

## INTERIM REPORT JULY–SEPTEMBER 2021

### Third quarter

- Revenue amounted to €335.0m (€262.5m), an increase of 27.6% with an organic growth of 23.9%.
- Operating profit (EBIT) was €30.0m (€27.3m), representing an operating margin of 9.0% (10.4%).
- Net profit amounted to €18.4m (€19.5m), which represents a net profit margin of 5.5% (7.5%).
- EBITDA was €58.0m (€50.1m), an increase by 15.7%. EBITDA margin was 17.3% (19.1%).
- EBITDAaL amounted to €42.8m (€38.1m), corresponding to an EBITDAaL margin of 12.8% (14.5%).
- Net cash flow from operating activities was €67.0m (€41.2m).
- Basic/diluted earnings per share were €0.123 (€0.108).

### Nine months

- Revenue amounted to €1,001.1m (€700.1m), an increase of 43.0% with an organic growth of 44.1%.
- Operating profit (EBIT) was €117.8m (€31.4m), representing an operating margin of 11.8% (4.5%).
- Net profit amounted to €78.2m (€8.5m), which represents a net profit margin of 7.8% (1.2%).
- EBITDA was €195.3m (€104.4m), an increase by 87.0%. EBITDA margin was 19.5% (14.9%).
- EBITDAaL amounted to €153.9m (€67.3m), corresponding to an EBITDAaL margin of 15.4% (9.6%).
- Net cash flow from operating activities was €162.8m (€116.1m).
- Basic/diluted earnings per share were €0.501 (€0.054).

## REVENUE AND EARNINGS

€millions (€m)	Q3 2021	Q3 2020	Growth	9M 2021	9M 2020	Growth	FY 2020
Revenue	335.0	262.5	28%	1,001.1	700.1	43%	997.8
Operating profit (EBIT)	30.0	27.3	10%	117.8	31.4	275%	61.3
Operating profit margin	9.0%	10.4%		11.8%	4.5%		6.1%
Net profit	18.4	19.5	-6%	78.2	8.5	819%	27.3
Net profit margin	5.5%	7.5%		7.8%	1.2%		2.7%
Basic/diluted earnings per share, €	0.123	0.108	14%	0.501	0.054	828%	0.182
EBITDA	58.0	50.1	16%	195.3	104.4	87%	157.5
EBITDA margin	17.3%	19.1%		19.5%	14.9%		15.8%
EBITDAaL	42.8	38.1	12%	153.9	67.3	129%	108.5
EBITDAaL margin	12.8%	14.5%		15.4%	9.6%		10.9%
EBITA	32.6	30.1	8%	125.3	44.2	183%	76.9
EBITA margin	9.7%	11.5%		12.5%	6.3%		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 €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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It is now 20 months since the Covid-19 pandemic arrived in our markets. Our staff continues to handle the ongoing situation with utmost professionalism and a never-ending mission to help all our customers in need of medical support. As many times before, I would like to start this statement by recognising the fantastic effort and commitment of all our staff.

The pandemic continues to impact our lives and societies, and we learn to adapt to this. Most societies have continued to return to a more normalised everyday life with released restrictions and we will see how the winter season ahead develops. The level of vaccinations differs within our markets, with Germany at the upper end of vaccinated people compared to Romania and Ukraine.

One aspect of the pandemic we believe will be a much higher, more accentuated awareness and understanding from the general public and authorities of the need for access to preventative and diagnostic healthcare capacity and capability, something which will support long-term demand in our industry.

In the third quarter we have been active on the acquisition front and invested more than €50m in several smaller businesses within Healthcare Services. For example, the fertility business has expanded into two new markets, Denmark and Norway, strengthening our overall offer in fertility. We have also continued to expand our gym network in Poland, in order to strengthen our Medicover Sports offer. In addition, we have continued to supplement our strong organic growth and investment in the Polish dental market with acquisitions. Diagnostic Services has continued to expand its network of blood-drawing points (BDPs) with adding thirty new BDPs during the quarter.

Revenue in the third quarter grew with a robust 27.6% to €335.0m (€262.5m), with an organic growth of 23.9%. Growth in the underlying business is healthy with overall good demand and grew by 23.7% to €285.2m (€230.5m).

Fee-For-Service and other services (FFS) now represents 62 per cent of total revenue and increased by 39.9 per cent during the quarter.

EBITDA increased by 15.7% to €58.0m (€50.1m), representing an EBITDA margin of 17.3% (19.1%). In the comparative quarter profit was supported by government grants and higher Covid-19 margins, particularly from our Indian hospital business. The underlying business is progressing well on margin and although reported margin is down on prior year, on a like for like basis it is slightly higher.

Healthcare Services revenue grew by 20.7% to €176.7m (€146.4m), with an organic growth of 15.2%. The number of members in the integrated healthcare model grew by a healthy 11.2% year on year and has close to 1.5 million members. FFS grew 27.1 per cent in the quarter and represented 52 per cent of divisional revenue.

Healthcare Services EBITDA was €26.4m (€29.7m), an EBITDA margin of 15.0% (20.2%). Normalisation of medical service costs and utilisation levels within the integrated healthcare model impacted the margin, in addition to significantly less Covid-19 related revenue in our Indian business. Utilisation of digital services is still on a substantially higher level than before the pandemic.

Diagnostic Services revenue grew by a very strong 35.6%, with an organic growth of 34.2%, to €162.9m (€120.1m). The number of laboratory tests in the third quarter increased by a strong 18.6% to 32.4 million (27.4 million). FFS grew by 50.6 per cent in the quarter and represented 73 per cent of divisional revenue.

Diagnostic Services EBITDA grew a very strong 51.8% to €35.7m (€23.5m), an EBITDA margin of 21.9% (19.6%). Increased volume in the underlying business and Covid-19 services have contributed to the margin expansion.

Despite the ongoing uncertainty around how the pandemic will continue to impact societies and economies, we remain optimistic regarding both the short and mid-term outlook. The past months have clearly demonstrated the strength in our business model, and the strong underlying demand for our services. With

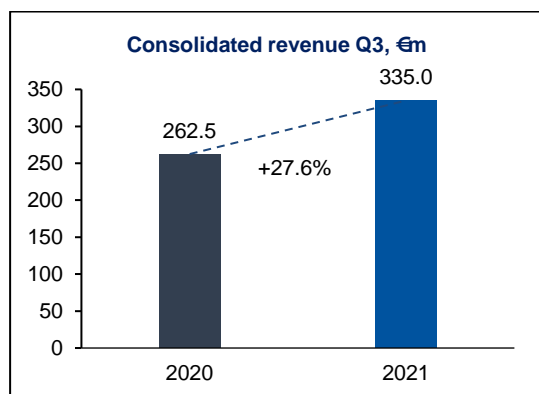


the current increase in virus spread, we expect testing levels to remain elevated alongside continued healthy growth in our underlying business.

Fredrik Rågmark  
CEO

## REVENUE THIRD QUARTER 2021

**Consolidated revenue** amounted to €335.0m (€262.5m), up 27.6% with an organic growth of 23.9%. Revenue from the underlying business was €285.2m (€230.5m) and grew by 23.7% with an organic growth of 19.3%. Revenue from Covid-19 services amounted to €49.8m (€32.0m).



The underlying business performed well with good demand levels experienced across all areas. Summer seasonality has been disrupted to some degree with Covid-19 still influencing business and leisure travel. Economic activity has been strong in most markets, with a rebound in activity and tight labour markets being supportive of the economy.

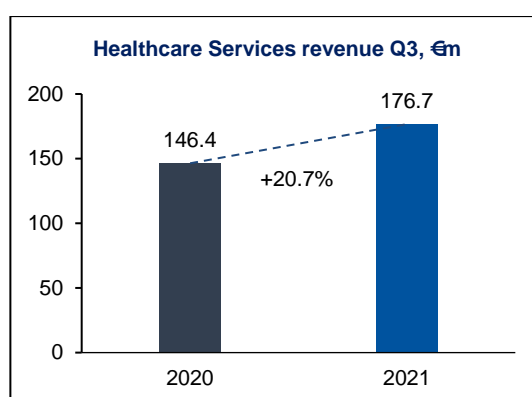
The resurgence of Covid-19 infections in certain markets is a reflection of the low levels of vaccination in those markets and poor public policy administration. Medicover expects to see a strong correlation over the winter between infection rates and vaccination levels; consequently public health initiatives and demand for testing. In Poland 61% of the population is fully vaccinated, which is likely to lead to a manageable Covid-19 burden in the winter. Romania has 35% of the population fully vaccinated and Ukraine 15%. The low levels of vaccination are reflected in the increasing rates in demand of hospitalisation and will/already has lead to a large burden on the healthcare systems which is expected to continue into the winter.

During the quarter the Group continued to invest in infrastructure to support the gym and fitness business in Poland, adding 33 gyms to the network. Two acquisitions were made in the fertility business, a sperm bank in Denmark and a leading private IVF provider in Norway. In addition, a medical clinic and a dental business were acquired in Poland. The business overall has been further supported by organic investments and expansion across Medicover's markets.

Acquired revenue contributed €14.1m to revenue.

Foreign exchange fluctuations had a negative impact of 1.7%, with largest weakness for the Polish zloty while the Ukrainian hryvna strengthened.

**Healthcare Services** revenue reached €176.7m (€146.4m), up 20.7% with an organic growth of 15.2%. Revenue from the underlying business was €165.8m (€130.4m) and grew by 27.2% with an organic growth of 20.9%. Revenue from Covid-19 services, mainly treating Covid-19 patients, amounted to €10.9m (€16.0m).



