they have decided to select from relevant offerings available on the site. On arrival at the blood drawing point, pre-registered patients present a barcode to be scanned, bypass the on-site registration process, and are fast-tracked through the process.

Through the introduction of this digital service, Diagnostic Services has managed to reduce the average waiting time for pre-registered patients during peak hours by a factor three. In the first three quarters 2018, over 300,000 online orders were serviced in Ukraine. For the full year 2018, the number of patients pre-registering online is expected to surpass 400,000, nearly doubling year-on-year.

Having achieved this positive result in the Ukrainian pilot project, Diagnostic Services is planning to begin the roll out of this digital solution into further geographies in 2019.

Patients turning to the digital channel - Medicover Online - exceeds 40%

Patients have reacted positively to continued investments in this digital platform and as of the third quarter over 41% of all clinical consultation bookings were made directly by patients through the Medicover Online patient portal and the associated mobile application. In addition to appointment booking, these digital channels allow patients to review clinical diagnostics results, consult doctors and manage their profiles at their convenience.

Clinical Symptoms Analysis pilot project shows positive results

The Clinical Symptoms Analysis (CSA) project is Healthcare Services' digital project that provides support to clinicians in reaching an accurate diagnosis based on the patients' presenting symptoms.

CSA is a data driven solution that applies advanced algorithms to analyse patients' symptoms and other factors such as personal demographics and medical history against a clinical knowledgebase and to generate the most probable diagnoses to be considered by the clinician. As at the third quarter 2018, in 78% of cases where CSA was employed, the system successfully generated automated diagnoses together with the associated risk factors and probability measures.

As the CSA pilot project progresses, optimisation of the algorithms, growing the underlying knowledgebase, extending the range of symptoms and possible diagnoses will all contribute to improving the accuracy of CSA to the level where it can rapidly become an important element in Medicover's broad digital platform supporting clinicians in achieving the best possible clinical care and outcomes for patients.

CASH FLOW

Third quarter

Cash generated from operations before working capital changes and taxes paid amounted to €15.8m (€15.4m), being 104.6% (102.7%) of EBITDA. Net working capital decreased by €6.9m (decrease of €1.4m) with a decrease in stock, a decrease in receivables and an increase in payables. Cash paid tax was €0.9m (€1.5m). Cash generated from operations was €21.8m (€15.3m).

Investments in tangible and intangible assets amounted to €8.4m (€6.7m) with a focus on Poland with continuing growth of members, fertility in India and Ukraine, Dental in Poland as well as clinical services in Germany. Investments for acquisitions of subsidiaries and associates amounted to €21.0m (€0.5m) with the largest payments being for the acquisition of a Romanian hospital operator.

Net loans drawn were €48.2m (net loans repaid €2.9m) to fund acquisition payments and also to pre fund into escrow €24.2m (restricted cash) mainly relating to the acquisition of a genetics business in Germany expected to close at the beginning of January 2019. This amount will be utilised to fund the acquisition or released if closing does not occur. Interest paid increased to €2.1m (€0.6m) 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 increased by €38.1m to €74.2m.

Nine months

Cash generated from operations before working capital changes and taxes paid amounted to €47.4m (€41.3m), being 108.7% of EBITDA (102.2%). Net working capital increased by €2.4m (increase of €2.9m) with a decrease in stock, an increase in receivables and payables. Cash paid tax was €9.3m (€5.5m). Cash generated from operations was €35.7m (€32.9m).

Investments in tangible and intangible assets amounted to €27.6m (€16.2m) with approximately 2/3rds being growth capital investment and 1/3rd being maintenance investment. Investments for acquisitions of subsidiaries and associates amounted to €45.5m (€1.0m). €15.3m was paid to acquire an additional 22.1% stake in the MaxCure group during the period to bring Medicover's holding in MaxCure to an effective holding of 45.1%. Of the €15.3m some €12.1m was injected into MaxCure as new equity to grow the business and €3.2m was for purchase of existing shares. €5.8m was paid for the acquisition of the sports/fitness employee benefit business. A dental business was also acquired in Poland for €1.6m. €20.7m was paid for the acquisition of a Romanian hospital operator in the third quarter.

Net loans drawn were €69.7m (net loans repaid €170.8m). Interest paid reduced to €3.2m (€4.4m) 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 increased by €29.4m to €74.2m.

FINANCIAL POSITION

Consolidated equity as at 30 September 2018 amounted to €316.5m (31 December 2017: €304.0m). The increase in the levels of equity is resulting from profit for the period and movements on non-controlling interests in relation to acquisitions and disposals. Consolidated loans payable amounted to €129.4m (€57.2m at the end of 2017).

