

## INTERIM REPORT JANUARY–MARCH 2021

- Revenue amounted to €317.2m (€238.8m), an increase of 32.8% with an organic growth of 39.7%.
- Operating profit (EBIT) was €41.6m (€6.4m), representing an operating margin of 13.1% (2.7%).
- Net profit amounted to €26.3m (€-2.5m), which represents a net profit margin of 8.3% (-1.0%).
- EBITDA was €65.5m (€29.0m), an increase of 125.6%. EBITDA margin was 20.6% (12.2%).
- EBITDAaL amounted to €52.9m (€16.8m), corresponding to an EBITDAaL margin of 16.7% (7.0%).
- Net cash flow from operating activities was €57.7m (€36.6m).
- Basic/diluted earnings per share were €0.174 (€-0.006).
- Covid-19-pandemic had a net positive impact on operating performance.

### REVENUE AND EARNINGS

€ millions (€m)	Q1 2021	Q1 2020	Growth	FY 2020
Revenue	317.2	238.8	33%	997.8
Operating profit (EBIT)	41.6	6.4	550%	61.3
Operating profit margin	13.1%	2.7%		6.1%
Net profit	26.3	-2.5	1,152%	27.3
Net profit margin	8.3%	-1.0%		2.7%
Basic/diluted earnings per share, €	0.174	-0.006	3,000%	0.182
EBITDA	65.5	29.0	126%	157.5
EBITDA margin	20.6%	12.2%		15.8%
EBITDAaL	52.9	16.8	215%	108.5
EBITDAaL margin	16.7%	7.0%		10.9%
EBITA	44.1	8.9	396%	76.9
EBITA margin	13.9%	3.7%		7.7%

Definition and reconciliation of alternative performance measures are available at [www.medicover.com/financial-information](http://www.medicover.com/financial-information).

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, laboratories and blood-drawing points and the largest markets are Poland and Germany. In 2020, Medicover had revenue of EUR 998 million and more than 32,000 employees. For more information, go to [www.medicover.com](http://www.medicover.com)

## CEO STATEMENT

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Medicover, along with society at large is in the fight against the coronavirus third wave in our markets. Our markets contribute to society's battle in different ways such as Covid-19 testing, vaccinations and by treating patients. By the end of the quarter, we saw an increase in patient admissions in our hospitals in India, Poland and Romania. Fortunately most of our frontline staff have now been vaccinated which enables them to keep on providing safe care and also be safe themselves.

We had a very strong first quarter and revenue grew with 32.8 per cent to €317.2m (€238.8m), with an organic growth of 39.7 per cent.

FFS and other services (FFS) now represents 57 per cent of total revenue and increased by 41.6 per cent during the quarter.

The third wave has driven performance and EBITDA increased by a very strong 125.6 per cent to €65.5m (€29.0m), representing an EBITDA margin of 20.6 per cent (12.2 per cent) a margin expansion of 848 bps. Covid-19 services contributed positively to the margin expansion and so did the pick-up in demand in the underlying businesses after the sharp fall by the end of the comparative quarter. However it is important to keep noting that the underlying base business is not yet back at pre-Covid levels of demand.

Healthcare Services revenue grew by 17.5 per cent to €157.3m (€133.8m), with an organic growth of 23.5 per cent. The division has 1.4 million members and grew by 6.0 per cent year on year and by 30,000 members during the quarter. FFS grew 29.4 per cent in the quarter and represented 49 per cent of divisional revenue.

Healthcare Services EBITDA grew by 54.8 per cent to €22.5m (€14.5m), an EBITDA margin of 14.3 per cent (10.8 per cent). Margin expansion was mainly supported by a gradual pick-up in demand in the underlying business as well as operating efficiency gains and general cost discipline.

Diagnostic Services revenue grew by 53.0 per cent, with an organic growth of 61.0 per cent, to €165.5m (€108.1m). The number of laboratory tests for the quarter increased by 21.3 per cent to 32.6 million (26.9 million). 1.1 million Covid-19 tests were performed during the quarter. FFS grew by 53.3 per cent for the quarter and represented 67 per cent of divisional revenue.

Diagnostic Services EBITDA grew a very strong 146.0 per cent to €47.3m (€19.2m), an EBITDA margin of 28.6 per cent (17.8 per cent). Covid-19 services and an overall pick-up in demand for underlying testing contributed to the margin expansion.

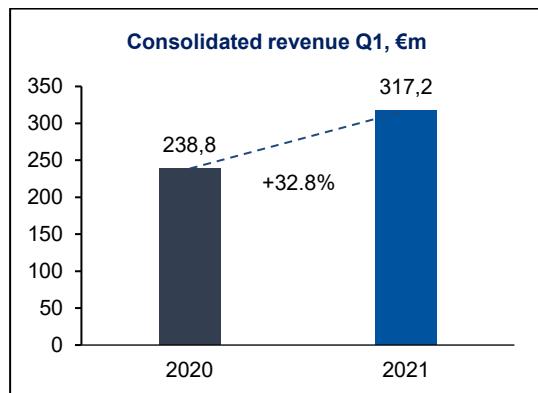
The financial outlook for the coming quarter remains strong as we continue to see a high demand for Covid-19 testing, genetic sequencing, and increased patient admissions in our hospitals, however we remain with a large degree of uncertainty as to the timing of a general recovery, and we still experience some negative impact, which may become more apparent with the current Covid-19 wave.

Our top priority has always been and will always be to care for and protect our employees and help our customers and patients stay healthy. The strong financial result comes from the infrastructure, training, dedicated professional staff and systems that Medicover has invested in and developed over many years and its ability to deploy these resources to support society's battle against Covid-19. I would like to extend my gratitude to Medicover's staff and in particular to those at the forefront of the fight. Thank you all.

Fredrik Rågmark  
CEO

## REVENUE FIRST QUARTER 2021

**Consolidated revenue** amounted to €317.2m (€238.8m), an increase of 32.8% with an organic growth of 39.7%, out of which approximately 22.1% was from Covid-19 related services, with 17.6% from the underlying business.

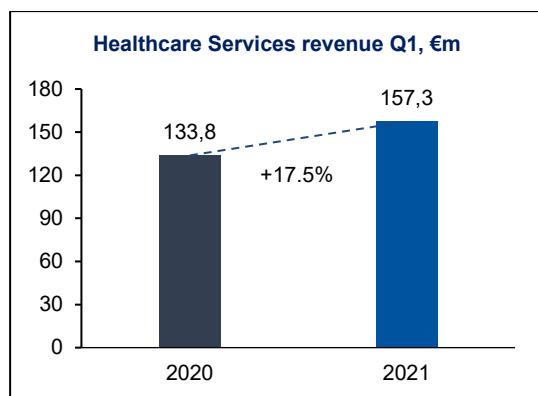


Revenue from Covid-19 services, such as diagnostics or treating patients for Covid-19 was €52.9m (€1.0m). This was offset by lower demand for certain services, such as elective surgeries and continuing customer reluctance to access diagnostics or healthcare. In the comparative quarter, the second half of March 2020 was impacted by the start of the pandemic in Medicover's European markets, and the resulting net reduction in revenue was estimated at €13-14m.