All business units have been able to operate in the quarter, with some facilities still dedicated to Covid-19 treatment. Demand levels have been robust in almost all units, however the process of transitioning from Covid-19 back to underlying business inevitably causes disruption with patient re-qualification for suitable treatments, diagnosis and scheduling to ensure facilities are run at a good operational level.

Employment and economic activity have been strong in the European markets, with a significant lack of labour and real wage increases.

Members increased by 11.2% to 1,464K (1,317K). Employers understand clearly the value of healthcare packages for their workforce, which is reflected in robust demand.

Fee-For-Service (FFS) activities have performed well with good demand levels and coping with any remaining restrictions related to Covid-19. Expansion of facilities has continued despite delays on commissioning as a result of government authority departments working at lower levels. Dental services in Poland have 294 dental chairs, up from 256 at year-end. Further greenfield openings are scheduled in the last quarter and into 2022.

The division operated 3,693 inpatient beds in a total of 30 hospitals.

Covid-19 related revenue in Medicover Hospitals India ('MHI') was €4.8m (€14.1m) in the quarter. At the end of the quarter MHI operated 18 hospitals in India (16 at year-end).

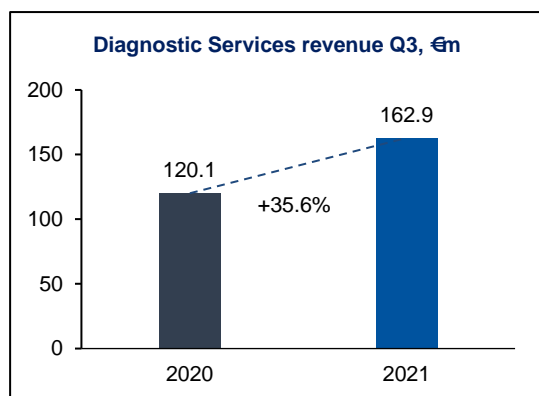
Fertility services were heavily impacted earlier particularly in India with very low levels of activity in April and May only restarting in June on any scale. Since then activity has continued to pick up to a normalised level of activity across all units. The fertility business has expanded into two new markets with the acquisition of a sperm bank in Denmark and a fertility provider in Norway.

A strong interest in Medicover Sport activities is resuming and the network of fitness clubs and gyms consists of 66 facilities across Poland (25 at year-end).

Acquired revenue contributed €11.5m to revenue.

Foreign exchange fluctuations had a negative impact of 2.4%, with largest weakness for Poland.

**Diagnostic Services** revenue increased to €162.9m (€120.1m), up 35.6%, with an organic growth of 34.2%. Revenue from the underlying business was €124.0m (€104.1m) and grew by 19.1% with an organic growth of 17.2%. Revenue from Covid-19 services, mostly PCR and antibody/antigen testing, amounted to €38.9m (€16.0m).



A large proportion of the Covid-19 testing is contracted with and funded by health ministries or public health funds hence public paid funding grew by 7.3%. Private pay funding grew by 50.6% compared to prior year quarter as the BDP network was most impacted by Covid-19 restrictions in the comparative period.

The laboratory test volume increased by 18.6% to 32.4 million (27.4 million) including 2.2 million Covid-19 tests (0.5 million).

At the end of the quarter, the number of BDPs amounted to 809 (733 at year-end). Investment in infrastructure continues, as well as specific facilities and machinery to expand the range of tests. Delays in opening new BDPs have been encountered due to Covid-19 working practices of public approval authorities. A new central lab is being constructed in Frankfurt Oder which will increase capacity and allow for more automation. Medicover Genetics continues to expand its offering with its hub in Munich servicing customers from Europe. Laboratory testing and support services for clinical research continue to see strong demand.

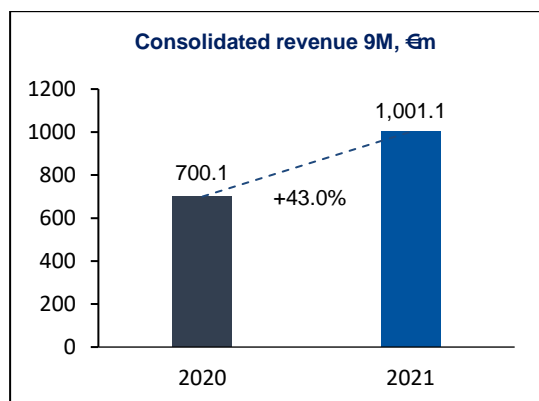
Globally, the number of tests has decreased compared to earlier this year, however this is not reflected in Medicover's Covid-19-volume, which has increased as a result of tailor-made solutions for customers in, for example, the travel industry. This has changed the test mix and the level of profitability. Romanian authorities are focusing on lower cost antigen tests rather than PCR tests, which may be less reliable.

Acquired revenue contributed €2.6m to revenue.

Foreign exchange fluctuations had a negative impact of 0.8%, with largest weakness for the Polish zloty while the Ukrainian hryvna strengthened.

## REVENUE NINE MONTHS 2021

**Consolidated revenue** amounted to €1,001.1m (€700.1m), up 43.0% with an organic growth of 44.1%. Revenue from the underlying business was €816.6m (€658.1m) and grew by 24.1% with an organic growth of 24.4%. Revenue from Covid-19 services amounted to €184.5m (€42.0m).



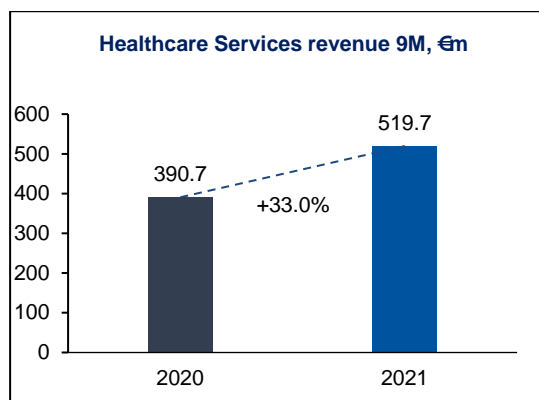
Growth has resumed and continuing investments and new capacity are contributing. Demand levels are robust with strong employment markets and increasing real salaries driving both disposable income and demand for employer paid healthcare.

Covid-19 has been a strong feature with peaks in the earlier part of the year in India and testing in the European markets.

Acquired revenue contributed €23.5m to revenue.

Foreign exchange fluctuations had a negative impact of 4.5%, with largest weakness for Poland, India, Ukraine and Belarus.

**Healthcare Services** revenue reached €519.7m (€390.7m), up 33.0%, with an organic growth of 32.5%. Revenue from the underlying business was €460.7m (€373.6m) and grew by 23.3% with an organic growth of 22.1%.



Revenue from Covid-19 services amounted to €59.0m (€17.1m) with inpatient revenue in the

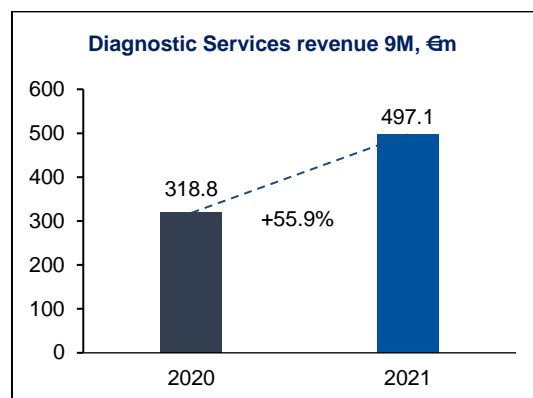
Indian business being one of the largest contributors. Close to 15 thousand Covid-19 patients have been admitted to Indian inpatient facilities and more than 400 thousand vaccine doses administered.

111 thousand members have been added over the nine months with 45 thousand members in the last quarter. The strong employment markets in Healthcare Services operating countries have continued to support this business activity.

Acquired revenue contributed €18.9m to revenue.

Foreign exchange fluctuations had a negative impact of 4.4%, with largest weakness for Poland and India.

**Diagnostic Services** revenue increased to €497.1m (€318.8m), up 55.9% with an organic growth of 59.1%. Revenue from the underlying business was €371.6m (€293.9m) and grew by 26.4% with an organic growth of 28.6%.



Revenue from Covid-19 services amounted to €125.5m (€24.9m). Covid-19 testing has been a very strong feature over the period. The laboratory test volume increased by 30.5% to 97.5 million (74.8 million) including 4.4 million (0.8 million) Covid-19 tests.

Acquired revenue contributed €4.6m to revenue.