Medicover repaid in early 2018 €30.3m of debt secured on its real estate in Poland and refinanced with debt advanced under its revolving credit facility. During the quarter, Medicover drew on the facility to fund acquisitions. Consolidated loans payable net of cash was €55.2m (€11.8m at the end of 2017) with the increase being used to fund investments.

TAX

The Group's effective tax rate for the year is forecasted to be approximately 29.0% (32.3%) and for the nine months a tax charge of €5.8m (€5.2m) has been provided. This charge is calculated excluding the impact of other income/costs recognised in relation to the put and written call options in respect of MaxCure group, which given their nature are non-taxable. This presentation gives a clearer view of the underlying tax charge. Cash paid taxes in 2018 were €9.3m (€5.5m).

PARENT COMPANY

There was no significant revenue and the loss after tax was €1.5m in the third quarter. The parent company's assets consist of investments in subsidiaries. The business is financed with equity contributed by the owners. Equity of the parent company as at 30 September was €428.0m.

The annual general meeting held on 26 April 2018 decided to adopt a long term performance-based share program. The long term performance-based share program is proposed to include key employees within Medicover. The participants in the program are required to invest in the Group by investing in class B shares in Medicover AB. The participants will thereafter be granted the opportunity to receive class B shares free of charge in accordance with the program. For more information about the program refer to the Corporate governance/Remuneration section under investors at www.medicover.com.

EVENTS AFTER THE REPORTING PERIOD

On 18 October 2018 a transaction was signed to acquire a laboratory business located in Dniper (Ukraine) for a consideration of approximately €6.0m. This is subject to customary regulatory approvals and is expected to close within three months.

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 'Risk and risk management' section of the Management Report in the Annual Report 2017 (pages 46-48), 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 2017: note 24 on pages 82-83.

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 2017.

The interim information on page 1-13 is an integral part of this interim report. This report has not been reviewed by the Company's auditor.

Stockholm on 26 October 2018

Fredrik Rågmark
Director 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 (CEST) on 26 October 2018. This interim report and other information about Medicover, is available at medicover.com

Financial Calendar

Year-end report January-December 2018	15 February 2019
Annual General Meeting	3 May 2019
Interim report January-March 2019	3 May 2019
Interim report April-June 2019	26 July 2019
Interim report July-September 2019	6 November 2019

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CONDENSED FINANCIAL STATEMENTS

Condensed consolidated income statement

Note	€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
2	**Revenue**	**167.4**	**144.0**	**490.4**	**427.5**	**580.2**
	Operating expenses					
	Medical provision costs	-128.0	-107.6	-372.8	-321.8	-438.2
	Gross profit	**39.4**	**36.4**	**117.6**	**105.7**	**142.0**
	Distribution, selling and marketing costs	-8.9	-6.9	-25.7	-20.7	-28.5
	Administrative costs	-23.1	-21.0	-70.0	-64.0	-84.7
	Operating profit	**7.4**	**8.5**	**21.9**	**21.0**	**28.8**
5	**Other income/(costs)**	**1.1**	**0.0**	**8.0**	**0.0**	**2.9**
	Interest income	0.1	0.1	0.7	0.1	0.2
	Interest expense	-0.1	-0.9	-2.6	-4.4	-4.9
	Other financial income/(expense)	-0.3	-1.4	0.1	-0.5	0.8
	Total financial result	**-0.3**	**-2.2**	**-1.8**	**-4.8**	**-3.9**
4	Share of profit of associates	-	-	0.3	-	0.2
	Profit before income tax	**8.2**	**6.3**	**28.4**	**16.2**	**28.0**
	Income tax	-2.0	-2.0	-5.8	-5.2	-7.8
	Profit for the period	**6.2**	**4.3**	**22.6**	**11.0**	**20.2**
	Profit attributable to:					
	Owners of the parent	5.6	4.0	21.2	9.7	18.7
	Non-controlling interests	0.6	0.3	1.4	1.3	1.5
	Profit for the period	**6.2**	**4.3**	**22.6**	**11.0**	**20.2**
	Earnings per share (EPS) attributable to parent:					
	Basic, €	0.042	0.030	0.159	0.085	0.157
	Diluted, €	0.042	0.030	0.159	0.085	0.157