Acquired revenue contributed €1.6m to revenue.

Foreign exchange fluctuations had a negative impact of 7.6% with weakness for all non-euro markets which accelerated in March.

**Healthcare Services** revenue reached €157.3m (€133.8m), up 17.5%, with an organic growth of 23.5%, out of which approximately 7.6% was from Covid-19 related services.



Revenue from Covid-19 services, mainly treating Covid-19 patients was €10.2m (€0.0m). This was

offset by lower demand for certain services principally elective surgeries due to customer continuing reluctance to seek diagnosis and treatment for conditions, as well as the negative effects on employment and economic activity. This adverse impact accelerated as new variants started to become more prevalent and drove infection rates upwards in a third wave.

Members grew by 6.0% to 1,383K (1,304K) year on year and by 30K compared to year-end 2020, which although weaker than prior to the pandemic, is encouraging. The integrated healthcare model has shown strong resilience as seen in previous economic downturns. Medicover has demonstrated the robustness of its medical provision infrastructure, with its well-developed digital health delivery platforms, which have enabled continuing support for members' health needs through the pandemic. The utilisation of these channels has remained at a higher level than prior to the pandemic, particularly in services where digital delivery can match fully or better the in-person delivery. Utilisation overall has returned to normalised levels for the integrated healthcare model which is reassuring as contingent backlogs of illness and diagnosis are being cared for.

Fee-For-Services (FFS) activities, including inpatient admissions, were more variable with some fall off in business lines towards the end of the quarter or flat activity. Increased services in Pelican hospital in Romania and the expansion of facilities in Medicover Hospitals India ('MHI') have been supportive of organic growth. Activity levels have varied as restrictions have been progressively tightened over the quarter in all markets including certain states in India.

Medicover Sport is still heavily impacted from the pandemic and likely to continue to be impacted with the current resurgence of cases and restrictions. The pandemic presented another opportunity to acquire an exclusive fitness club chain in Poland with 4 clubs.

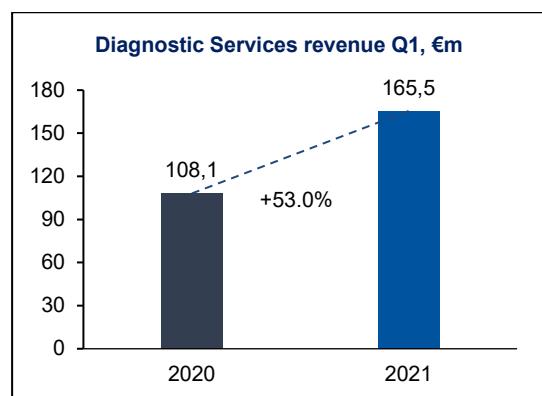
Acquired revenue contributed €1.4m to revenue.

Covid-19 services represented 13.3% of the revenue for MHI, with 2,106 admissions, an increase of 15.7% compared to prior quarter accompanied by a heavy acceleration at the end of the quarter with several facilities running at 100% occupancy.

Foreign exchange fluctuations had a negative impact of 7.0%, driven mainly by weakness for

Poland and India compared to the prior year quarter.

**Diagnostic Services** revenue increased to €165.5m (€108.1m), up 53.0%, with an organic growth of 61.0%, out of which approximately 39.2% was from Covid-19 related services.



Revenue from Covid-19 services, mostly PCR and antibody/antigen testing, was €42.7m (€1.0m). A large proportion of the Covid-19 testing is contracted with and funded by health ministries or public health funds hence public paid funding increased by 52.4%. In addition, private pay funding grew by 53.3% compared to prior year quarter.

The laboratory test volume increased by 21.3% to 32.6 million (26.9 million). Although demand levels have recovered sequentially, the underlying test volume is still estimated to be weaker than normalised levels, reflecting some level of reluctance by the public to seek health treatment. In the second half of March 2020 demand reduced strongly hence part of the growth in 2021 is normalisation.

1.1 million Covid-19 tests were performed and supply chain issues were resolved during the quarter. The concerns around Covid-19 variants have boosted demand for genetic sequencing of positive samples which is expected to continue.

The reduction in traffic in blood-drawing points (BDPs) has been compensated by the organic growth of the number of BDPs. At the end of the quarter, the Group operated 756 BDPs with 26 new BDPs and 3 closed. Investment in infrastructure continues, as well as specific Covid-19 facilities and machinery.

Foreign exchange fluctuations had a negative impact of 8.2% driven mainly by weakness for Ukraine and Belarus.

Revenue from external customers, recognised over time as services are rendered, by division, by payer and by country is disclosed in the following table.

€m	Q1 2021	% of Q1 2021	Q1 2020	% of Q1 2020	Growth
<b>Healthcare Services</b>					
Revenue	157.3		133.8		
Inter-segment revenue	-0.3		-0.1		
<b>Revenue from external customers</b>	<b>157.0</b>		<b>133.7</b>		<b>17.5%</b>
By payer:					
Public	17.8	11.3%	14.0	10.5%	26.9%
Private:	139.2	88.7%	119.7	89.5%	16.4%
Funded	62.3	39.7%	60.1	44.9%	3.6%
Fee-For-Service (FFS)	71.8	45.7%	52.8	39.5%	36.1%
Other services	5.1	3.3%	6.8	5.1%	-24.2%
By country:					
Poland	101.9	64.9%	92.5	69.2%	10.3%
India	26.1	16.6%	17.7	13.3%	46.7%
Romania	20.5	13.0%	15.1	11.3%	35.6%
Other countries	8.5	5.5%	8.4	6.2%	2.7%
<b>Diagnostic Services</b>					
Revenue	165.5		108.1		
Inter-segment revenue	-5.4		-3.1		
<b>Revenue from external customers</b>	<b>160.1</b>		<b>105.0</b>		<b>52.4%</b>
By payer:					
Public	55.3	34.6%	36.3	34.6%	52.4%
Private:	104.8	65.4%	68.7	65.4%	52.3%
Fee-For-Service (FFS)	100.5	62.8%	66.8	63.6%	50.3%
Other services	4.3	2.6%	1.9	1.8%	123.6%
By country:					
Germany	81.3	50.8%	53.0	50.5%	53.4%
Romania	22.6	14.1%	15.2	14.4%	49.2%
Ukraine	25.0	15.6%	17.6	16.8%	41.6%
Poland	14.7	9.2%	9.0	8.5%	63.7%
Other countries	16.5	10.3%	10.2	9.8%	60.3%

## PROFIT DEVELOPMENT FIRST QUARTER 2021

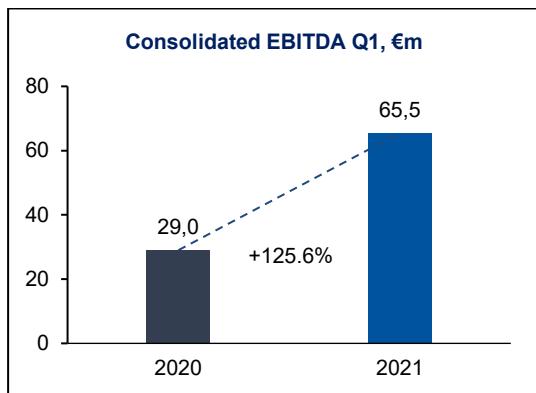
**Operating profit (EBIT)** was €41.6m (€6.4m) with an operating margin of 13.1% (2.7%), increased by the impact of Covid-19. The strong financial performance was a result of the resilient level of demand for Medicover's services. The contribution from Covid-19 revenue with certain facilities operating at high utilisation/occupancy has resulted in higher margins. When the virus infection rates eventually abate, these facilities will normalise their utilisation levels or return to previous service focus.