Foreign exchange fluctuations had a negative impact of 4.6%, with all currencies weaker and most notably 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	Q3 2021	Q3 2020	Growth	9M 2021	% of 9M 2021	9M 2020	% of 9M 2020	Growth
<b>Healthcare Services</b>								
Revenue	176.7	146.4		519.7		390.7		
Inter-segment revenue	-0.1	-0.2		-0.6		-0.5		
<b>Revenue from external customers</b>	<b>176.6</b>	<b>146.2</b>	<b>20.7%</b>	<b>519.1</b>		<b>390.2</b>		<b>33.0%</b>
By payer:								
Public	17.6	14.4	21.5%	53.7	10.3%	40.5	10.4%	32.5%
Private	159.0	131.8	20.6%	465.4	89.7%	349.7	89.6%	33.1%
Funded	66.4	58.9	12.7%	193.2	37.2%	176.7	45.3%	9.3%
Fee-For-Service (FFS)	83.0	67.2	23.5%	251.0	48.4%	157.4	40.3%	59.4%
Other services	9.6	5.7	68.5%	21.2	4.1%	15.6	4.0%	36.6%
By country:								
Poland	111.6	91.0	22.5%	325.2	62.6%	260.8	66.8%	24.7%
India	33.0	28.9	14.2%	102.7	19.8%	59.2	15.2%	73.4%
Romania	20.2	17.6	14.8%	61.7	11.9%	45.7	11.7%	34.9%
Other countries	11.8	8.7	35.0%	29.5	5.7%	24.5	6.3%	20.8%
<b>Diagnostic Services</b>								
Revenue	162.9	120.1		497.1		318.8		
Inter-segment revenue	-4.5	-3.8		-15.3		-9.1		
<b>Revenue from external customers</b>	<b>158.4</b>	<b>116.3</b>	<b>36.3%</b>	<b>481.8</b>		<b>309.7</b>		<b>55.6%</b>
By payer:								
Public	44.6	41.5	7.3%	152.4	31.6%	111.1	35.9%	37.1%
Private	113.8	74.8	52.5%	329.4	68.4%	198.6	64.1%	65.9%
Fee-For-Service (FFS)	97.6	72.1	35.4%	300.5	62.4%	192.5	62.1%	56.2%
Other services	16.2	2.7	518.8%	28.9	6.0%	6.1	2.0%	371.2%
By country:								
Germany	69.9	61.7	13.4%	230.4	47.8%	165.8	53.5%	39.0%
Ukraine	25.6	16.4	55.8%	77.1	16.0%	46.3	15.0%	66.4%
Romania	20.8	18.3	13.6%	64.8	13.4%	44.7	14.4%	44.9%
Poland	13.4	10.5	27.8%	44.6	9.3%	26.4	8.5%	69.0%
Other countries	28.7	9.4	207.3%	64.9	13.5%	26.5	8.6%	144.9%



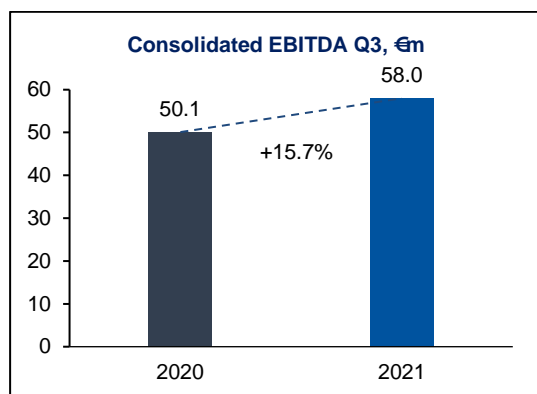
## PROFIT DEVELOPMENT THIRD QUARTER 2021

**Operating profit (EBIT)** was €30.0m (€27.3m), an operating margin of 9.0% (10.4%). EBIT for the underlying business was €14.8m (€14.8m), an operating margin of 5.2% (6.4%). The estimate of EBIT from Covid-19 services was €15.2m (€12.5m) with a margin of 30.6% (39.0%). The strong overall financial performance was a result of the resilient level of demand for Medicover's services. Facilities that have been fully or partially dedicated to Covid-19 patients have by quarter-end largely transitioned back to business as usual.

**Net profit** amounted to €18.4m (€19.5m), which represented a margin of 5.5% (7.5%). Net profit was impacted by a total financial result of €-6.6m (€-5.8m) of which €-5.5m (€-3.8m) was related to interest expense and commitment fees on the Group's debt and other discounted liabilities. Within the interest expense €-3.6m (€-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 €-1.3m (€-2.3m) of which €-1.8m (€-1.2m) was related to euro denominated lease liabilities in Poland as the zloty weakened.

Basic/diluted earnings per share amounted to €0.123 (€0.108).

**Consolidated EBITDA** was €58.0m (€50.1m), increased by 15.7%, with an EBITDA margin of 17.3% (19.1%).



EBITDA for the underlying business grew by 11.1% to €41.7m (€37.6m), a margin of 14.6% (16.3%). When taking into account subsidies, acquisitions and the change in allocation of Covid-19 overheads, the underlying EBITDA margin has slightly increased.

Adjusted EBITDA was €60.7m (€52.0m) a margin of 18.1% (19.8%). Adjusted EBITDAaL increased to €45.5m (€40.0m), a margin of 13.6% (15.2%) driving the strong cash flow.

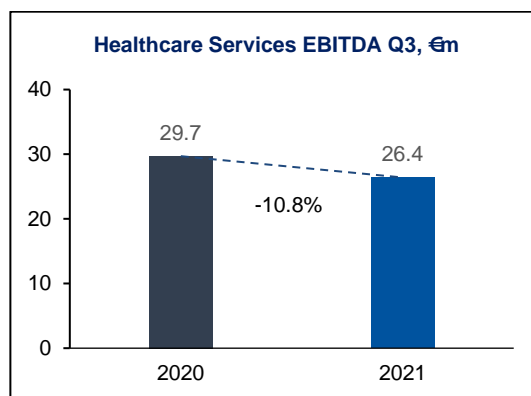
### Items affecting comparability

The contribution from Covid-19 revenue was estimated at an average of 32.7% (39.2%) EBITDA margin, which increased the overall EBITDA margin by approximately 2.7pp, corresponding to €16.3m (€12.5m).

In Q3 2020, profit was supported by €1.4m relating to government employment grants and reduction in property lease costs corresponding to approximately 0.5pp of margin.

Acquisition related expenses amounted to €-0.6m (€0.0m).

EBITDA for **Healthcare Services** was €26.4m (€29.7m), an EBITDA margin of 15.0% (20.2%).



EBITDA for the underlying business grew by 7.1% to €24.8m (€23.3m), an EBITDA margin of 15.0% (17.8%). The margin is lower due to a combination of factors. For MHI, in the comparative figures, the underlying business margin was relatively high due to the majority of MHI resources being dedicated to Covid-19 admissions. In the current quarter those resources have largely been re-orientated to the underlying business starting from the end of the second quarter after the wave of infections earlier in the year. Hence both the current and comparative quarter are disturbed and not reflective of underlying activity. All other units have seen a normalisation (increase) of medical costs as demand has resumed and business development / marketing activities have been restarted. Service demand levels in the funded business have normalised (increased), offset by continuing effects of digital delivery channels. Grants and cost reductions impacted the comparative quarter by €0.5m corresponding to approximately 0.4pp of margin.

The EBITDA contribution from Covid-19 services was estimated to €1.6m (€6.4m) a margin of 14.8%



(40.1%). EBITDAaL was €16.8m (€23.0m), a margin of 9.5% (15.6%).

Operating profit amounted to €9.9m (€16.7m), a margin of 5.6% (11.3%).

The employer paid services performed well throughout the quarter, with digital health channels being an ongoing preference for patients.

The Indian business has considerably less Covid-19 admissions versus prior quarter, likewise in Poland. Romania has experienced an upswing towards the end of the quarter with all beds dedicated to Covid-19 treatment being full at the end of the quarter.

Maternity services have been operating at normal levels of activity; slightly down versus prior year as competing public facilities are now operating without any Covid-19 restrictions.

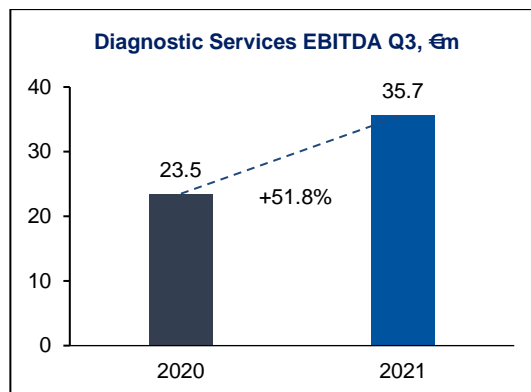
Dental services in Poland have performed well, with an increase in number of facilities and a strong employment market.

Fertility services are recovering in India with normalisation of demand, however some residual impacts on the economy affect demand. The addition of the Norwegian business and the Danish sperm bank contributed to the overall activity. In Polish fertility services no negative impact from Covid-19 remains.

MHI closed two facilities, one in Hyderabad and one in Vizag, incurring a one-off cost of €0.5m. The Vizag activity and doctors were moved to a new larger scale facility and in Hyderabad the activity was merged to a larger scale facility.

Medicover Sport is observing good demand for sports benefits packages and improving profitability since reopening at the end of May 2021.

EBITDA for **Diagnostic Services** was €35.7m (€23.5m), an EBITDA margin of 21.9% (19.6%).



EBITDA for the underlying business grew by 20.9% to €21.0m (€17.4m), a margin of 17.0% (16.7%), 0.3pp higher. This reflects the pickup in demand levels for underlying test volume, which increased by 12.7%. Costs have normalised. Government grants for employment and reduction in property lease costs were €0.9m in the comparative quarter, being approximately 0.8pp of margin. The EBITDA contribution from Covid-19 services was estimated to €14.7m (€6.1m) or approximately 4.9pp of margin. EBITDAaL was €30.1m (€18.3m), a margin of 18.5% (15.3%).

Operating profit was €24.6m (€14.2m), a margin of 15.1% (11.9%).

Demand for Covid-19 testing, although down from the higher levels in the second quarter have supported profitability, with variability between markets. Testing around vacation/travel and events has been supportive and contracts for businesses which require testing for customers' safety.

Covid-19 testing is expected to continue for some time due to the increasing infection rates and relatively low levels of vaccination in certain markets.

## PROFIT DEVELOPMENT NINE MONTHS 2021

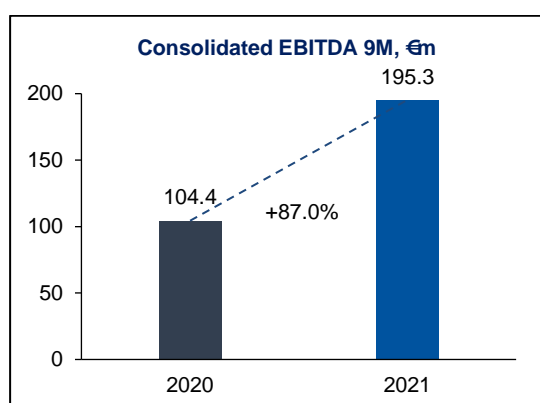
**Operating profit** (EBIT) was €117.8m (€31.4m) with an operating margin of 11.8% (4.5%), increased by the impact of Covid-19. EBIT for the underlying business was €56.2m (€15.8m), an operating margin of 6.9% (2.4%).