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
	Profit for the period	**6.2**	**4.3**	**22.6**	**11.0**	**20.2**
	Other comprehensive income:					
	Items that may be reclassified subsequently to income statement:					
	Exchange differences on translating foreign operations	-2.4	-2.7	-6.7	-0.8	-1.0
	Income tax relating to these items	-0.1	-	0.2	-0.1	-0.2
	Other comprehensive income for the period, net of tax	**-2.5**	**-2.7**	**-6.5**	**-0.9**	**-1.2**
	Total comprehensive income for the period	**3.7**	**1.6**	**16.1**	**10.1**	**19.0**
	Total comprehensive income attributable to:					
	Owners of the parent	3.0	1.1	14.6	8.5	17.2
	Non-controlling interests	0.7	0.5	1.5	1.6	1.8
		3.7	**1.6**	**16.1**	**10.1**	**19.0**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	€m	30 Sep 2018	30 Sep 2017	31 Dec 2017
	ASSETS			
	Non-current assets			
	Goodwill	144.6	125.5	126.8
	Other intangible fixed assets	47.8	34.1	36.4
	Tangible fixed assets	159.1	140.1	148.9
	Total fixed assets	**351.5**	**299.7**	**312.1**
	Deferred tax assets	3.9	3.3	3.7
4	Investment in associates	45.1	0.6	22.1
5	Other financial assets	5.2	1.3	5.2
	Total non-current assets	**405.7**	**304.9**	**343.1**
	Current assets			
	Inventories	26.6	26.4	30.7
5	Other financial assets	2.0	-	2.1
5	Trade and other receivables	86.6	89.1	82.5
5	Cash and cash equivalents	74.2	54.4	45.4
	Total current assets	**189.4**	**169.9**	**160.7**
	Total assets	**595.1**	**474.8**	**503.8**
	SHAREHOLDERS' EQUITY			
	Issued capital and reserves attributable to owners of the parent	314.7	300.1	300.3
	Non-controlling interests	1.8	3.8	3.7
	Total shareholders' equity	**316.5**	**303.9**	**304.0**
	LIABILITIES			
	Non–current liabilities			
5	Loans payable	123.1	39.9	52.9
	Deferred tax liabilities	24.2	23.2	22.8
	Provisions	0.3	0.4	0.4
4-5	Other non-current financial liabilities	28.5	14.1	23.6
	Other non-current liabilities	5.4	-	4.7
	Total non-current liabilities	**181.5**	**77.6**	**104.4**
	Current liabilities			
5	Loans payable	6.3	7.3	4.3
	Provision for unearned premiums/deferred revenue	10.3	10.9	12.3
	Corporate tax payable	4.8	4.8	6.8
5	Other current financial liabilities	5.2	5.0	4.9
5	Trade and other payables	70.5	65.3	67.1
	Total current liabilities	**97.1**	**93.3**	**95.4**
	Total liabilities	**278.6**	**170.9**	**199.8**
	Total shareholders' equity and liabilities	**595.1**	**474.8**	**503.8**