**Net profit** amounted to €26.3m (€-2.5m), which represented a margin of 8.3% (-1.0%). Net profit was impacted by total financial result of €-5.3m (€-9.9m) of which €-4.2m (€-5.6m) was related to interest expense and commitment fees on the

Group's debt and other discounted liabilities. Within the interest expense €-2.8m (€-2.5m) was related to lease liabilities. As the Group has expanded its activities, including its leased premises, the cost of interest allocated to lease liabilities has increased. Foreign exchange losses were €-1.2m (€-4.5m) which was related to Euro denominated lease liabilities due to weaker currencies, particularly for Poland.

Basic/diluted earnings per share amounted to €0.174 (€-0.006).

**Consolidated EBITDA** was €65.5m (€29.0m) with an EBITDA margin of 20.6% (12.2%). Adjusted EBITDA was €66.9m (€30.3m), a margin of 21.1% (12.7%). Adjusted EBITDAaL increased to €54.3m (€18.1m), a margin of 17.1% (7.6%).

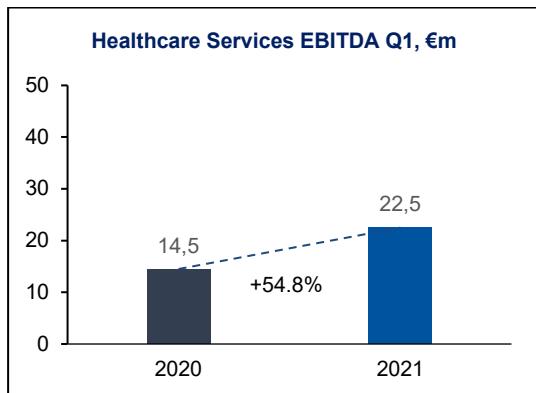


#### Items affecting comparability

Additional contribution from Covid-19 revenue was estimated at an average of 31.4% EBITDA margin, which increased the overall EBITDA margin by approximately 2.1pp and represented €16.6m. Adjusting for the Covid-19 revenue and profit, the EBITDA margin was overall 6.4pp higher reflecting an improvement overall for the underlying business. Demand was impacted negatively in the second half of March 2020, with a sharp fall in demand for services as a result of the start of the pandemic in Medicover's operating countries. This has increased the comparative growth of the underlying business.

Acquisition related expenses were €-0.2m (€-0.6m).

EBITDA for **Healthcare Services** was €22.5m (€14.5m), an EBITDA margin of 14.3% (10.8%). The contribution estimated from Covid-19 services was €1.4m or -0.1pp of margin. Adjusting for the Covid-19 revenue and profit, EBITDA margin was overall 3.5pp higher. EBITDAaL was €15.4m (€7.9m), a margin of 9.8% (5.9%).



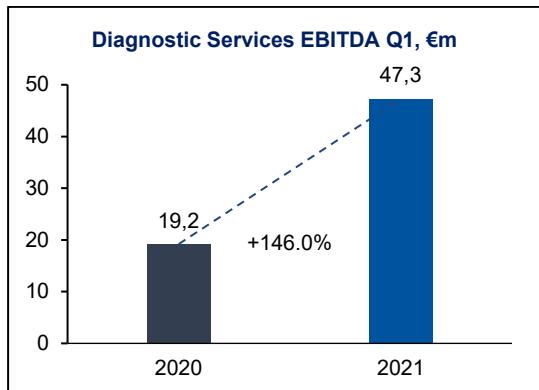
Operating profit amounted to €8.8m (€1.3m), a margin of 5.6% (1.0%).

For the first months of the quarter all business units had shown good recovery and were performing well despite restrictions. However certain select units such as Medicover Sport was impacted due to continuing restrictions imposed and certain inpatient hospitals due to requirements to provide Covid-19 services for the state healthcare services displacing higher margin services. Performance levels are ranging from:

- businesses performing as expected, near to normal levels, however general economic conditions may be weighing on growth rates, such as the employer paid healthcare business,
- businesses which are still negatively impacted observing that the mix of services or new services have compensated margins to a degree such as Pelican and Warsaw hospitals. Some patients are however still deferring treatment and dedication of facilities for Covid-19 patients, or other Covid-19 restrictions have impacted volume,
- businesses which are positively impacted due to Covid-19 related services being in high demand and high utilisation, such as MHI, and
- businesses with higher revenue than anticipated which improved operating margins, driven by delayed demand being fulfilled or previous investments increasing supply, such as in fertility services, however demand levels have impacted due to new restrictions imposed.

In addition, Covid-19 services such as inpatient treatment have compensated for shortfalls in other areas.

EBITDA for **Diagnostic Services** was €47.3m (€19.2m), an EBITDA margin of 28.6% (17.8%). The contribution estimated from Covid-19 services was €15.2m or 2.5pp of margin. Adjusting for the Covid-19 revenue and profit, EBITDA margin was overall 8.5pp higher reflecting the pickup in demand levels for underlying test volume, an increase of more than 17%. EBITDAaL was €41.9m (€13.7m), a margin of 25.3% (12.7%).



Operating profit was €37.5m (€10.2m), a margin of 22.7% (9.5%).

Demand for Covid-19 testing, both PCR and antigen, has been robust. The strongest performance of the major businesses was from the German entities. The Polish business has also been active in providing Covid-19 services, funded by both the public and private system. Covid-19

volume has picked up in the Ukrainian business, particularly in the second part of March. The Romanian business has since early in the pandemic been providing public funded Covid-19 testing, having the best equipped laboratory in Central Southern Europe. Supply chain issues in Romania were resolved. In Belarus Covid-19 testing has continued to be largely curtailed.

In the second half of March 2020, there was a sharp fall-off in demand across all markets except Germany which impacts the comparative performance. The early negative impact in the pandemic was more weighted to markets focused on a BDP strategy.

Covid-19 testing is expected to continue for some time however new restrictions have had a negative impact on the underlying business. Covid-19 genetic sequencing to monitor variants is a new supplementary revenue source.

