

## YEAR-END REPORT JANUARY–DECEMBER 2021

### Fourth quarter

- Revenue amounted to €376.3m (€297.7m), an increase of 26.4% with an organic growth of 21.6%.
- Operating profit (EBIT) was €41.6m (€29.9m), representing an operating margin of 11.1% (10.1%).
- Net profit amounted to €28.4m (€18.8m), which represents a net profit margin of 7.6% (6.3%).
- EBITDA was €75.1m (€53.1m), an increase by 41.6%. EBITDA margin was 20.0% (17.8%).
- EBITDAaL amounted to €56.9m (€41.2m), corresponding to an EBITDAaL margin of 15.1% (13.9%).
- Net cash flow from operating activities was €53.9m (€39.0m).
- Basic/diluted earnings per share were €0.186 (€0.123).

### Full year

- Revenue amounted to €1,377.4m (€997.8m), an increase of 38.0% with an organic growth of 38.1%.
- Operating profit (EBIT) was €159.4m (€61.3m), representing an operating margin of 11.6% (6.1%).
- Net profit amounted to €106.6m (€27.3m), which represents a net profit margin of 7.7% (2.7%).
- EBITDA was €270.4m (€157.5m), an increase by 71.7%. EBITDA margin was 19.6% (15.8%).
- EBITDAaL amounted to €210.8m (€108.5m), corresponding to an EBITDAaL margin of 15.3% (10.9%).
- Net cash flow from operating activities was €216.7m (€155.1m).
- Basic/diluted earnings per share were €0.686 (€0.182).
- The board of directors proposes a dividend for 2021 of €0.12 (€0.07) per share.

### REVENUE AND EARNINGS

€ millions (€m)	Q4 2021	Q4 2020	Growth	FY 2021	FY 2020	Growth
Revenue	376.3	297.7	26%	1,377.4	997.8	38%
Operating profit (EBIT)	41.6	29.9	39%	159.4	61.3	160%
Operating profit margin	11.1%	10.1%		11.6%	6.1%	
Net profit	28.4	18.8	51%	106.6	27.3	290%
Net profit margin	7.6%	6.3%		7.7%	2.7%	
Basic/diluted earnings per share, €	0.186	0.123	51%	0.686	0.182	277%
EBITDA	75.1	53.1	42%	270.4	157.5	72%
EBITDA margin	20.0%	17.8%		19.6%	15.8%	
EBITDAaL	56.9	41.2	38%	210.8	108.5	94%
EBITDAaL margin	15.1%	13.9%		15.3%	10.9%	
EBITA	45.9	32.7	41%	171.2	76.9	123%
EBITA margin	12.2%	11.0%		12.4%	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



We leave a remarkable year behind us with very strong revenue growth and also in terms of number of new members, and profit development, it was a record year. However, we have also faced great challenges, navigating in the wake of the pandemic and its impact on our business in our markets with new waves of Covid-19, with increased hospitalisations, operational challenges from Covid-19 and the reset of business focus. The performance of this year illustrates well the robustness of our diversified service offering, payor mix and geographical exposure. Our staff have in an impressive, dedicated, and tireless way contributed to our mission “to improve and sustain health and wellbeing”, and for this I am immensely proud and grateful.

Revenue for the final quarter grew a strong 26.4% to €376.3m (€297.7m) with organic growth of 21.6%. Revenue for the year grew a very strong 38.0% to €1,377.4m (€997.8m) with an organic growth of 38.1%. This is a five-year compounded annual growth rate of 22.6%.

Fee-For-Service and other services (FFS) increased by 34.9% during the quarter, now representing 62% of total revenue. Full year FFS revenue growth was 53.4% now representing 60% of total revenue.

EBITDA for the quarter increased by a strong 41.6% to €75.1m (€53.1m) and increased by 71.7% to €270.4m (€157.5m) for the full year. EBITDA margin for the quarter expanded by 214bps to 20.0% (17.8%) and by 385bps to 19.6% (15.8%) for the year. All business units performed well, and Covid-19 services continue to contribute to margin expansion. Adjusted EBITDA-margin for the year came in at 20.4% (16.4%).

Healthcare Services quarterly revenue grew by 28.7% to €191.9m (€149.0m), with an organic growth of 22.8%. Revenue growth for the year was 31.8%, with an organic growth of 30.9%, reaching €711.6m (€539.7m). This is a five-year compounded annual growth rate of 23.8%. At the end of the year the division had 1.5 million members, growing with 31 thousand members in the quarter and with 142 thousand members for the year. It clearly illustrates the attractiveness of the Integrated Healthcare Model and is reflected in robust demand. FFS grew 40.9% in the quarter and represented 53% of divisional revenue, full year FFS revenue growth was 52.5%.

Healthcare Services EBITDA grew by 31.8% to €28.4m (€21.5m) in the quarter, an EBITDA margin of 14.8% (14.4%). EBITDA for the year grew by a strong 31.7% to €110.7m (€84.1m) corresponding to a margin of 15.6% (15.6%).