MEDICOVER

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Note	€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
	Profit before income tax	**8.2**	**6.3**	**28.4**	**16.2**	**28.0**
	Adjustments for:					
	Depreciation and amortisation	7.7	6.5	21.7	19.4	26.2
	(Gain)/loss on disposal of fixed assets	-0.1	-	-0.1	-0.1	-0.1
5	Other income/(costs)	-1.1	-	-6.5	-	-2.9
	Net interest expense	0.0	0.8	1.9	4.3	4.7
	Employee share-based compensation costs	0.5	0.2	1.6	0.5	1.1
	Other non-cash transactions	0.4	0.3	0.7	0.8	1.4
	Unrealised foreign exchange (gain)/loss	0.2	1.3	-0.3	0.2	-1.4
	Cash generated from operations before working capital changes and tax payments	**15.8**	**15.4**	**47.4**	**41.3**	**57.0**
	Changes in operating assets and liabilities:					
	(Increase)/decrease in receivables & inventories	3.7	-7.2	-1.2	-12.0	-10.1
	Increase/(decrease) in payables	3.2	8.6	-1.2	9.1	10.5
	Cash generated from operations before tax payments	**22.7**	**16.8**	**45.0**	**38.4**	**57.4**
	Income tax paid	-0.9	-1.5	-9.3	-5.5	-7.1
	Net cash from operating activities	**21.8**	**15.3**	**35.7**	**32.9**	**50.3**
	Investing activities:					
	Payment for acquisition of fixed assets	-8.4	-6.7	-27.6	-16.2	-29.4
	Proceeds from disposal of fixed assets	0.0	0.0	0.1	0.2	0.2
4	Payment for acquiring interest in associates	-	0.0	-15.3	0.0	-13.8
	Dividends received from associates	0.1	-	0.1	-	-
3	Payment for acquisition of subsidiaries, net of cash acquired	-21.0	-0.5	-30.2	-1.0	-10.6
	Loans granted	-0.6	-	-0.6	-	-
	Interest received	0.1	0.0	0.7	0.1	0.1
	Net cash used in investing activities	**-29.8**	**-7.2**	**-72.8**	**-16.9**	**-53.5**
	Financing activities:					
	Proceeds from issue of shares	-	-	-	199.0	199.3
	Acquisition of non-controlling interests	-	-3.1	-	-3.1	-3.1
	Loans repaid	-0.4	-2.9	-32.9	-186.8	-174.8
	Loans received	48.6	0.0	102.6	16.0	16.0
	Interest paid	-2.1	-0.6	-3.2	-4.4	-5.0
	Distribution to non-controlling interests	-	-	-	-	-1.1
	Net cash from/(used in) financing activities	**46.1**	**-6.6**	**66.5**	**20.7**	**31.3**
	Total cash flow	**38.1**	**1.5**	**29.4**	**36.7**	**28.1**
	Cash and cash equivalents					
	Cash balance as at beginning of the period	36.6	53.4	45.4	18.4	18.4
	Net effects of exchange gain/(loss) on cash balances	-0.5	-0.5	-0.6	-0.7	-1.1
	Total cash balance as at end of the period	**74.2**	**54.4**	**74.2**	**54.4**	**45.4**
	Increase/(decrease) in cash and cash equivalents	**38.1**	**1.5**	**29.4**	**36.7**	**28.1**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	€m	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
	Opening balance shareholders' equity	**304.0**	**98.8**	**98.8**
	Total comprehensive income for the period	*16.1*	*10.1*	*19.0*
	Transactions with owners in their capacity as owners:			
	De-recognition of previous parent company	-	-234.1	-234.1
	Issuance of Medicover AB shares for in kind contribution	-	234.1	234.1
	Contributions of equity, net of transaction costs	-	199.0	199.3
	Acquisition of an additional interest in a subsidiary	-	-3.0	-3.0
	Disposal of interest in a subsidiary	-1.6	-	-
	Business combination under common control	-	-	-8.3
	Non-controlling interests put-option reserve	-2.7	-1.5	-2.9
	Non-controlling interests on business combinations	-0.1	-0.0	0.0
	Employee share-based compensation costs	0.8	0.5	1.1
	Total transactions with owners in their capacity as owners	*-3.6*	*195.0*	*186.2*
	Closing balance shareholders' equity	**316.5**	**303.9**	**304.0**

CONDENSED PARENT COMPANY INCOME STATEMENT

Note	€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
	Revenue	**0.1**	**-**	**0.4**	**-**	**0.1**
	Operating expenses	-1.6	-0.6	-4.0	-1.3	-4.0
	Operating loss	**-1.5**	**-0.6**	**-3.6**	**-1.3**	**-3.9**
	Interest income from Group companies	-	-	-	-0.1	0.2
	Loss before income tax	**-1.5**	**-0.6**	**-3.6**	**-1.4**	**-3.7**
	Income tax	-	-	-	-	0.0
	Loss for the period	**-1.5**	**-0.6**	**-3.6**	**-1.4**	**-3.7**

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

CONDENSED PARENT COMPANY BALANCE SHEET

Note	€m	30 Sep 2018	30 Sep 2017	31 Dec 2017
	Tangible fixed assets	0.1	0.1	0.1
	Investments in subsidiaries	434.8	234.1	434.8
	Other non-current assets	-	200.9	-
	Total fixed assets	**434.9**	**435.1**	**434.9**
	Current receivables	0.6	0.0	0.7
	Cash and cash equivalents	0.0	1.9	0.5
	Total current assets	**0.6**	**1.9**	**1.2**
	Total assets	**435.5**	**437.0**	**436.1**
	Restricted equity	26.7	26.7	26.7
	Non-restricted equity	401.3	405.8	403.8
	Total equity	**428.0**	**432.5**	**430.5**
	Non-current liabilities	3.3	3.3	3.3
	Current liabilities	4.2	1.2	2.3
	Total equity and liabilities	**435.5**	**437.0**	**436.1**

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 is the Euro.

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 2017. 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 1-13 is an integral part of this interim report.

Significant accounting policies, use of judgements and estimates

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2017 consolidated financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2018 and will be adopted in the 2018 annual financial statements. New standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2018, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 *Financial Instruments*; and
- IFRS 15 *Revenue from Contracts with Customers*

Details of the impact these two standards have had are given below. Other new and amended standards as well as interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 9, *Financial Instruments* was implemented under the exemption not to restate comparative information for prior periods. No adjustments to the carrying amounts of financial assets and liabilities resulting from the adoption of the standard were required to be made in retained earnings or reserves as at 1 January 2018. The adoption of IFRS 9 did not have a material impact on the entity in the current reporting period and is not expected to have any material impact in future reporting periods.