## KEY FINANCIAL DATA

<b>Medicover, €m</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2020</b>	<b>Growth</b>	<b>FY 2020</b>
Revenue	317.2	238.8	33%	997.8
Operating profit (EBIT)	41.6	6.4	550%	61.3
Operating profit margin	13.1%	2.7%		6.1%
Net profit	26.3	-2.5	1,152%	27.3
Net profit margin	8.3%	-1.0%		2.7%
Basic/diluted earnings per share, €	0.174	-0.006	3,000%	0.182
EBITDA	65.5	29.0	126%	157.5
EBITDA margin	20.6%	12.2%		15.8%
Adjusted EBITDA	66.9	30.3	120%	164.1
Adjusted EBITDA margin	21.1%	12.7%		16.4%
EBITDAaL	52.9	16.8	215%	108.5
EBITDAaL margin	16.7%	7.0%		10.9%
Adjusted EBITDAaL	54.3	18.1	200%	115.1
Adjusted EBITDAaL margin	17.1%	7.6%		11.5%
EBITA	44.1	8.9	396%	76.9
EBITA margin	13.9%	3.7%		7.7%
Adjusted EBITA	45.5	10.2	345%	83.5
Adjusted EBITA margin	14.3%	4.3%		8.4%
EBITAAaL	41.3	6.4	545%	66.7
EBITAAaL margin	13.0%	2.7%		6.7%
Adjusted EBITAAaL	42.7	7.7	453%	73.3
Adjusted EBITAAaL margin	13.5%	3.2%		7.3%
<b>Healthcare Services, €m</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2020</b>	<b>Growth</b>	<b>FY 2020</b>
Revenue	157.3	133.8	18%	539.7
Operating profit (EBIT)	8.8	1.3	571%	28.8
Operating profit margin	5.6%	1.0%		5.3%
EBITDA	22.5	14.5	55%	84.1
EBITDA margin	14.3%	10.8%		15.6%
EBITDAaL	15.4	7.9	96%	57.5
EBITDAaL margin	9.8%	5.9%		10.6%
EBITA	10.8	3.2	231%	39.8
EBITA margin	6.8%	2.4%		7.4%
Members (period end) (000's)	1,383	1,304	6%	1,353
<b>Diagnostic Services, €m</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2020</b>	<b>Growth</b>	<b>FY 2020</b>
Revenue	165.5	108.1	53%	473.4
Operating profit (EBIT)	37.5	10.2	266%	50.8
Operating profit margin	22.7%	9.5%		10.7%
EBITDA	47.3	19.2	146%	89.8
EBITDA margin	28.6%	17.8%		19.0%
EBITDAaL	41.9	13.7	205%	67.8
EBITDAaL margin	25.3%	12.7%		14.3%
EBITA	38.0	10.8	252%	55.4
EBITA margin	23.0%	10.0%		11.7%
Lab tests (period volume) (m)	32.6	26.9	21%	103.9

## COVID-19

The following table presents Covid-19 revenue and estimated Covid-19 EBITDA and margin.

€m	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020
<b>Covid-19 revenue</b>						
Healthcare Services	10.2	11.2	16.0	1.1	0.0	28.3
Diagnostic Services	42.7	41.2	16.0	7.9	1.0	66.1
<b>Total</b>	<b>52.9</b>	<b>52.4</b>	<b>32.0</b>	<b>9.0</b>	<b>1.0</b>	<b>94.4</b>
<b>EBITDA</b>						
Healthcare Services	1.4	1.9	6.4	0.6	0.0	8.9
Diagnostic Services	15.2	12.4	6.1	2.3	0.4	21.2
<b>Total</b>	<b>16.6</b>	<b>14.3</b>	<b>12.5</b>	<b>2.9</b>	<b>0.4</b>	<b>30.1</b>
<b>EBITDA margin</b>						
Healthcare Services	13.2%	17.0%	40.1%	48.0%	-	31.3%
Diagnostic Services	35.7%	30.1%	38.2%	29.7%	32.0%	32.1%
<b>Total</b>	<b>31.4%</b>	<b>27.3%</b>	<b>39.2%</b>	<b>31.9%</b>	<b>32.0%</b>	<b>31.8%</b>

The pandemic that has swept the world has led to unprecedented restrictions and changes to normal life. Although vaccines are now being administered, restrictions are likely to continue for some time. There are expectations that towards the summer the level of vaccinations in the community will be large enough to enable removal of restrictions and return to a more normalised situation. New concerns are however rising as variants of the virus start to circulate, which appear to be more contagious or even have a certain level of resistance to the vaccines.

As expected, there is a considerable degree of uncertainty as to how long the current restrictions will be applied and how effective they will be. Further or longer restrictions may be required which could have an adverse impact upon the Group's services and demand.

Healthcare demand has been impacted with patients deferring to seek diagnosis and treatment for fear of being infected. This is particularly so for the more vulnerable sections of the population, however this may be reducing as these people are targeted for vaccination. Medicover has been positioned to assist with testing for the virus, providing vaccinations and treating patients, including the most severely impacted in its clinics, wards and ICU facilities.

Medicover's staff has been highly supportive of patients and the Group throughout this crisis. They have continued to work on frontline positions, whilst being concerned for themselves and families. Medicover has largely been able to ensure that the frontline staff have now been vaccinated in many of its countries.

There is a high degree of likelihood that economic weakness will persist in 2021 despite government stimulus and support measures, however the strong commitment of institutions to support demand is reassuring.

Medicover has shown strong ability to operate and support its customers over the last year and it will continue to do so going forward. This extends to supporting health services and the public. Medicover has invested to increase its ability to provide Covid-19 testing and is currently expanding its sequencing capabilities for tracking Covid-19 variants.

Medicover has been able for selected customers to provide bespoke testing capability for their industry from retail to cruise industry, airlines and airports.

## CASH FLOW

Cash generated from operations before working capital changes and tax payments amounted to €65.5m (€31.2m), corresponding to the quarter's EBITDA (107.1% of EBITDA). Net working capital increased by €5.2m (decreased by €8.7m) reflecting increased trade and other receivables and payables. Income tax paid was €2.6m (€3.3m). Net cash from operating activities was a strong €57.7m (€36.6m).

Investments in property, plant and equipment and intangible assets amounted to €19.4m (€19.4m) with approximately 48% being growth capital investment and 52% being maintenance investment. Direct Covid-19 related investments amounted to €1.5m. The expansion of operational

units in MHI was the largest area of investment in the quarter with €4.7m, in premises fit out and equipment. Cash flow from acquisitions of subsidiaries amounted to €2.5m (€1.0m) relating to payments for earlier closed transactions, a dental business, a fitness club chain and a network of medical centers.

Net loans repaid amounted to €6.4m (net loans drawn €24.0m). Leases repaid were €8.8m (€8.0m). Interest paid amounted to €3.3m (€3.5m), of which €2.8m (€2.5m) related to lease liabilities.

Cash and cash equivalents increased by €18.9m to €65.9m.

## FINANCIAL POSITION

Consolidated equity as at 31 March 2021 amounted to €512.9m (€483.5m). The increase in equity includes a positive movement of €3.3m on translation reserves mostly relating to India as the currency strengthened compared to year-end.

Inventories amounted to €52.9m (€53.0m), of which approximately €11.8m (€11.2m) is related to Covid-19 services and contracts.

Loans payable amounted to €162.2m (€167.9m) and lease liabilities to €211.3m (€199.5m). The total financial debt was €373.5m (€367.4m). Loans payable net of cash and liquid short-term

investments amounted to €61.3m (€81.1m) with the reduction reflecting the strong operating cash flows. The ratio of loans payable net of cash and liquid short-term investments to adjusted EBITDAaL for the prior twelve months was 0.4x (0.7x level at year-end 2020).