**Net profit** amounted to €78.2m (€8.5m), a margin of 7.8% (1.2%). Net profit was impacted by a total financial result of €-13.2m (€-19.6m), of which €-13.8m (€-14.3m) was related to interest expense and €0.1m (€-6.2m) to foreign exchange gains.

The Group has recognised an income tax charge of €28.1m (€-3.4m) for the nine months. The effective tax rate is estimated at 26.5% (28.5%). The reduction in the estimated effective tax rate is a reflection of the change in the composition of the countries where profits are being made, with a normalisation of the distribution of business.

Basic/diluted earnings per share amounted to €0.501 (€0.054).

**Consolidated EBITDA** was €195.3m (€104.4m) with an EBITDA margin of 19.5% (14.9%).



EBITDA for the underlying business amounted to €131.5m (€88.6m), a margin of 16.1% (13.5%), a 2.6pp higher margin corresponding to €42.9m.

Adjusted EBITDA was €201.7m (€108.4m), a margin of 20.1% (15.5%). Adjusted EBITDAaL increased to €160.3m (€71.3m), a margin of 16.0% (10.2%) and is reflected in the strong cashflow.

### Items affecting comparability

The contribution from Covid-19 revenue was estimated at an average of 34.6% (37.5%) EBITDA margin, which increased the overall EBITDA margin by approximately 3.4pp, corresponding to €63.8m (€15.8m).

In the nine months 2020, there was a significant negative impact on the Group's operating

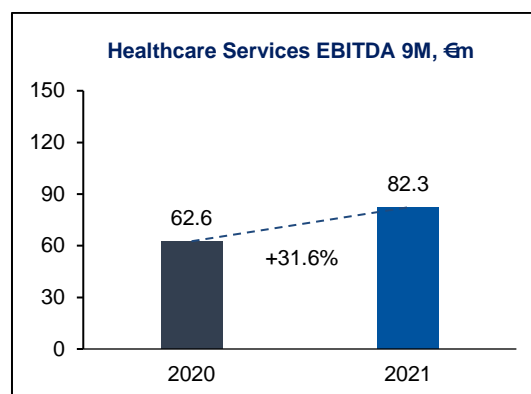
performance due to Covid-19. This has increased the comparative growth of the underlying business.

In the nine months 2020, temporary salary reductions (voluntary, furlough and government support) were €13.2m, reduction in property lease costs was €1.4m and other cost actions amounted to €3.1m for a total of €17.7m corresponding to 2.5pp of margin.

A non-cash impairment charge of €-5.2m was incurred in the comparative period.

Acquisition related expenses amounted to €-1.7m (€-0.7m).

EBITDA for **Healthcare Services** increased by 31.6% to €82.3m (€62.6m), an EBITDA margin of 15.8% (16.0%).

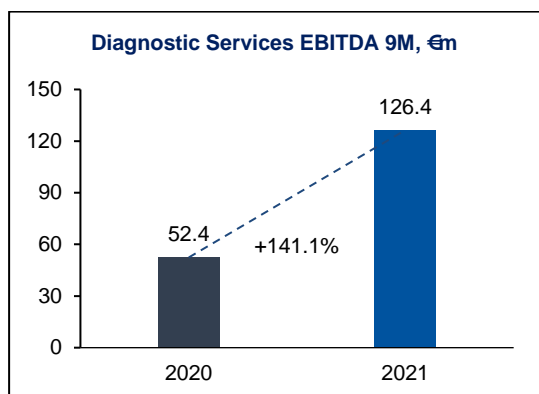


EBITDA for the underlying business grew by 21.2% to €67.3m (€55.6m), a margin of 14.6% (14.9%), a 0.3pp lower margin corresponding to €11.7m. Salary related reductions (voluntary, furlough and government support) in the nine months 2020 were €6.2m and reduction in property lease costs was €0.7m which effectively represented 1.9% of the underlying EBITDA margin in the comparative period. The EBITDA contribution from Covid-19 services was estimated to €15.0m (€7.0m) or 1.2pp of margin. EBITDAaL increased by 35.6% to €57.6m (€42.6m), a margin of 11.1% (10.9%).

Operating profit amounted to €37.3m (€20.2m), a margin of 7.2% (5.2%).

Underlying EBITDA margin development has been positively supported by volume recovering and continuing patient choices of digital channels for care delivery. The underlying EBITDA margin was negatively impacted by the disruption from changing between Covid-19 and underlying business particularly in India, restrictions on business operations such as the fitness chain and pressure on costs from salary inflation and staffing.

EBITDA for **Diagnostic Services** increased by 141.1% to €126.4m (€52.4m), an EBITDA margin of 25.4% (16.4%).



EBITDA for the underlying business grew by 77.8% to €77.6m (€43.6m), a margin of 20.9% (14.8%), a 6.1pp higher margin, corresponding to €34.0m.

Salary related reductions (voluntary, furlough and government support) in the nine months 2020 were €6.2m and reduction in property lease costs was €0.7m, which together represent approximately 2.4% of the underlying margin for the comparative period. The EBITDA contribution from Covid-19 services was estimated to €48.8m (€8.8m), a margin of 38.9% (35.3%) and impacted 4.5pp on the overall margin. EBITDAaL amounted to €109.9m (€35.6m), a margin of 22.1% (11.2%).

Operating profit amounted to €95.1m (€23.1m), a margin of 19.1% (7.3%)

Margin improvement has been a result of consistently higher volume over the 9 months. Increased labour costs due to inflation and tight labour supply offset the higher contribution. The majority of costs not related to labour have been stable due to long term contracts.

## KEY FINANCIAL DATA

Medicover, €m	Jul-Sep 2021	Jul-Sep 2020	Growth	Jan-Sep 2021	Jan-Sep 2020	Growth	FY 2020
Revenue	335.0	262.5	28%	1,001.1	700.1	43%	997.8
Operating profit (EBIT)	30.0	27.3	10%	117.8	31.4	275%	61.3
Operating profit margin	9.0%	10.4%		11.8%	4.5%		6.1%
Net profit	18.4	19.5	-6%	78.2	8.5	819%	27.3
Net profit margin	5.5%	7.5%		7.8%	1.2%		2.7%
Basic/diluted earnings per share, €	0.123	0.108	14%	0.501	0.054	828%	0.182
EBITDA	58.0	50.1	16%	195.3	104.4	87%	157.5
EBITDA margin	17.3%	19.1%		19.5%	14.9%		15.8%
Adjusted EBITDA	60.7	52.0	17%	201.7	108.4	86%	164.1
Adjusted EBITDA margin	18.1%	19.8%		20.1%	15.5%		16.4%
EBITDAaL	42.8	38.1	12%	153.9	67.3	129%	108.5
EBITDAaL margin	12.8%	14.5%		15.4%	9.6%		10.9%
Adjusted EBITDAaL	45.5	40.0	14%	160.3	71.3	125%	115.1
Adjusted EBITDAaL margin	13.6%	15.2%		16.0%	10.2%		11.5%
EBITA	32.6	30.1	8%	125.3	44.2	183%	76.9
EBITA margin	9.7%	11.5%		12.5%	6.3%		7.7%
Adjusted EBITA	35.3	32.0	10%	131.7	48.2	173%	83.5
Adjusted EBITA margin	10.6%	12.2%		13.2%	6.9%		8.4%
EBITAaL	29.0	27.6	5%	115.7	36.7	215%	66.7
EBITAaL margin	8.6%	10.5%		11.6%	5.2%		6.7%
Adjusted EBITAaL	31.7	29.5	7%	122.1	40.7	200%	73.3
Adjusted EBITAaL margin	9.5%	11.3%		12.2%	5.8%		7.3%
<b>Healthcare Services, €m</b>	<b>Jul-Sep 2021</b>	<b>Jul-Sep 2020</b>	<b>Growth</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Growth</b>	<b>FY 2020</b>
Revenue	176.7	146.4	21%	519.7	390.7	33%	539.7
Operating profit (EBIT)	9.9	16.7	-40%	37.3	20.2	85%	28.8
Operating profit margin	5.6%	11.3%		7.2%	5.2%		5.3%
EBITDA	26.4	29.7	-11%	82.3	62.6	32%	84.1
EBITDA margin	15.0%	20.2%		15.8%	16.0%		15.6%
EBITDAaL	16.8	23.0	-26%	57.6	42.6	36%	57.5
EBITDAaL margin	9.5%	15.6%		11.1%	10.9%		10.6%
EBITA	11.8	18.3	-36%	43.0	28.8	49%	39.8
EBITA margin	6.7%	12.6%		8.3%	7.4%		7.4%
Members (period end) (000's)	1,464	1,317	11%	1,464	1,317	11%	1,353
<b>Diagnostic Services, €m</b>	<b>Jul-Sep 2021</b>	<b>Jul-Sep 2020</b>	<b>Growth</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Growth</b>	<b>FY 2020</b>
Revenue	162.9	120.1	36%	497.1	318.8	56%	473.4
Operating profit (EBIT)	24.6	14.2	73%	95.1	23.1	311%	50.8
Operating profit margin	15.1%	11.9%		19.1%	7.3%		10.7%
EBITDA	35.7	23.5	52%	126.4	52.4	141%	89.8
EBITDA margin	21.9%	19.6%		25.4%	16.4%		19.0%
EBITDAaL	30.1	18.3	64%	109.9	35.6	208%	67.8
EBITDAaL margin	18.5%	15.3%		22.1%	11.2%		14.3%
EBITA	25.3	15.3	65%	96.8	27.3	255%	55.4
EBITA margin	15.5%	12.7%		19.5%	8.6%		11.7%
Lab tests (period volume) (m)	32.4	27.4	19%	97.5	74.8	31%	103.9