The Group has adopted IFRS 15, *Revenue from Contracts with Customers* using the cumulative effect option. No adjustments resulting from the adoption of the standard were required to be made in retained earnings at 1 January 2018. The adoption of IFRS 15 did not have a material impact on the entity in the current reporting period and is not expected to have any material impact in future reporting periods.

Impact of accounting standards to be applied in future periods

There is a number of standards and interpretations which have been issued by the IASB that will be effective for 2019 that the Group has decided not to adopt early. The most significant of these is IFRS 16 *Leases* (mandatorily effective for periods beginning on or after 1 January 2019). The Group has completed an initial evaluation of the impact on its consolidated financial statements but has not yet finalised its precise assessment. The main effect on the Group is that IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for almost all leases and will therefore result in an increase of total property, equipment, vehicles and total financial debt. The impact on net profit is not expected to be significant as the current lease expense is replaced by an amortisation charge and an interest charge. There may be some timing differences between periods, with an expectation of some acceleration of expense. The standard will be applied retrospectively to comparative figures and balances thereby assisting users of the financial statements by providing a context of comparability. Restated financial statements for 2018 showing the impact of IFRS 16 will be issued in mid-April 2019. The anticipated effects of IFRS 16 have been discussed in the consolidated financial statements of the Group as at and for the year ended 31 December 2017.

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 judgement in applying the Group's accounting policies. Refer to the Group's consolidated financial statements as at and for the year ended 31 December 2017 for further information on the use of estimates and judgements.

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

2. Segment information

For further information on segment information, see the consolidated financial statements as at and for the year ended 31 December 2017: note 6 on pages 72-73.

No changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the 2017 consolidated financial statements has occurred.

€m	Healthcare Services Jan-Sep 2018	Diagnostic Services Jan-Sep 2018	Other Jan-Sep 2018	Group total Jan-Sep 2018
Revenue				
Total revenue	248.4	250.1	0.2	
Inter-segment revenue	-0.4	-7.9	-	
Total revenue from external customers	**248.0**	**242.2**	**0.2**	**490.4**
Of which funded:				
Privately	241.1	148.0	0.2	389.3
Publicly	6.9	94.2	-	101.1
Originating from:				
Poland	197.4	23.7	-	221.1
Germany	-	121.5	-	121.5
Romania	26.6	39.4	-	66.0
Ukraine	4.5	34.1	-	38.6
Other countries	19.5	23.5	0.2	43.2
Segment result: EBITDA	**21.1**	**32.7**	**-10.2**	**43.6**
Margin, %	8.5%	13.1%		8.9%
Depreciation & amortisation	-11.8	-9.7	-0.2	-21.7
Other income/(costs)				8.0
Share of profit associates				0.3
Other financial income/(expense)				0.1
Net interest expense				-1.9
Tax				-5.8
Group profit after tax				**22.6**

€m	Healthcare Services Jan-Sep 2017	Diagnostic Services Jan-Sep 2017	Other Jan-Sep 2017	Group Total Jan-Sep 2017
Revenue				
Total segment revenue	209.3	225.4	0.4	
Inter-segment revenue	-0.2	-7.4	-	
Total revenue from external customers	**209.1**	**218.0**	**0.4**	**427.5**
Of which funded:				
Privately	201.7	129.3	0.4	331.4
Publicly	7.4	88.7	-	96.1
Originating from:				
Poland	169.7	20.9	-	190.6
Germany	-	111.3	-	111.3
Romania	21.3	33.7	-	55.0
Ukraine	3.4	29.0	-	32.4
Other countries	14.7	23.1	0.4	38.2
Segment result: EBITDA	**20.1**	**31.6**	**-11.3**	**40.4**
Margin, %	9.6%	14.0%		9.5%
Depreciation & amortisation	-10.1	-9.2	-0.1	-19.4
Other income/(costs)				-
Share of profit associates				-
Other financial income/(expense)				-0.5
Net interest expense				-4.3
Tax				-5.2
Group profit after tax				**11.0**

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. Within the Healthcare Services segment, revenue for insurance contracts for the nine month period 2018 was €150.7m (€130.6m). For further information on insurance contracts, see the consolidated financial statements as at and for the year ended 31 December 2017: note 4 on page 71.

€m equivalent	30 Sep 2018	30 Sep 2017	31 Dec 2017
Non-current assets by location of assets			
Poland (PLN)	134.4	117.2	125.5
Germany (EUR)	136.7	133.9	137.6
Romania (RON)	58.2	30.2	30.7
Ukraine (UAH)	11.9	7.3	7.7
Other (various)	15.5	12.4	15.8
Total	**356.7**	**301.0**	**317.3**

Non-current assets by geography include land and buildings, equipment, intangible assets including goodwill and other financial assets. Deferred tax assets of €3.9m (€3.3m) and investments in associates of €45.1m (€0.6m) are excluded.