The increase in lease liabilities by €11.8m reflected the expansion of facilities leased in Poland. The Group has undrawn committed credit facilities of €220m, liquid short-term investments and cash and cash equivalents, in total €321m (€307m) at the end of the quarter and is well positioned to support future organic and acquisition growth.

## TAX

The Group has recognised a tax charge of €10.2m (tax credit of €1.0m). Income tax paid was €2.6m

(€3.3m). The effective tax rate for the quarter is 28.0% (30.0%).

## PARENT COMPANY

There was no significant revenue. The loss for the quarter amounted to €-2.3m (€-1.7m). The parent company's assets consist of investments in

subsidiaries. Equity as at 31 March 2021 was €610.6m (€611.9m).

## RISK FACTORS

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The Group's business is exposed to risks that could impact its operations, performance or financial position. These comprise *operational risks* such as market risk, political risk, legislation and regulation risk, medical risk, insurance risk, reputational risk and technology risk. *External risks* consist of risks relating to a pandemic, availability to recruit and retain qualified and well-educated staff,

controllable, through identification, assessment and controls and for those that are not controllable to monitor and mitigate as reasonable possible.

Risk factors and uncertainties of relevance to the Group including the current pandemic are

dependence on information systems, risks relating to permits, property and acquisition execution. In addition the Group is exposed to *financial risks*, such as foreign currency risk, credit risk, interest rate risk, liquidity and financing risk. Management of these risks is a key issue for Medicover to execute its strategy and reach financial targets. Medicover sets out to manage those risks that are

described in the annual report 2020, section 'Risk and risk management' (pages 51-56). No additional risk factors have been identified during the first quarter 2021.

The chief executive officer declares that the interim report for January-March 2021 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 29 April 2021

Fredrik Rågmark  
CEO and board member

This report has not been subject to review by the Company's auditor.

This is information that Medicover AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out below at 7.45 (CEST) on 29 April 2021. This interim report and other information about Medicover is available at [www.medicover.com](http://www.medicover.com).

#### **Financial Calendar**

Annual general meeting	29 April 2021
Interim report April-June 2021	23 July 2021
Interim report July-September 2021	3 November 2021

#### **For further information, please contact:**

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**Conference call:** A conference call for analysts and investors will be held today at 09.30 CEST. To listen in please register [here](#). To ask questions please dial in and use code: 8975934

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This report may contain certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future. Forward-looking statements are based on current estimates and assumptions made according to the best of Medicover's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including Medicover's cash flow, financial position and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in this presentation may not occur. Actual results, performance or events may differ materially from those in such statements due to, without limitation, changes in general economic conditions, in particular economic conditions in the markets on which Medicover operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.

## CONDENSED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

€m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>Revenue</b>	<b>317.2</b>	<b>238.8</b>	<b>997.8</b>
<b>Operating expenses</b>			
Medical provision costs	-220.5	-179.2	-734.3
<b>Gross profit</b>	<b>96.7</b>	<b>59.6</b>	<b>263.5</b>
Distribution, selling and marketing costs	-13.9	-12.8	-43.3
Administrative costs	-41.2	-40.4	-158.9
<b>Operating profit (EBIT)</b>	<b>41.6</b>	<b>6.4</b>	<b>61.3</b>
<b>Other income/(costs)</b>			
Interest income	0.1	0.2	0.9
Interest expense	-4.2	-5.6	-18.1
Other financial income/(expense)	-1.2	-4.5	-8.4
<b>Total financial result</b>	<b>-5.3</b>	<b>-9.9</b>	<b>-25.6</b>
Share of profit of associates	0.3	-	0.1
<b>Profit/(loss) before income tax</b>	<b>36.5</b>	<b>-3.5</b>	<b>37.3</b>
Income tax	-10.2	1.0	-10.0
<b>Profit/(loss) for the period</b>	<b>26.3</b>	<b>-2.5</b>	<b>27.3</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the parent	25.8	-0.8	25.8
Non-controlling interests	0.5	-1.7	1.5
<b>Profit/(loss) for the period</b>	<b>26.3</b>	<b>-2.5</b>	<b>27.3</b>
<b>Earnings/(loss) per share attributable to owners of the parent:</b>			
Basic/diluted, €	0.174	-0.006	0.182

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>Profit/(loss) for the period</b>	<b>26.3</b>	<b>-2.5</b>	<b>27.3</b>
<b>Other comprehensive income/(loss):</b>			
Items that may be reclassified subsequently to income statement:			
Exchange differences on translating foreign operations	3.3	-20.2	-40.5
Income tax relating to these items	-0.2	0.5	0.4
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>3.1</b>	<b>-19.7</b>	<b>-40.1</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>29.4</b>	<b>-22.2</b>	<b>-12.8</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the parent	27.3	-19.9	-9.2
Non-controlling interests	2.1	-2.3	-3.6
<b>Total comprehensive income/(loss) for the period</b>	<b>29.4</b>	<b>-22.2</b>	<b>-12.8</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