## COVID-19

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

€m	Q3 2021	Q2 2021	Q1 2021	9M 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020
<b>Covid-19 revenue</b>									
Healthcare Services	10.9	37.9	10.2	59.0	11.2	16.0	1.1	0.0	28.3
Diagnostic Services	38.9	43.9	42.7	125.5	41.2	16.0	7.9	1.0	66.1
<b>Total</b>	<b>49.8</b>	<b>81.8</b>	<b>52.9</b>	<b>184.5</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	1.6	12.0	1.4	15.0	1.9	6.4	0.6	0.0	8.9
Diagnostic Services	14.7	18.9	15.2	48.8	12.4	6.1	2.3	0.4	21.2
<b>Total</b>	<b>16.3</b>	<b>30.9</b>	<b>16.6</b>	<b>63.8</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	14.8%	31.7%	13.2%	25.4%	17.0%	40.1%	48.0%	-	31.3%
Diagnostic Services	37.7%	43.0%	35.7%	38.9%	30.1%	38.2%	29.7%	32.0%	32.1%
<b>Total</b>	<b>32.7%</b>	<b>37.8%</b>	<b>31.4%</b>	<b>34.6%</b>	<b>27.3%</b>	<b>39.2%</b>	<b>31.9%</b>	<b>32.0%</b>	<b>31.8%</b>

The pandemic has continued to impact lives and activities of populations around the world. The world is still adapting, after 20 months living in the Covid-19 reality. Although vaccines are being administered and rollout programmes very effective in some countries, there are still many, including Medicover countries, with low vaccination levels in the population. This is combined with a continuing presence of variants of the virus with higher infectiousness. Restrictions may be required again to be imposed in some countries with new Covid-19 waves such as in Romania.

The impact of the restrictions and behaviour changes are now being perceived, with more severe late-stage cancer cases and other chronic diseases becoming apparent. Pressure on public healthcare systems is increasing and result in funding gaps. Positive aspects are also being felt from the pandemic, particularly the shift to digital health care channels and public policy shifts to support rather than restrict digital care delivery.

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. All frontline staff who want to have been vaccinated. Pressure on frontline staff is currently very apparent in Romania where the situation is severe.

Increased public policy awareness of the requirement for robust health infrastructure, including laboratories and inpatient facilities, will be supportive of the sectors in the foreseeable future. A clear example of this is how well Germany's strong laboratory testing infrastructure coped with the pandemic demands.

Medicover has a strong degree of confidence in the continuing performance of the economies in its operating countries despite the effects of the pandemic. Medicover has invested to increase its ability to provide Covid-19 testing and care while transitioning from Covid-19 back to underlying demand. The Group has been able for selected customers to provide bespoke testing capability for their industry from retail to the cruise industry, airlines and airports with an expectation that the impact of the pandemic will continue for some time.

## CASH FLOW

### Third quarter

Cash generated from operations before working capital changes and tax payments amounted to €59.6m (€52.8m), being 102.6% of EBITDA (105.6%). Net working capital decreased by €11.2m (increased by €9.9m). Income tax paid was €3.8m (€1.7m). Net cash from operating activities was €67.0m (€41.2m). Covid-19 services have supported the strong cash flows.

Investments in property, plant and equipment and intangible assets amounted to €22.3m (€10.5m) with approximately 68% growth capital investment and 32% maintenance investment. Cash flow for acquisitions of subsidiaries amounted to €56.9m (€0.5m) relating to business combinations during the quarter and payments for earlier closed transactions.

Net loans drawn amounted to €20.1m (net loans repaid €31.4m). Lease liabilities repaid were €9.7m (€8.8m). Interest paid amounted to €4.4m (€3.0m), of which €3.6m (€2.5m) related to lease liabilities.

Cash and cash equivalents increased by €14.2m to €92.6m, with €25.3m of short-term investments sold in the quarter.

### Nine months

Cash generated from operations before working capital changes and tax payments amounted to €199.0m (€111.3m), being 101.9% of EBITDA (106.7%). Net working capital increased by €23.4m (decreased by €12.4m). Income tax paid was €12.8m (€7.6m). Net cash from operating activities was €162.8m (€116.1m).

Investments in property, plant and equipment and intangible assets amounted to €65.0m (€41.1m) with approximately 63% growth capital investment and 37% maintenance investment. Cash flow for acquisitions of subsidiaries and associates amounted to €73.0m (€3.4m) relating to business combinations for the year and payments for earlier closed transactions.

A dividend of €10.4m (-) was distributed to shareholders in the second quarter 2021. Net loans drawn amounted to €37.2m (net loans repaid €99.9m). Lease liabilities repaid were €27.1m (€23.7m). Interest paid amounted to €12.2m (€11.5m), of which €9.6m (€7.5m) related to lease liabilities.

Cash and cash equivalents increased by €44.9m to €92.6m, with €40.3m short-term investments sold over the nine months.

## FINANCIAL POSITION

Consolidated equity as at 30 September 2021 amounted to €532.6m (€483.5m). The increase in equity includes a positive movement of €5.1m on translation reserves mostly relating to Ukraine and India as those currencies strengthened compared to year-end 2020, offset by a slightly weaker Polish zloty and Romanian lei. In addition, consolidated equity includes a negative movement of €28.7m relating to fair value changes of put option liquidity obligations with non-controlling interests, consisting of €15.1m for existing and €13.6m for new obligations arising from acquisition of subsidiaries.

Inventories amounted to €60.1m (€53.0m), of which approximately €11.0m (€11.2m) is related to Covid-19 services and contracts.

Loans payable amounted to €217.1m (€167.9m) and lease liabilities to €301.5m (€199.5m). The total financial debt was €518.6m (€367.4m). Loans payable net of cash and liquid short-term

investments amounted to €124.5m (€81.1m) reflecting the strong operating cash flows as well as acquisitions and capital investment. The ratio of loans payable net of cash to adjusted EBITDAaL for the prior twelve months was 0.6x (0.7x level at year-end 2020).

Lease liabilities increased by €102.0m, of which 78% related to acquisitions mainly in India, Norway and in Medicover Sport in Poland. The remaining increase reflected the expansion of facilities leased in Poland, Romania and Germany. The Group has resumed its 2bn SEK commercial paper programme, at the end of the quarter €24.5m has been issued. The Group has undrawn committed credit facilities of €210m, cash and cash equivalents of €92.6m, in total €302.6m (€306.8m) liquidity at the end of the quarter and is well positioned to support future organic and acquisition growth.



## PARENT COMPANY

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There was no significant revenue. The loss for the nine months amounted to €7.7m (€6.7m). During the quarter, the company has reassumed its commercial paper programme, at the end of the quarter €24.5m has been issued. The proceeds of

the programme have been lent to the Company's subsidiary on the same maturity as the programme drawings. Equity as at 30 September 2021 was €598.2m (€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, 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 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 described in the annual report 2020, section 'Risk and risk management' (pages 51-56). No additional risk factors have been identified during 2021.



The board of directors and the CEO declare that the interim report for January-September 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 3 November 2021

Fredrik Stenmo  
*Chairman of the board*

Peder af Jochnick  
*Board member*

Robert af Jochnick  
*Board member*

Arno Bohn  
*Board member*

Sonali Chandmal  
*Board member*

Michael Flemming  
*Board member*

Margareta Nordenvall  
*Board member*

Fredrik Rågmark  
*CEO and board member*

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 (CET) on 3 November 2021. This interim report and other information about Medicover is available at [medicover.com](http://medicover.com).

#### Financial Calendar

Year-end report January-December 2021	11 February 2022
Interim report January-March	27 April 2022
Annual general meeting	27 April 2022
Interim report April-June	22 July 2022
Interim report July-September	3 November 2022

#### For further information, please contact:

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Phone: +46 70 303 32 72  
E-mail: [hanna.bjellquist@medicover.com](mailto:hanna.bjellquist@medicover.com)

**Conference call:** A conference call for analysts and investors will be held today at 09.30 CET. To listen in please register [here](#). To ask questions please dial in and use code: 8236179

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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.