3. Significant business combinations

The Group acquired 80% of the shares in Pelican, a hospital operator in the North-western part of Romania, on 12 September 2018 for a payment net of cash acquired of €20.7m. €7.5m of intangibles were recognised as brand value with an estimated life of 7 years. The income-based brand valuation method has been applied and is based on how much the brand owner would have to pay to use its brand if it licensed the brand from a third party. It uses discounted cash flows to capitalise future branded cash flows. €1.7m customer relations and €0.4m intangible assets were acquired relating to hospital operating licenses and authorisation with an estimated life of 5 years. €11.6m goodwill was recognised on this acquisition, unallocated to specific intangibles representing expected synergies with existing operations. This acquisition will turn Medicover into a leading private provider in the region. Revenue for 2017 was €15.0m with an EBITDA of €3.7m.

In 2018, the following cash flows (net of cash acquired) were paid in relation of business combinations. Preliminary purchase price allocation has been performed, subject to change in the next twelve months, and is presented below. Non-controlling interests (NCI) have been measured at the NCI's proportionate share of the identified net assets of the acquiree.

€m	Pelican	Other	Total
Cash	2.1	1.3	3.4
Accounts receivable and inventory	3.0	1.0	4.0
Tangible fixed assets	5.9	0.9	6.8
Intangible fixed assets	8.1	2.8	10.9
Goodwill	11.6	8.6	20.2
Customer relations	1.7	-0.6	1.1
Deferred tax asset	-	0.1	0.1
Deferred tax liability	-1.3	-0.4	-1.7
Corporate tax payable	-0.2	-	-0.2
Accounts payable	-3.5	-2.2	-5.7
Third party loans	-3.3	-0.5	-3.8
Non-controlling interests	-0.8	0.0	-0.8
Total purchase price	**23.3**	**11.0**	**34.3**
Less: cash acquired	-2.1	-1.3	-3.4
Deferred and contingent consideration payable	-0.5	0.6	0.1
Other	-	-0.8	-0.8
Total cash flow for acquisitions net of cash acquired	**20.7**	**9.5**	**30.2**

4. Investment in associate

Investment in associates includes the Group's effective 45.1% holding in MaxCure.

Note	€m	31 Dec 2017	Additions	Translation Movement	30 Sep 2018
	Investment in MaxCure				
a)	Cash paid for issued new shares	9.5	12.1	-1.8	19.8
a)	Cash paid for existing shares	4.3	3.2	-0.4	7.1
b)	Recognition of liability (economic interest)	7.6	4.9	-0.9	11.6
c)	Options exercised	-	6.0	-0.3	5.7
d)	Share of profit of associate	-	0.3	-	0.3
	Closing carrying value of investment in MaxCure	**21.4**	**26.5**	**-3.4**	**44.5**
	Ownership, %	**23.0%**			**45.1%**

a) The funds were used to acquire MaxCure's 11th unit, bringing total beds to 1,650, to acquire a minority in one of the existing units and to fund the launch of an additional greenfield 286 bed unit opened in this quarter.

b) 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 was measured at fair value at the acquisition date and further accrues 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.

c) This represents the value of call options recognised on exercise. Refer to note 5 for more details.

d) €0.3m has been added to the Group's share of the net results for the period since ownership. The Group has not yet determined the difference between the cost of acquisition and its share of the fair values of the net identifiable assets of the associate. Appropriate adjustments may be subsequently required to the Group's share of the profits or losses after acquisition to account for additional depreciation or amortisation of the associate's depreciable or amortisable assets based on the excess of their fair values over their carrying amounts at the time the investment was acquired.

5. 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 or 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 payable in relation to acquisitions;
- a financial liability arising from an agreement with a third party that entitles the other party to receive cash based on the value of equity instruments of an associate, carried at fair value through profit or loss; and
- certain call and put options written over shares of an associate, carried at fair value less deferred day one profit or loss, with the fair value re-measurement at each reporting date being reflected in the income statement along with the release of the initial deferral.