€m	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	294.2	291.4	289.2
Other intangible assets	63.6	71.5	64.6
Property, plant and equipment	265.0	242.9	257.9
Right-of-use assets	190.8	171.8	180.4
Deferred tax assets	12.5	8.8	12.1
Investment in associates	7.9	0.7	7.6
Other financial assets	13.5	7.2	9.9
<b>Total non-current assets</b>	<b>847.5</b>	<b>794.3</b>	<b>821.7</b>
<b>Current assets</b>			
Inventories	52.9	38.6	53.0
Other financial assets	0.0	1.6	0.0
Trade and other receivables	160.2	130.0	149.4
Short-term investments	35.0	-	40.1
Cash and cash equivalents	65.9	60.0	46.7
<b>Total current assets</b>	<b>314.0</b>	<b>230.2</b>	<b>289.2</b>
<b>Total assets</b>	<b>1,161.5</b>	<b>1,024.5</b>	<b>1,110.9</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent	474.6	298.6	448.0
Non-controlling interests	38.3	39.3	35.5
<b>Total equity</b>	<b>512.9</b>	<b>337.9</b>	<b>483.5</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans payable	151.1	157.4	152.8
Lease liabilities	175.7	151.0	165.1
Deferred tax liabilities	30.0	30.9	30.0
Provisions	2.0	2.1	1.9
Other financial liabilities	47.7	38.5	45.9
Other liabilities	3.8	3.7	3.4
<b>Total non-current liabilities</b>	<b>410.3</b>	<b>383.6</b>	<b>399.1</b>
<b>Current liabilities</b>			
Loans payable	11.1	134.6	15.1
Lease liabilities	35.6	36.2	34.4
Unearned premiums/deferred revenue	15.2	11.6	14.8
Corporate tax payable	14.9	1.9	7.8
Other financial liabilities	3.8	5.4	6.8
Trade and other payables	157.7	113.3	149.4
<b>Total current liabilities</b>	<b>238.3</b>	<b>303.0</b>	<b>228.3</b>
<b>Total liabilities</b>	<b>648.6</b>	<b>686.6</b>	<b>627.4</b>
<b>Total equity and liabilities</b>	<b>1,161.5</b>	<b>1,024.5</b>	<b>1,110.9</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€m	Share capital	Treasury shares	Share premium	Retained earnings	Non-controlling interests put-option reserve	Other reserves	Translation reserve	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Opening balance as at 1 January 2020</b>	<b>27.1</b>	<b>-0.4</b>	<b>319.7</b>	<b>25.0</b>	<b>-38.1</b>	<b>4.3</b>	<b>-20.2</b>	<b>317.4</b>	<b>42.3</b>	<b>359.7</b>
Profit/(loss) for the period	-	-	-	-0.8	-	-	-	-0.8	-1.7	-2.5
Other comprehensive income/(loss)	-	-	-	-	-	-	-19.1	-19.1	-0.6	-19.7
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.8</b>	<b>-</b>	<b>-</b>	<b>-19.1</b>	<b>-19.9</b>	<b>-2.3</b>	<b>-22.2</b>
<b>Transactions with owners in their capacity as owners:</b>										
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	0.4	-	-	0.4	-0.7	-0.3
Share-based payments	-	-	-	-	-	0.7	-	0.7	-	0.7
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.7</b>	<b>-</b>	<b>1.1</b>	<b>-0.7</b>	<b>0.4</b>
<b>Closing balance as at 31 March 2020</b>	<b>27.1</b>	<b>-0.4</b>	<b>319.7</b>	<b>24.2</b>	<b>-37.7</b>	<b>5.0</b>	<b>-39.3</b>	<b>298.6</b>	<b>39.3</b>	<b>337.9</b>
<b>Opening balance as at 1 January 2021</b>	<b>30.1</b>	<b>-0.4</b>	<b>458.7</b>	<b>50.9</b>	<b>-45.1</b>	<b>8.9</b>	<b>-55.1</b>	<b>448.0</b>	<b>35.5</b>	<b>483.5</b>
Profit for the period	-	-	-	25.8	-	-	-	25.8	0.5	26.3
Other comprehensive income/(loss)	-	-	-	-	-	-	1.5	1.5	1.6	3.1
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.8</b>	<b>-</b>	<b>-</b>	<b>1.5</b>	<b>27.3</b>	<b>2.1</b>	<b>29.4</b>
<b>Transactions with owners in their capacity as owners:</b>										
Share capital increase in non-controlling interests	-	-	-	-	-	-	-	-	1.4	1.4
Business combinations	-	-	-	-	-	-	-	-	0.1	0.1
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-1.8	-	-	-1.8	-0.8	-2.6
Share-based payments	-	-	-	-	-	1.1	-	1.1	-	1.1
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.8</b>	<b>1.1</b>	<b>-</b>	<b>-0.7</b>	<b>0.7</b>	<b>0.0</b>
<b>Closing balance as at 31 March 2021</b>	<b>30.1</b>	<b>-0.4</b>	<b>458.7</b>	<b>76.7</b>	<b>-46.9</b>	<b>10.0</b>	<b>-53.6</b>	<b>474.6</b>	<b>38.3</b>	<b>512.9</b>

**CONSOLIDATED CASH FLOW STATEMENT**

€m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>Profit/(loss) before income tax</b>	<b>36.5</b>	<b>-3.5</b>	<b>37.3</b>
Adjustments for:			
Depreciation, amortisation and impairment	23.9	22.6	96.2
Share-based payments	1.1	0.7	4.7
Net interest expense	4.1	5.4	17.2
Unrealised foreign exchange loss	0.9	4.4	7.0
Other non-cash transactions	-1.0	1.6	5.3
<b>Cash generated from operations before working capital changes and tax payments</b>	<b>65.5</b>	<b>31.2</b>	<b>167.7</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in inventories	0.7	-3.9	-22.0
(Increase)/decrease in trade and other receivables	-11.8	8.5	-28.4
Increase in trade and other payables	5.9	4.1	49.7
<b>Cash generated from operations before tax payments</b>	<b>60.3</b>	<b>39.9</b>	<b>167.0</b>
Income tax paid	-2.6	-3.3	-11.0
<b>Net cash from operating activities</b>	<b>57.7</b>	<b>36.6</b>	<b>156.0</b>
<b>Investing activities:</b>			
Payment for acquisition of intangible assets and property, plant and equipment	-19.4	-19.4	-72.5
Proceeds from disposal of intangible assets and property, plant and equipment	0.0	0.0	0.9
Payment for acquiring interest in associates	-	-	-1.4
Dividends received from associates	-	-	0.3
Payment for other financial assets	-0.9	-0.1	-3.1
Payment for acquisition of subsidiaries, net of cash acquired	-2.5	-1.0	-12.2
Repayment of loans granted	-	0.0	0.1
Payment of loans granted	-	-	-0.2
Payment for short-term investments	-	-	-50.0
Proceeds from short-term investments	5.0	-	10.9
Interest received	0.1	0.2	0.9
<b>Net cash used in investing activities</b>	<b>-17.7</b>	<b>-20.3</b>	<b>-126.3</b>
<b>Financing activities:</b>			
Issue of shares, net of transaction cost	-	-	141.9
Acquisition of non-controlling interests	-0.1	-	-1.2
Repayment of loans	-7.6	-103.4	-287.8
Proceeds from loans received	1.2	127.4	181.4
Repayment of leases	-8.8	-8.0	-31.4
Interest paid	-3.3	-3.5	-15.8
Distribution to non-controlling interests	-3.9	-0.4	-1.2
Proceeds from non-controlling interests	1.4	-	-
<b>Net cash from/(used in) financing activities</b>	<b>-21.1</b>	<b>12.1</b>	<b>-14.1</b>
<b>Total cash flow</b>	<b>18.9</b>	<b>28.4</b>	<b>15.6</b>
<b>Cash and cash equivalents</b>			
Cash balance as at beginning of the period	46.7	34.8	34.8
Net effects of exchange gain/(loss) on cash balances	0.3	-3.2	-3.7
Cash balance as at end of the period	65.9	60.0	46.7
<b>Increase in cash and cash equivalents</b>	<b>18.9</b>	<b>28.4</b>	<b>15.6</b>

## PARENT COMPANY INCOME STATEMENT

€m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>Revenue</b>	<b>0.1</b>	<b>0.2</b>	<b>0.7</b>
Operating expenses	-2.4	-1.7	-9.7
<b>Operating loss</b>	<b>-2.3</b>	<b>-1.5</b>	<b>-9.0</b>
Income from participation in group companies	-	-	11.5
Interest expense	0.0	-0.2	-0.4
<b>Profit/(loss) before income tax</b>	<b>-2.3</b>	<b>-1.7</b>	<b>2.1</b>
Income tax	-	-	-
<b>Profit/(loss) for the period</b>	<b>-2.3</b>	<b>-1.7</b>	<b>2.1</b>

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

## PARENT COMPANY BALANCE SHEET

€m	31 Mar 2021	31 Mar 2020	31 Dec 2020
Property, plant and equipment	0.0	0.0	0.0
Investments in subsidiaries	434.8	434.8	434.8
<b>Total non-current assets</b>	<b>434.8</b>	<b>434.8</b>	<b>434.8</b>
Current receivables	177.7	140.1	179.3
Cash and bank	-	-	-
<b>Total current assets</b>	<b>177.7</b>	<b>140.1</b>	<b>179.3</b>
<b>Total assets</b>	<b>612.5</b>	<b>574.9</b>	<b>614.1</b>
Restricted equity	30.1	27.1	30.1
Non-restricted equity	580.5	435.0	581.8
<b>Total equity</b>	<b>610.6</b>	<b>462.1</b>	<b>611.9</b>
Current liabilities	1.9	112.8	2.2
<b>Total liabilities</b>	<b>1.9</b>	<b>112.8</b>	<b>2.2</b>
<b>Total equity and liabilities</b>	<b>612.5</b>	<b>574.9</b>	<b>614.1</b>

## NOTES

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### 1. Basis of preparation and 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.