## REVIEW REPORT

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Medicover AB (publ), org no 559073–9487

### Introduction

We have reviewed the interim report for Medicover AB (publ) as at 30 September 2021 and for the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion

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

Sollentuna, 3 November 2021

BDO Sweden AB

Jörgen Lövgren

Authorised Public Accountant

## CONDENSED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

€m	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Revenue</b>	<b>335.0</b>	<b>262.5</b>	<b>1,001.1</b>	<b>700.1</b>	<b>997.8</b>
<b>Operating expenses</b>					
Medical provision costs	-249.4	-186.6	-715.3	-516.2	-734.3
<b>Gross profit</b>	<b>85.6</b>	<b>75.9</b>	<b>285.8</b>	<b>183.9</b>	<b>263.5</b>
Distribution, selling and marketing costs	-12.9	-9.3	-41.8	-30.6	-43.3
Administrative costs	-42.7	-39.3	-126.2	-121.9	-158.9
<b>Operating profit (EBIT)</b>	<b>30.0</b>	<b>27.3</b>	<b>117.8</b>	<b>31.4</b>	<b>61.3</b>
<b>Other income/(costs)</b>	<b>0.7</b>	<b>0.1</b>	<b>0.8</b>	<b>0.0</b>	<b>1.5</b>
Interest income	0.2	0.3	0.5	0.9	0.9
Interest expense	-5.5	-3.8	-13.8	-14.3	-18.1
Other financial income/(expense)	-1.3	-2.3	0.1	-6.2	-8.4
<b>Total financial result</b>	<b>-6.6</b>	<b>-5.8</b>	<b>-13.2</b>	<b>-19.6</b>	<b>-25.6</b>
Share of profit of associates	0.3	-	0.9	0.1	0.1
<b>Profit before income tax</b>	<b>24.4</b>	<b>21.6</b>	<b>106.3</b>	<b>11.9</b>	<b>37.3</b>
Income tax	-6.0	-2.1	-28.1	-3.4	-10.0
<b>Profit for the period</b>	<b>18.4</b>	<b>19.5</b>	<b>78.2</b>	<b>8.5</b>	<b>27.3</b>
<b>Profit attributable to:</b>					
Owners of the parent	18.3	16.0	74.3	7.6	25.8
Non-controlling interests	0.1	3.5	3.9	0.9	1.5
<b>Profit for the period</b>	<b>18.4</b>	<b>19.5</b>	<b>78.2</b>	<b>8.5</b>	<b>27.3</b>
<b>Earnings per share attributable to owners of the parent:</b>					
Basic/diluted, €	0.123	0.108	0.501	0.054	0.182

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Profit for the period</b>	<b>18.4</b>	<b>19.5</b>	<b>78.2</b>	<b>8.5</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	-2.8	-14.2	5.1	-31.3	-40.5
Income tax relating to these items	-0.1	0.2	-0.5	0.4	0.4
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-2.9</b>	<b>-14.0</b>	<b>4.6</b>	<b>-30.9</b>	<b>-40.1</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>15.5</b>	<b>5.5</b>	<b>82.8</b>	<b>-22.4</b>	<b>-12.8</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent	14.3	4.9	77.4	-19.4	-9.2
Non-controlling interests	1.2	0.6	5.4	-3.0	-3.6
<b>Total comprehensive income/(loss) for the period</b>	<b>15.5</b>	<b>5.5</b>	<b>82.8</b>	<b>-22.4</b>	<b>-12.8</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	361.9	285.1	289.2
Other intangible assets	73.1	64.4	64.6
Property, plant and equipment	294.3	238.2	257.9
Right-of-use assets	280.1	168.4	180.4
Deferred tax assets	15.5	12.5	12.1
Investment in associates	8.5	0.7	7.6
Other financial assets	15.7	11.3	9.9
<b>Total non-current assets</b>	<b>1,049.1</b>	<b>780.6</b>	<b>821.7</b>
<b>Current assets</b>			
Inventories	60.1	38.3	53.0
Other financial assets	3.9	0.0	0.0
Trade and other receivables	181.7	132.1	149.4
Short-term investments	-	45.1	40.1
Cash and cash equivalents	92.6	63.2	46.7
<b>Total current assets</b>	<b>338.3</b>	<b>278.7</b>	<b>289.2</b>
<b>Total assets</b>	<b>1,387.4</b>	<b>1,059.3</b>	<b>1,110.9</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent	489.9	442.1	448.0
Non-controlling interests	42.7	37.0	35.5
<b>Total equity</b>	<b>532.6</b>	<b>479.1</b>	<b>483.5</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans payable	168.1	147.0	152.8
Lease liabilities	257.3	151.4	165.1
Deferred tax liabilities	35.7	30.7	30.0
Provisions	2.2	2.1	1.9
Other financial liabilities	74.6	39.6	45.9
Other liabilities	4.0	3.8	3.4
<b>Total non-current liabilities</b>	<b>541.9</b>	<b>374.6</b>	<b>399.1</b>
<b>Current liabilities</b>			
Loans payable	49.0	22.9	15.1
Lease liabilities	44.2	34.3	34.4
Unearned premiums/deferred revenue	15.9	12.1	14.8
Corporate tax payable	27.2	4.1	7.8
Other financial liabilities	5.6	5.9	6.8
Trade and other payables	171.0	126.3	149.4
<b>Total current liabilities</b>	<b>312.9</b>	<b>205.6</b>	<b>228.3</b>
<b>Total liabilities</b>	<b>854.8</b>	<b>580.2</b>	<b>627.4</b>
<b>Total equity and liabilities</b>	<b>1,387.4</b>	<b>1,059.3</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	-	-	-	7.6	-	-	-	7.6	0.9	8.5
Other comprehensive income/(loss)	-	-	-	-	-	-0.1	-26.9	-27.0	-3.9	-30.9
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>	<b>-</b>	<b>-0.1</b>	<b>-26.9</b>	<b>-19.4</b>	<b>-3.0</b>	<b>-22.4</b>
<b>Transactions with owners in their capacity as owners:</b>										
Issue of ordinary shares	3.0	-	140.0	-	-	-	-	143.0	-	143.0
Transaction costs	-	-	-1.1	-	-	-	-	-1.1	-	-1.1
Changes in interest in subsidiaries	-	-	-	-0.1	-	-	-	-0.1	-0.3	-0.4
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-0.7	-	-	-0.7	-2.0	-2.7
Share-based payments	-	-	-	-	-	3.0	-	3.0	-	3.0
Issue of treasury shares to employees	-	0.0	0.0	-	-	-	-	0.0	-	0.0
<b>Total transactions with owners in their capacity as owners</b>	<b>3.0</b>	<b>-</b>	<b>138.9</b>	<b>-0.1</b>	<b>-0.7</b>	<b>3.0</b>	<b>-</b>	<b>144.1</b>	<b>-2.3</b>	<b>141.8</b>
<b>Closing balance as at 30 September 2020</b>	<b>30.1</b>	<b>-0.4</b>	<b>458.6</b>	<b>32.5</b>	<b>-38.8</b>	<b>7.2</b>	<b>-47.1</b>	<b>442.1</b>	<b>37.0</b>	<b>479.1</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	-	-	-	74.3	-	-	-	74.3	3.9	78.2
Other comprehensive income/(loss)	-	-	-	-	-	-	3.1	3.1	1.5	4.6
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74.3</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>77.4</b>	<b>5.4</b>	<b>82.8</b>
<b>Transactions with owners in their capacity as owners:</b>										
Business combinations	-	-	-	-	-	-	-	-	3.3	3.3
Changes in interest in subsidiaries	-	-	-	-0.8	-	-	-	-0.8	-0.6	-1.4
Share capital increase in non-controlling interests	-	-	-	-	-	-	-	-	1.8	1.8
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-28.7	-	-	-28.7	-2.7	-31.4
Dividend	-	-	-	-10.4	-	-	-	-10.4	-	-10.4
Share-based payments	-	-	-	-	-	4.4	-	4.4	-	4.4
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-11.2</b>	<b>-28.7</b>	<b>4.4</b>	<b>-</b>	<b>-35.5</b>	<b>1.8</b>	<b>-33.7</b>
<b>Closing balance as at 30 September 2021</b>	<b>30.1</b>	<b>-0.4</b>	<b>458.7</b>	<b>114.0</b>	<b>-73.8</b>	<b>13.3</b>	<b>-52.0</b>	<b>489.9</b>	<b>42.7</b>	<b>532.6</b>

## CONSOLIDATED CASH FLOW STATEMENT

€m	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Profit before income tax</b>	<b>24.4</b>	<b>21.6</b>	<b>106.3</b>	<b>11.9</b>	<b>37.3</b>
Adjustments for:					
Depreciation, amortisation and impairment	28.0	22.8	77.5	73.0	96.2
Share-based payments	2.0	1.7	4.4	3.0	4.7
Net interest expense	5.2	3.5	13.1	13.4	17.2
Unrealised foreign exchange (gain)/loss	1.3	2.0	-0.6	5.5	7.0
Other non-cash transactions	-1.3	1.2	-1.7	4.5	5.3
<b>Cash generated from operations before working capital changes and tax payments</b>	<b>59.6</b>	<b>52.8</b>	<b>199.0</b>	<b>111.3</b>	<b>167.7</b>
<b>Changes in operating assets and liabilities:</b>					
(Increase)/decrease in inventories	-4.2	-5.1	-5.6	-5.8	-22.0
(Increase)/decrease in trade and other receivables	-8.9	-13.6	-28.9	-6.3	-28.4
Increase/(decrease) in trade and other payables	24.3	8.8	11.1	24.5	49.7
<b>Cash generated from operations before tax payments</b>	<b>70.8</b>	<b>42.9</b>	<b>175.6</b>	<b>123.7</b>	<b>167.0</b>
Income tax paid	-3.8	-1.7	-12.8	-7.6	-11.0
<b>Net cash from operating activities</b>	<b>67.0</b>	<b>41.2</b>	<b>162.8</b>	<b>116.1</b>	<b>156.0</b>
<b>Investing activities:</b>					
Payment for acquisition of intangible assets and property, plant and equipment	-22.3	-10.5	-65.0	-41.1	-72.5
Proceeds from disposal of intangible assets and property, plant and equipment	1.4	0.2	1.8	0.9	0.9
Payment for acquiring interest in associates	-	-	-	-	-1.4
Dividends received from associates	0.1	-	0.1	0.1	0.3
Payment for other financial assets	-	-1.2	-	-1.3	-3.1
Payment for acquisition of subsidiaries, net of cash acquired	-56.9	-0.5	-73.0	-3.4	-12.2
Payment into escrow for acquisitions	-3.9	-	-3.9	-	-
Repayment of loans granted	-	-0.1	-	0.0	0.1
Payment of loans granted	-2.0	-0.2	-2.6	-0.2	-0.2
Payment for short-term investments	-	-	-	-50.0	-50.0
Proceeds from short-term investments	25.3	5.9	40.3	5.9	10.9
Interest received	0.2	0.2	0.5	0.8	0.9
<b>Net cash used in investing activities</b>	<b>-58.1</b>	<b>-6.2</b>	<b>-101.8</b>	<b>-88.3</b>	<b>-126.3</b>
<b>Financing activities:</b>					
Issue of shares, net of transaction costs	-	-	-	141.9	141.9
Acquisition of non-controlling interests	-0.8	-1.2	-1.5	-1.2	-1.2
Repayment of loans	-25.2	-36.1	-33.7	-262.0	-287.8
Proceeds from loans received	45.3	4.7	70.9	162.1	181.4
Repayment of leases	-9.7	-8.8	-27.1	-23.7	-31.4
Interest paid	-4.4	-3.0	-12.2	-11.5	-15.8
Dividend paid	-	-	-10.4	-	-
Distribution to non-controlling interests	-	-0.5	-3.9	-1.2	-1.2
Proceeds from non-controlling interests	0.1	0.8	1.8	0.8	-
<b>Net cash from/(used in) financing activities</b>	<b>5.3</b>	<b>-44.1</b>	<b>-16.1</b>	<b>5.2</b>	<b>-14.1</b>
<b>Total cash flow</b>	<b>14.2</b>	<b>-9.1</b>	<b>44.9</b>	<b>33.0</b>	<b>15.6</b>
<b>Cash and cash equivalents</b>					
Cash balance as at beginning of the period	77.9	74.0	46.7	34.8	34.8
Net effects of exchange gain/(loss) on cash balances	0.5	-1.7	1.0	-4.6	-3.7
Cash balance as at end of the period	92.6	63.2	92.6	63.2	46.7
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>14.2</b>	<b>-9.1</b>	<b>44.9</b>	<b>33.0</b>	<b>15.6</b>