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

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		30 Sep 2018			30 Sep 2017			31 Dec 2017		
Note	€m	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
	Financial assets at fair value through profit and loss									
b)	Call options on associate's shares	2.5	2.0	4.5	-	-	-	2.1	2.1	4.2
	Financial assets at amortised cost									
	Other financial assets	2.7	-	2.7	1.3	-	1.3	3.1	-	3.1
	Trade and other receivables, gross	-	92.3	92.3	-	93.2	93.2	-	87.3	87.3
	Provision for bad debts	-	-5.7	-5.7	-	-4.1	-4.1	-	-4.8	-4.8
	Subtotal financial assets at amortised cost	**2.7**	**86.6**	**89.3**	**1.3**	**89.1**	**90.4**	**3.1**	**82.5**	**85.6**
	Cash and cash equivalents	-	74.2	74.2	-	54.4	54.4	-	45.4	45.4
	Total financial assets	**5.2**	**162.8**	**168.0**	**1.3**	**143.5**	**144.8**	**5.2**	**130.0**	**135.2**
	Financial liabilities at fair value through profit and loss									
b)	Put options on associate's shares	1.1	-1.1	-	-	-	-	1.5	-	1.5
c)	Other financial liabilities	12.0	-	12.0	-	-	-	7.5	-	7.5
d)	Contingent acquisition consideration payable	3.5	0.7	4.2	6.8	-	6.8	5.8	0.5	6.3
	Derivatives (interest rate swap)	-	-	-	0.4	-	0.4	-	0.4	0.4
	Subtotal financial liabilities at fair value through profit and loss	**16.6**	**-0.4**	**16.2**	**7.2**	**-**	**7.2**	**14.8**	**0.9**	**15.7**
a)	Put option liquidity obligation with non-controlling shareholder (with movement through equity)	15.4	-	15.4	13.7	-	13.7	14.6	-	14.6
	Subtotal financial liabilities at fair value	**32.0**	**-0.4**	**31.6**	**20.9**	**-**	**20.9**	**29.4**	**0.9**	**30.3**
	Financial liabilities at amortised cost									
	Borrowings	115.9	3.5	119.4	29.9	4.5	34.4	44.1	2.3	46.4
	Other liabilities	-	6.3	6.3	-	5.0	5.0	-	4.5	4.5
	Trade and other payables	-	70.5	70.5	-	65.3	65.3	-	67.1	67.1
	Deferred consideration payable	3.7	2.1	5.8	3.2	2.8	6.0	3.0	1.5	4.5
	Subtotal financial liabilities at amortised cost	**119.6**	**82.4**	**202.0**	**33.1**	**77.6**	**110.7**	**47.1**	**75.4**	**122.5**
	Total financial liabilities	**151.6**	**82.0**	**233.6**	**54.0**	**77.6**	**131.6**	**76.5**	**76.3**	**152.8**

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

€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Change in fair value of financial assets/liabilities					
Release of deferred profit upon initial call option recognition	0.3	-	4.6	-	1.7
Release of deferred loss upon initial put option recognition	-0.3	-	-0.9	-	-0.2
Change in fair value of call/put options on associate's shares	0.8	-	4.1	-	1.2
Change in fair value of other financial liabilities	0.3	-	0.3	-	0.1
Total fair value recognised in other income/(costs)	**1.1**	**-**	**8.1**	**-**	**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.

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. This put option 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% at the end of Q3 2018 and in 2017) and the discount rate applied to the nominal value (1.52% at the end of Q3 2018 and 1.44% in 2017). 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. In addition, the Group has written put option agreements to certain investors to acquire their shareholding in the future, these can be exercised anytime between March 2020 and March 2023 and between March 2024 and March 2027 or until they cease to be shareholders. The model used for fair valuing these financial instruments is a Monte Carlo simulation model that takes into account the exercise price, the term of the options, the underlying equity value at grant date and expected volatility, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies. 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 33.3%-38.1% (34.6%-38.4% at the end of 2017). Market observable growth rates of profitability were used for the same group of stocks also matched to duration of the options. Observable growth rate at 8.5% and volatility of 18.1% (growth rate at 9.5% and volatility at 19.3% at the end of 2017).

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 end of the quarter revalued to 13.7% (12.8% at the end of 2017). 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 on acquisition at each tranche and therefore increases in line with the increase in ownership with subsequent changes in fair value at each reporting date recorded in 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 increase of €0.1m has been recognised during the quarter relating to a dental acquisition closed in Poland.

No financial assets or financial liabilities have been reclassified between the valuation categories during the last nine months.

Unobservable valuation differences on initial recognition

As described in section c) above, the Group has entered into certain call and put option agreements over shares of an associate. 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. Management has judged that 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 exercise price of the call options to increase the investment is based on a surrogate for the fair value of the shares at the date of exercise. A valuation of the four call options and two put options has been performed using a Monte Carlo simulation model at inception and subsequently at each reporting period with a defined set of variables and volatility. The fair value of the call and put options amounted to €8.7m (€11.7m at the end of 2017) and €5.0m (€7.8m at the end of 2017) respectively at the end of the quarter. Any subsequent change in fair value will be recognised in the income statement.