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read together with the Group's consolidated financial statements 2020.

The report does not include all disclosures that would otherwise be required in a complete set of financial statements.

Information on pages 1-12 is an integral part of this report.

#### ***Accounting policies, use of estimates and judgements***

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies and methods of computation applied in this report are the same as those applied by the Group in its consolidated financial statements 2020. Some amendments to existing standards became applicable as from 1 January 2021, however none

of these have a material impact on the consolidated financial statements or accounting policies.

The Group obtained control over Medicover Hospitals India ('MHI') in 2019. The purchase price allocation was completed at the end of 2020, this resulted in an additional deferred tax liability of €3.6m and goodwill of €3.6m due to timing differences relating to property, plant and equipment. The consolidated statement of financial position as at 31 March 2020 has been restated for these amounts.

The preparation of interim reports requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Refer to the Group's consolidated financial statements 2020 for further information on the use of estimates and judgements.

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

Alternative performance measures (APMs) are presented in this interim report since these are considered as important supplemental measures of the Company's performance. For definition and reconciliation of APMs, refer to [www.medicover.com/financial-information](http://www.medicover.com/financial-information).

## 2. Segment information

€m	Jan-Mar 2021				Jan-Mar 2020			
	Healthcare Services	Diagnostic Services	Central/other	Group total	Healthcare Services	Diagnostic Services	Central/other	Group total
Revenue	157.3	165.5	0.1		133.8	108.1	0.1	
Inter-segment revenue	-0.3	-5.4	0.0		-0.1	-3.1	0.0	
<b>Revenue from external customers</b>	<b>157.0</b>	<b>160.1</b>	<b>0.1</b>	<b>317.2</b>	<b>133.7</b>	<b>105.0</b>	<b>0.1</b>	<b>238.8</b>
By payer:								
Private	139.2	104.8	0.1	244.1	119.7	68.7	0.1	188.5
Public	17.8	55.3	-	73.1	14.0	36.3	-	50.3
By country:								
Poland	101.9	14.7	0.0	116.6	92.5	9.0	0.0	101.5
Germany	-	81.3	-	81.3	-	53.0	-	53.0
India	26.1	-	-	26.1	17.7	-	-	17.7
Romania	20.5	22.6	-	43.1	15.1	15.2	-	30.3
Ukraine	1.7	25.0	-	26.7	1.9	17.6	-	19.5
Other countries	6.8	16.5	0.1	23.4	6.5	10.2	0.1	16.8
<b>Operating profit</b>	<b>8.8</b>	<b>37.5</b>	<b>-4.7</b>	<b>41.6</b>	<b>1.3</b>	<b>10.2</b>	<b>-5.1</b>	<b>6.4</b>
<i>Margin</i>	5.6%	22.7%		13.1%	1.0%	9.5%		2.7%
Depreciation, amortisation and impairment	13.7	9.8	0.4	23.9	13.2	9.0	0.4	22.6
<b>EBITDA</b>	<b>22.5</b>	<b>47.3</b>	<b>-4.3</b>	<b>65.5</b>	<b>14.5</b>	<b>19.2</b>	<b>-4.7</b>	<b>29.0</b>
<i>Margin</i>	14.3%	28.6%		20.6%	10.8%	17.8%		12.2%
Right-of-use depreciation/impairment	-5.1	-4.6	-0.1	-9.8	-4.9	-4.7	-0.1	-9.7
Interest on lease liabilities	-2.0	-0.8	0.0	-2.8	-1.7	-0.8	0.0	-2.5
<b>Segment result: EBITDAaL</b>	<b>15.4</b>	<b>41.9</b>	<b>-4.4</b>	<b>52.9</b>	<b>7.9</b>	<b>13.7</b>	<b>-4.8</b>	<b>16.8</b>
<i>Margin</i>	9.8%	25.3%		16.7%	5.9%	12.7%		7.0%
Other income/(costs)				-0.1				0.0
Net interest expense				-4.1				-5.4
Other financial income/(expense)				-1.2				-4.5
Share of profit of associates				0.3				0.0
Income tax				-10.2				1.0
<b>Profit/(loss) for the period</b>				<b>26.3</b>				<b>-2.5</b>

### 3. Share capital

Share capital as at 31 March 2021 was €30.1m (€30.1m) and corresponded to the following shares:

	Class A shares	Class B shares	Class C* shares	Total
<b>1 January 2020</b>	<b>78,771,431</b>	<b>54,563,764</b>	<b>2,400,000</b>	<b>135,735,195</b>
Conversion of class C to class B shares		15,356	-15,356	
Conversion of class A to class B shares	-20,000	20,000		
<b>31 March 2020</b>	<b>78,751,431</b>	<b>54,599,120</b>	<b>2,384,644</b>	<b>135,735,195</b>
<b>1 January 2021</b>	<b>78,551,881</b>	<b>69,798,670</b>	<b>2,384,644</b>	<b>150,735,195</b>
Conversion of class A to class B shares	-610	610		
<b>31 March 2021</b>	<b>78,551,271</b>	<b>69,799,280</b>	<b>2,384,644</b>	<b>150,735,195</b>

\* held by the Company as treasury shares.

The quota value was €0.2 (€0.2) per share.

Celox Holding AB owned 47,157,365 shares and 55.0% of the voting rights (47,157,365 shares and 55.0% of voting rights at year-end 2020).

The number of shares used to calculate the basic and diluted earnings per share was 148,350,551 (133,335,195) for the quarter.

### 4. Business combinations

During the quarter, the Group acquired a fitness club chain, a dental business and a network of medical centers in Poland, for a total purchase price of €1.9m.

On 18 March 2021, Medicover has signed an agreement to acquire 100% of the voting rights of AWO Gesundheitszentrum Calbe (Saale) GmbH, a

hospital with 108 beds located in Germany specialised in internal and geriatric medicine. Estimated revenue for 2020 amounted to €11.0m and the estimated purchase price is €6.2m including assumed debt. The transaction is expected to be closed on 1 May 2021 and will be consolidated in the second quarter of 2021.

### 5. Related party transactions

The Group has transactions with non-controlling interests in MHI. The purchase of material and services amounted to €-6.0m (€-4.5m) for the

quarter. Trade payables were €9.2m (€7.2m) as at 31 March 2021.