## PARENT COMPANY INCOME STATEMENT

€m	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Revenue</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>
Operating expenses	-3.0	-2.8	-8.0	-6.8	-9.7
<b>Operating loss</b>	<b>-2.9</b>	<b>-2.7</b>	<b>-7.7</b>	<b>-6.3</b>	<b>-9.0</b>
Income from participation in group companies	-	-	-	-	11.5
Interest expense	0.0	0.0	0.0	-0.4	-0.4
<b>Profit/(loss) before income tax</b>	<b>-2.9</b>	<b>-2.7</b>	<b>-7.7</b>	<b>-6.7</b>	<b>2.1</b>
Income tax	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>-2.9</b>	<b>-2.7</b>	<b>-7.7</b>	<b>-6.7</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	30 Sep 2021	30 Sep 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	189.9	168.4	179.3
Cash and bank	-	-	-
<b>Total current assets</b>	<b>189.9</b>	<b>168.4</b>	<b>179.3</b>
<b>Total assets</b>	<b>624.7</b>	<b>603.2</b>	<b>614.1</b>
Restricted equity	30.1	30.1	30.1
Non-restricted equity	568.1	571.4	581.8
<b>Total equity</b>	<b>598.2</b>	<b>601.5</b>	<b>611.9</b>
Current liabilities	26.5	1.7	2.2
<b>Total liabilities</b>	<b>26.5</b>	<b>1.7</b>	<b>2.2</b>
<b>Total equity and liabilities</b>	<b>624.7</b>	<b>603.2</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 functional currency of the Company and the Group's presentation currency 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 1-17 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 30 September 2020 has been restated for these amounts.

In the interim report for January-September 2020, the total cash balance at the end of the period included €45.1m of liquid short-term investments. In this interim report, these have been restated and classified as short-term investments as at 30 September 2020.

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

	Jul-Sep 2021				Jul-Sep 2020			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	176.7	162.9	0.2		146.4	120.1	0.0	
Inter-segment revenue	-0.1	-4.5	-0.2		-0.2	-3.8	0.0	
<b>Revenue from external customers</b>	<b>176.6</b>	<b>158.4</b>	<b>0.0</b>	<b>335.0</b>	<b>146.2</b>	<b>116.3</b>	<b>0.0</b>	<b>262.5</b>
By payer:								
Private	159.0	113.8	-	272.8	131.8	74.8	0.0	206.6
Public	17.6	44.6	-	62.2	14.4	41.5	-	55.9
By country:								
Poland	111.6	13.4	0.0	125.0	91.0	10.5	0.0	101.5
Germany	-	69.9	-	69.9	-	61.7	-	61.7
India	33.0	-	-	33.0	28.9	-	-	28.9
Romania	20.2	20.8	0.0	41.0	17.6	18.3	0.0	35.9
Ukraine	2.0	25.6	-	27.6	2.5	16.4	-	18.9
Other countries	9.8	28.7	0.0	38.5	6.2	9.4	0.0	15.6
<b>Operating profit</b>	<b>9.9</b>	<b>24.6</b>	<b>-4.5</b>	<b>30.0</b>	<b>16.7</b>	<b>14.2</b>	<b>-3.6</b>	<b>27.3</b>
<i>Margin</i>	5.6%	15.1%		9.0%	11.3%	11.9%		10.4%
Depreciation, amortisation and impairment	16.5	11.1	0.4	28.0	13.0	9.3	0.5	22.8
<b>EBITDA</b>	<b>26.4</b>	<b>35.7</b>	<b>-4.1</b>	<b>58.0</b>	<b>29.7</b>	<b>23.5</b>	<b>-3.1</b>	<b>50.1</b>
<i>Margin</i>	15.0%	21.9%		17.3%	20.2%	19.6%		19.1%
Right-of-use depreciation/impairment	-6.8	-4.8	0.0	-11.6	-5.0	-4.4	-0.1	-9.5
Interest on lease liabilities	-2.8	-0.8	0.0	-3.6	-1.7	-0.8	0.0	-2.5
<b>Segment result: EBITDAaL</b>	<b>16.8</b>	<b>30.1</b>	<b>-4.1</b>	<b>42.8</b>	<b>23.0</b>	<b>18.3</b>	<b>-3.2</b>	<b>38.1</b>
<i>Margin</i>	9.5%	18.5%		12.8%	15.6%	15.3%		14.5%
Other income/(costs)				0.7				0.1
Net interest expense				-5.3				-3.5
Other financial income/(expense)				-1.3				-2.3
Share of profit of associates				0.3				-
Income tax				-6.0				-2.1
<b>Profit for the period</b>				<b>18.4</b>				<b>19.5</b>

	Jan-Sep 2021				Jan-Sep 2020			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	519.7	497.1	0.3		390.7	318.8	0.2	
Inter-segment revenue	-0.6	-15.3	-0.1		-0.5	-9.1	0.0	
<b>Revenue from external customers</b>	<b>519.1</b>	<b>481.8</b>	<b>0.2</b>	<b>1,001.1</b>	<b>390.2</b>	<b>309.7</b>	<b>0.2</b>	<b>700.1</b>
By payer:								
Private	465.4	329.4	0.2	795.0	349.7	198.6	0.2	548.5
Public	53.7	152.4	-	206.1	40.5	111.1	-	151.6
By country:								
Poland	325.2	44.6	0.0	369.8	260.8	26.4	0.0	287.2
Germany	-	230.4	-	230.4	-	165.8	-	165.8
India	102.7	-	-	102.7	59.2	-	-	59.2
Romania	61.7	64.8	0.0	126.5	45.7	44.7	0.0	90.4
Ukraine	5.7	77.1	-	82.8	5.6	46.3	-	51.9
Other countries	23.8	64.9	0.2	88.9	18.9	26.5	0.2	45.6
<b>Operating profit</b>	<b>37.3</b>	<b>95.1</b>	<b>-14.6</b>	<b>117.8</b>	<b>20.2</b>	<b>23.1</b>	<b>-11.9</b>	<b>31.4</b>
<i>Margin</i>	7.2%	19.1%		11.8%	5.2%	7.3%		4.5%
Depreciation, amortisation and impairment	45.0	31.3	1.2	77.5	42.4	29.3	1.3	73.0
<b>EBITDA</b>	<b>82.3</b>	<b>126.4</b>	<b>-13.4</b>	<b>195.3</b>	<b>62.6</b>	<b>52.4</b>	<b>-10.6</b>	<b>104.4</b>
<i>Margin</i>	15.8%	25.4%		19.5%	16.0%	16.4%		14.9%
Right-of-use depreciation/impairment	-17.5	-14.1	-0.2	-31.8	-14.9	-14.4	-0.3	-29.6
Interest on lease liabilities	-7.2	-2.4	0.0	-9.6	-5.1	-2.4	0.0	-7.5
<b>Segment result: EBITDAaL</b>	<b>57.6</b>	<b>109.9</b>	<b>-13.6</b>	<b>153.9</b>	<b>42.6</b>	<b>35.6</b>	<b>-10.9</b>	<b>67.3</b>
<i>Margin</i>	11.1%	22.1%		15.4%	10.9%	11.2%		9.6%
Other income/(costs)				0.8				0.0
Net interest expense				-13.3				-13.4
Other financial income/(expense)				0.1				-6.2
Share of profit of associates				0.9				0.1
Income tax				-28.1				-3.4
<b>Profit for the period</b>				<b>78.2</b>				<b>8.5</b>



### 3. Share capital

Share capital as at 30 September 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>
Issue of shares		15,000,000		15,000,000
Conversion of class C to class B shares		15,356	-15,356	
Conversion of class A to class B shares	-195,000	195,000		
<b>30 September 2020</b>	<b>78,576,431</b>	<b>69,774,120</b>	<b>2,384,644</b>	<b>150,735,195</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>30 September 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.

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

(148,350,551) for the quarter and 148,350,551 (139,531,638) for the nine months.