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

€m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Call Options					
Opening balance	**5.4**	**-**	**4.2**	**-**	**-**
Increase due to options acquired / recognised	0.2	-	0.2	-	9.2
Deferral of profit of options acquired	-0.2	-	-0.2	-	-9.2
Decrease due to options exercised and transfer to cost of investment	-1.7	-	-6.0	-	-
Release of profit deferral	0.3	-	4.6	-	1.7
Revaluation of options	0.5	-	1.7	-	2.5
Closing balance	**4.5**	**-**	**4.5**	**-**	**4.2**
				-	
Put Options				-	
Opening balance	**0.0**	**-**	**-1.5**	**-**	**-**
Increase due to options acquired / recognised	-0.0	-	0.3	-	-6.5
Deferral of loss of options acquired	0.0	-	-0.3	-	6.5
Release of loss deferral	-0.3	-	-0.9	-	-0.2
Revaluation of options	0.3	-	2.4	-	-1.3
Closing balance	**0.0**	**-**	**0.0**	**-**	**-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.

	Fair Value at			Range of inputs	
Description	30 Sep 2018	31 Dec 2017	Unobservable inputs	30 Sep 2018	31 Dec 2017
Put option (Liquidity obligation with non-controlling shareholder)	15.4	14.6	Earnings growth factor	5.5%	5.5%
			Risk adjusted discount rate	1.52%	1.44%
Call option[1] (Asset to acquire additional associate's shares)	8.7	11.7	Risk free rate	7.2%-8.2%	6.1%-7.6%
			EBITDA growth rate	9.4%	9.5%
Put option[2] (Liability to acquire associate's shares held by other investors)	5.0	7.8	Risk free rate	7.9%-8.2%	7.2%-7.6%
			EBITDA growth rate	9.4%	9.5%
Economic interest option (Other non-current liability)	12.0	7.5	4 year projected CAGR EBITDA	43.3%	43.3%
			Risk adjusted discount rate	13.4%	12.9%
Contingent acquisition consideration payable	4.2	6.3	Risk adjusted discount rate	5.5%	5.5%

For further information on the sensitivity of the 'Relationship of unobservable inputs to fair value (FV)', see the consolidated financial statements of the Group as at and for year ended 31 December 2017 note 21 on page 81.

[1] *Fair value of the call option includes the unamortised deferral of day one profit*
[2] *Fair value of the put option includes the unamortised deferral of day one loss*

6. Share capital

Share capital as at 30 September 2018 was €26.7m represented by 133,335,195 shares divided into 80,874,726 class A shares and 52,460,469 class B shares. The quota value is €0.2 per share. Celox Holding AB owns 47,157,365 shares with 54.7% of the voting rights.

As at 30 September 2018, 1,754,456 class C shares are, contingently issuable, relating to the long-term performance-based share plans. No class C shares have been issued to date.

7. Related party transactions

The Group's financial position as at 30 September 2018 and 30 September 2017 and profit for the nine-month period then ended were not significantly affected by the existence of balances and transactions with related parties.

8. 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/(expense), 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/(expense), tax, amortisation, depreciation and impairment, other income/(costs) and share of profit of associates.

Adjusted EBITDA

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

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, €m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating profit	7.4	8.5	21.9	21.0	28.8
Amortisation	0.8	0.7	1.9	1.9	2.6
EBITA	**8.2**	**9.2**	**23.8**	**22.9**	**31.4**
Depreciation	6.9	5.8	19.8	17.5	23.6
EBITDA	**15.1**	**15.0**	**43.6**	**40.4**	**55.0**
Non-cash equity settled share-based payments	0.5	0.2	1.1	0.5	0.8
Merger and acquisition related expenses	0.4	0.1	0.9	0.2	0.4
Initial public offering (IPO) related expenses	-	-	-	1.8	1.5
Adjusted EBITDA	**16.0**	**15.3**	**45.6**	**42.9**	**57.7**
Revenue	167.4	144.0	490.4	427.5	580.2
Operating profit margin, %	4.4%	5.9%	4.5%	4.9%	5.0%
EBITDA margin, %	9.0%	10.4%	8.9%	9.5%	9.5%
Adjusted EBITDA margin, %	9.6%	10.6%	9.3%	10.0%	9.9%
Profit margin, %	3.7%	3.0%	4.6%	2.6%	3.5%

Reconciliation to organic revenue, €m	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Revenue	167.4	144.0	490.4	427.5	580.2
Less acquired revenue impact	-5.9	-2.9	-10.1	-6.4	-9.4
Revenue excluding acquisitions	**161.5**	**141.1**	**480.3**	**421.1**	**570.8**
Currency effect	2.3	-0.6	6.8	-1.7	-1.4
Organic revenue	**163.8**	**140.5**	**487.1**	**419.4**	**569.4**