## 6. Financial assets and liabilities

Note	€m	31 Mar 2021			31 Mar 2020			31 Dec 2020		
		Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
<b>Financial assets at fair value through profit or loss</b>										
	Short-term investments	-	35.0	35.0	-	-	-	-	40.1	40.1
	Other financial assets	7.1	-	7.1	3.0	-	3.0	3.2	-	3.2
	<b>Total</b>	<b>7.1</b>	<b>35.0</b>	<b>42.1</b>	<b>3.0</b>	<b>-</b>	<b>3.0</b>	<b>3.2</b>	<b>40.1</b>	<b>43.3</b>
<b>Financial assets at amortised cost</b>										
	Other financial assets	6.4	0.0	6.4	4.2	1.6	5.8	6.7	0.0	6.7
	Trade and other receivables <sup>1)</sup>	-	140.0	140.0	-	111.4	111.4	-	129.3	129.3
	<b>Total</b>	<b>6.4</b>	<b>140.0</b>	<b>146.4</b>	<b>4.2</b>	<b>113.0</b>	<b>117.2</b>	<b>6.7</b>	<b>129.3</b>	<b>136.0</b>
	Cash and cash equivalents	-	65.9	65.9	-	60.0	60.0	-	46.7	46.7
	<b>Total financial assets</b>	<b>13.5</b>	<b>240.9</b>	<b>254.4</b>	<b>7.2</b>	<b>173.0</b>	<b>180.2</b>	<b>9.9</b>	<b>216.1</b>	<b>226.0</b>
<b>Financial liabilities at fair value through profit or loss</b>										
a)	Foreign currency swaps	-	0.5	0.5	-	4.5	4.5	-	0.3	0.3
	Contingent consideration payable <sup>2)</sup>	10.7	7.1	17.8	7.5	6.2	13.7	11.5	7.0	18.5
	<b>Total</b>	<b>10.7</b>	<b>7.6</b>	<b>18.3</b>	<b>7.5</b>	<b>10.7</b>	<b>18.2</b>	<b>11.5</b>	<b>7.3</b>	<b>18.8</b>
b)	Put option liquidity obligations with non-controlling interests (with movement through equity)	47.7	-	47.7	38.5	-	38.5	45.9	-	45.9
	<b>Total financial liabilities at fair value</b>	<b>58.4</b>	<b>7.6</b>	<b>66.0</b>	<b>46.0</b>	<b>10.7</b>	<b>56.7</b>	<b>57.4</b>	<b>7.3</b>	<b>64.7</b>
<b>Financial liabilities at amortised cost</b>										
	Borrowings <sup>2)</sup>	140.3	3.8	144.1	149.3	126.0	275.3	141.2	7.8	149.0
	Lease liabilities	175.7	35.6	211.3	151.0	36.2	187.2	165.1	34.4	199.5
	Other financial liabilities	-	3.8	3.8	-	5.4	5.4	-	6.8	6.8
	Trade and other payables <sup>1)</sup>	-	50.7	50.7	-	38.1	38.1	-	57.6	57.6
	Deferred consideration payable <sup>2)</sup>	0.1	0.2	0.3	0.6	2.4	3.0	0.1	0.3	0.4
	<b>Total</b>	<b>316.1</b>	<b>94.1</b>	<b>410.2</b>	<b>300.9</b>	<b>208.1</b>	<b>509.0</b>	<b>306.4</b>	<b>106.9</b>	<b>413.3</b>
	<b>Total financial liabilities</b>	<b>374.5</b>	<b>101.7</b>	<b>476.2</b>	<b>346.9</b>	<b>218.8</b>	<b>565.7</b>	<b>363.8</b>	<b>114.2</b>	<b>478.0</b>

<sup>1)</sup> Amount does not reconcile with amount in the statement of financial position due to non-financial items.

<sup>2)</sup> Contingent consideration payable, borrowings and deferred consideration payable are presented as loans payable in the statement of financial position.

Financial assets and liabilities carried at amortised cost are considered to have carrying amounts that materially correspond to their fair value.

### 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:** The Group has liquid short-term investments which consist of highly diversified Euro denominated bond funds where the valuation is based on level 1.

**Level 2:** The Group has foreign currency swaps where the valuation is based on level 2.

**Level 3:** The Group has the following financial assets and liabilities recurrently measured using level 3 fair value measurements.

a) The fair value of the contingent consideration payable, resulting from past business combinations, are based on the estimated outcome of future performance targets.

b) The Group is contractually obliged, at a future date, to acquire a non-controlling interest in one of the Group's German subsidiaries at market price determined at that future date. Fair value amounted to €18.7m (€18.9m). 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 and the discount rate applied to the nominal value.

The put option liquidity obligation with non-controlling interests in MHI amounted to €29.0m (€27.0m). Half of the put options can be exercised from March 2023 and the remaining half from March 2027. In determining the fair value of the put option liquidity obligation estimations of key variables were made, of which the most significant are the growth rate of the business to determine its profitability at the future date of exercise and the discount rate applied to the nominal value.

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

Description	Fair Value (€m)		Inputs		Sensitivity	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020	Relationship of unobservable inputs to fair value (FV)	
Put option (liquidity obligation with non-controlling interests in a German subsidiary)	18.7	18.9	Earnings growth factor	5.5%	5.5%	Increase of 1% point in profit growth = increase in FV liability of €0.3m
			Risk adjusted discount rate	0.8%	0.4%	Decrease of 1% point in discount rate = increase in FV liability of €0.5m
Put option (liability obligation with non-controlling interests in MHI)	29.0	27.0	6 year projected CAGR EBITDA	27.0%	27.0%	Increase of 10% in CAGR EBITDA = increase in FV liability of €3.4m
			Risk adjusted discount rate	11.3%	11.3%	Decrease of 1% point in discount rate = increase in FV liability of €1.2m
Contingent consideration payable	17.8	18.5	Risk adjusted discount rate	5.5%-8.7%	5.5%-8.7%	Decrease of 1% point in discount rate = increase in FV liability of €0.2m

No additional significant changes have been made to valuation techniques, inputs or assumptions in 2021.

No financial assets or liabilities have been reclassified between the different levels in the fair value hierarchy.

## 7. Net financial debt and other financial liabilities

€m	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current loans payable	151.1	157.4	152.8
Current loans payable	11.1	134.6	15.1
<b>Total loans payable</b>	<b>162.2</b>	<b>292.0</b>	<b>167.9</b>
Less: short-term investments	-35.0	-	-40.1
Less: cash and cash equivalents	-65.9	-60.0	-46.7
<b>Loans payable net of cash and liquid short-term investments</b>	<b>61.3</b>	<b>232.0</b>	<b>81.1</b>
Non-current lease liabilities	175.7	151.0	165.1
Current lease liabilities	35.6	36.2	34.4
<b>Total lease liabilities</b>	<b>211.3</b>	<b>187.2</b>	<b>199.5</b>
<b>Financial debt</b>	<b>373.5</b>	<b>479.2</b>	<b>367.4</b>
Less: short-term investments	-35.0	-	-40.1
Less: cash and cash equivalents	-65.9	-60.0	-46.7
<b>Net financial debt</b>	<b>272.6</b>	<b>419.2</b>	<b>280.6</b>

€m	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Other financial liabilities</b>			
Non-current	47.7	38.5	45.9
Current	3.8	5.4	6.8
<b>Total</b>	<b>51.5</b>	<b>43.9</b>	<b>52.7</b>