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

The number of shares used to calculate the basic and diluted earnings per share was 148,350,551

### 4. Business combinations

€m	Total
Cash and cash equivalents	3.5
Accounts receivable and inventories	9.3
Corporate tax receivable	0.1
Property, plant and equipment	10.8
Right-of-use assets	79.2
Goodwill	71.1
Other intangible assets:	13.3
Brand	12.1
Operating licenses	1.1
Other	0.1
Deferred tax (net)	-3.0
Lease liabilities	-79.2
Corporate tax payable	-1.1
Accounts payable	-14.1
Loans payable	-2.7
Non-controlling interests	-3.3
<b>Total purchase price</b>	<b>83.9</b>
Cash and cash equivalents acquired	-3.5
Previously settled in cash	0.1
Contingent consideration payable	-11.1
Deferred consideration payable	-2.1
Non-cash movements	0.9
Payment related to prior year's acquisitions	4.7
<b>Total cash flow for acquisitions net of cash acquired</b>	<b>73.0</b>

During the third quarter, the Group acquired 60.0% of the voting rights in the fitness club chain Just Gym Sp. z o.o., 100% of Fit Projekt Sp. z o.o., 88.75% in the sperm bank SellmerDiers Holding ApS in Denmark, 70.0% in the Norwegian fertility clinic Klinikk Hausken AS, 65.0% in the Polish medical center Centrum Medyczne MML Sp. z o.o and a dental business in Poland. Non-controlling interests have been measured at the proportionate share of the acquiree's net assets.

In first half, the Group acquired 100% of the voting rights in AWO Gesundheitszentrum Calbe (Saale) GmbH which is a hospital in Germany specialised in internal and geriatric medicine, Pradhama hospital in Vizag (India), 100% of the voting rights in the laboratory business ANV Güven Sağlık Hizmetleri Ticaret A.Ş. in Turkey, a fitness club chain in Poland, a Polish dental business and a network of medical centres in Poland. Non-

controlling interests have been measured at the fair value of the acquiree's net assets.

None of the acquisitions in 2021 are individually significant. Total payments net of cash acquired for these acquisitions amounted to €73.0m of which €56.9m relates to acquisitions during the third quarter. Goodwill of €71.1m was recognised, representing expected synergies with existing operations. Contingent consideration has been recognised and capped as part of the purchase price based on future performance. Included in the consolidated income statement 2021 was revenue of €18.5m and a net loss of €-2.6m. If these acquisitions had occurred on 1 January 2021, revenue would have been €17.7m higher and net profit would have been €-3.4m lower.

The purchase price allocations are preliminary and subject to change in the twelve months from the acquisition date.

## 5. Related party transactions

The Group has transactions with non-controlling interests in MHI. The purchase of material and services amounted to €-6.1m (€-5.4m) for the

quarter and to €19.4m (€12.7m) for the nine months. Trade payables were €10.1m (€7.2m) as at 30 September 2021.

## 6. Financial assets and liabilities

Note	€m	30 Sep 2021			30 Sep 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	-	-	-	-	45.1	45.1	-	40.1	40.1
	Foreign currency swaps	-	0.0	0.0	-	0.1	0.1	-	-	-
	Other financial assets	3.7	-	3.7	4.2	-	4.2	3.2	-	3.2
	<b>Total</b>	<b>3.7</b>	<b>0.0</b>	<b>3.7</b>	<b>4.2</b>	<b>45.2</b>	<b>49.4</b>	<b>3.2</b>	<b>40.1</b>	<b>43.3</b>
	<b>Financial assets at amortised cost<sup>1)</sup></b>									
	Other financial assets	12.0	3.9	15.9	7.1	0.0	7.1	6.7	0.0	6.7
	Trade and other receivables <sup>2)</sup>	-	152.9	152.9	-	114.0	114.0	-	129.3	129.3
	<b>Total</b>	<b>12.0</b>	<b>156.8</b>	<b>168.8</b>	<b>7.1</b>	<b>114.0</b>	<b>121.1</b>	<b>6.7</b>	<b>129.3</b>	<b>136.0</b>
	Cash and cash equivalents	-	92.6	92.6	-	63.2	63.2	-	46.7	46.7
	<b>Total financial assets</b>	<b>15.7</b>	<b>249.4</b>	<b>265.1</b>	<b>11.3</b>	<b>222.4</b>	<b>233.7</b>	<b>9.9</b>	<b>216.1</b>	<b>226.0</b>
	<b>Financial liabilities at fair value through profit or loss</b>									
	Foreign currency swaps	-	-	-	-	-	-	-	0.3	0.3
a)	Contingent consideration payable <sup>3)</sup>	19.0	6.0	25.0	7.4	6.5	13.9	11.5	7.0	18.5
	<b>Total</b>	<b>19.0</b>	<b>6.0</b>	<b>25.0</b>	<b>7.4</b>	<b>6.5</b>	<b>13.9</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)	74.6	-	74.6	39.6	-	39.6	45.9	-	45.9
	<b>Total financial liabilities at fair value</b>	<b>93.6</b>	<b>6.0</b>	<b>99.6</b>	<b>47.0</b>	<b>6.5</b>	<b>53.5</b>	<b>57.4</b>	<b>7.3</b>	<b>64.7</b>
	<b>Financial liabilities at amortised cost<sup>1)</sup></b>									
	Borrowings <sup>3)</sup>	147.7	42.2	189.9	139.6	16.2	155.8	141.2	7.8	149.0
	Lease liabilities	257.3	44.2	301.5	151.4	34.3	185.7	165.1	34.4	199.5
	Other financial liabilities	-	5.6	5.6	-	5.9	5.9	-	6.8	6.8
	Trade and other payables <sup>2)</sup>	-	53.4	53.4	-	36.4	36.4	-	57.6	57.6
	Deferred consideration payable <sup>3)</sup>	1.4	0.8	2.2	-	0.2	0.2	0.1	0.3	0.4
	<b>Total</b>	<b>406.4</b>	<b>146.2</b>	<b>552.6</b>	<b>291.0</b>	<b>93.0</b>	<b>384.0</b>	<b>306.4</b>	<b>106.9</b>	<b>413.3</b>
	<b>Total financial liabilities</b>	<b>500.0</b>	<b>152.2</b>	<b>652.2</b>	<b>338.0</b>	<b>99.5</b>	<b>437.5</b>	<b>363.8</b>	<b>114.2</b>	<b>478.0</b>

<sup>1)</sup> Financial assets and liabilities carried at amortised cost are considered to have carrying amounts that materially correspond to their fair value.

<sup>2)</sup> Amount does not reconcile with amount in the statement of financial position due to non-financial items.

<sup>3)</sup> Contingent consideration payable, borrowings and deferred consideration payable are presented as loans payable in the statement of financial position.

## 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:** At 30 September 2020 and at year-end 2020 the Group had euro denominated bond funds 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 €20.1m (€18.9m). Due to contracted terms

disadvantaging the holder, it is estimated that the put option will be exercised in 2023 at the earliest.

The put option liquidity obligation with non-controlling interests in MHI amounted to €40.9m (€27.0m). The increase is mainly explained by the expansion of activity. Half of the put options can be exercised from March 2023 and the remaining half from March 2027.

The put option liquidity obligation with non-controlling interests in other subsidiaries amounted to €13.6m (-). These are estimated to be exercised in 2026.

In determining the fair value of the put option liquidity obligations 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
	30 Sep 2021	31 Dec 2020		30 Sep 2021	31 Dec 2020	Relationship of unobservable inputs to fair value (FV)
Put option (liquidity obligation with non-controlling interests in a German subsidiary)	20.1	18.9	Earnings growth factor  Risk adjusted discount rate	5.5%  0.7%	5.5%  0.4%	Increase of 1% point in profit growth = increase in FV liability of €0.4m Decrease of 1% point in discount rate = increase in FV liability of €0.5m
Put option (liability obligation with non-controlling interests in MHI)	40.9	27.0	6 year projected CAGR EBITDA  Risk adjusted discount rate	31.2%  11.4%	27.0%  11.3%	Increase of 10% in CAGR EBITDA = increase in FV liability of €4.5m Decrease of 1% point in discount rate = increase in FV liability of €1.5m
Put option (liability obligation with non-controlling interests in other subsidiaries)	13.6	-	4 year projected CAGR EBITDA  Risk adjusted discount rate	28.8%  6.0%-6.7%	-  -	Increase of 10% in CAGR EBITDA = increase in FV liability of €1.4m Decrease of 1% point in discount rate = increase in FV liability of €0.6m
Contingent consideration payable	25.0	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 €0.5m

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	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current loans payable	168.1	147.0	152.8
Current loans payable	49.0	22.9	15.1
<b>Total loans payable</b>	<b>217.1</b>	<b>169.9</b>	<b>167.9</b>
Less: short-term investments	-	-45.1	-40.1
Less: cash and cash equivalents	-92.6	-63.2	-46.7
<b>Loans payable net of cash and liquid short-term investments</b>	<b>124.5</b>	<b>61.6</b>	<b>81.1</b>
Non-current lease liabilities	257.3	151.4	165.1
Current lease liabilities	44.2	34.3	34.4
<b>Total lease liabilities</b>	<b>301.5</b>	<b>185.7</b>	<b>199.5</b>
<b>Financial debt</b>	<b>518.6</b>	<b>355.6</b>	<b>367.4</b>
Less: short-term investments	-	-45.1	-40.1
Less: cash and cash equivalents	-92.6	-63.2	-46.7
<b>Net financial debt</b>	<b>426.0</b>	<b>247.3</b>	<b>280.6</b>

€m	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Other financial liabilities</b>			
Non-current	74.6	39.6	45.9
Current	5.6	5.9	6.8
<b>Total</b>	<b>80.2</b>	<b>45.5</b>	<b>52.7</b>

## 8. Subsequent events

The Group continued its expansion with a few minor acquisitions in October: a fitness club chain and a laboratory practice in Bosnia and Herzegovina.