Diagnostic Services quarterly revenue grew by 22.7% to €189.7m (€154.6m), with an organic growth of 19.1%. Revenue growth for the year was a very strong 45.1%, with an organic growth of 46.2%, reaching €686.8m (€473.4m). This is a five-year compounded annual growth rate of 21.4%. The number of laboratory tests for the quarter increased by 22.8% to 35.9 million (29.1 million). The number of tests for the full year reached 133.4 million (103.9 million) and increased by 28.3%. At the end of the year, the number of blood-drawing points (BDPs) amounted to 852 (745). FFS grew by 28.2% for the quarter and represented 71% of divisional revenue, full year FFS revenue growth was 53.3%.

Diagnostic Services EBITDA grew a strong 42.8% to €53.3m (€37.4m) in the quarter, an EBITDA margin of 28.1% (24.2%). EBITDA for the year grew a very strong 100.2% to €179.7m (€89.8m), an EBITDA margin of 26.2% (19.0%). The margin expansion was strongly supported by Covid-19 services and is a result of consistently higher volume over the year.

2021 has been a very busy year, not least in respect of acquisitions, such as in the dental and gym businesses in Poland, hospitals in India, Germany, Poland and Romania, in addition to entering new fertility markets in Denmark and Norway. This has continued into 2022 with the completion of the acquisitions of a specialised genetics company in Cyprus and a leading medical services provider in southwestern Poland. Over the course of 2021 we have invested some €190m in total in organic and inorganic expansion capital, very well illustrating the continued strong growth opportunity ahead.

We follow closely the security situation and development in Ukraine and remain hopeful that the international community will be able to find a peaceful solution. We stand by all our Ukrainian colleagues



and their families and remain as committed as ever to support and develop our activities in the country.

We are positive and excited about the future and are well ahead of our three year financial targets (2020-2022). We are in a strong financial position and will continue to focus on developing our business, invest in organic growth and selective acquisitions. Our markets are developing into a new normal and we are learning to adapt. There is an accentuated awareness and understanding of the need for access to preventative and diagnostic healthcare capacity that we expect to support long-term demand for our services, and Medicover is a crucial part of the healthcare systems where we operate.

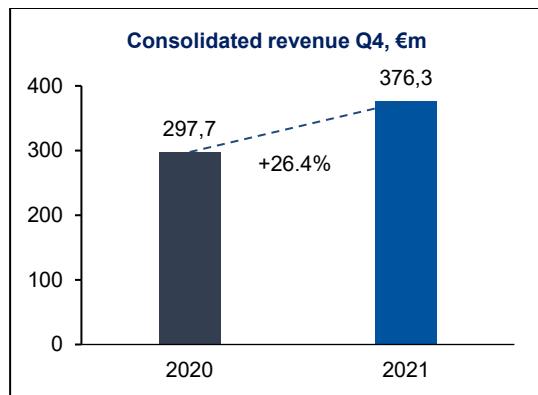
Finally, I would like to express a sincere gratitude to all our staff across our markets for their dedication, hard-work, and professionalism – thank you.

Fredrik Rågmark

CEO

## REVENUE FOURTH QUARTER 2021

**Consolidated revenue** amounted to €376.3m (€297.7m), up 26.4% with an organic growth of 21.6%. Revenue from the underlying business was €314.8m (€245.3m) and grew by 28.3% with an organic growth of 22.7%. Revenue from Covid-19 services amounted to €61.5m (€52.4m).



The business performed very well with good demand levels experienced across all areas. Economic activity has been strong in most markets, with a rebound in activity and tight labour markets being supportive. The negative effects of the reintroduction of restrictions towards the end of the quarter have been offset by Covid-19 services.

The more infectious Omicron variant impacted most markets at the end of the quarter. Demand for Covid-19 testing has been strong, particularly in Germany and Poland. Interest in vaccination has increased in markets with low vaccination levels, however large parts of the population are still unvaccinated or were recently vaccinated. Fortunately, the Omicron variant is less virulent with lower rates of associated hospitalisations, consequently it has been easier to manage from a public health point of view.

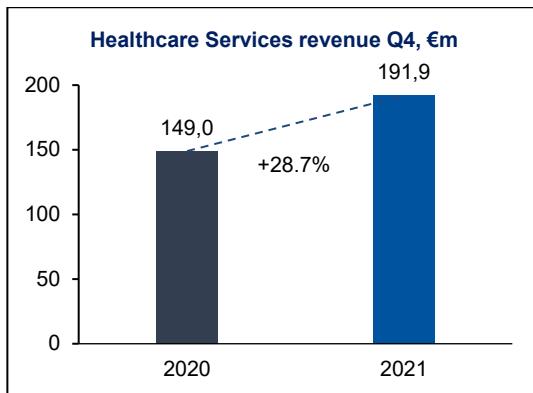
The Group continued to invest in infrastructure and acquisitions. The gym and fitness business in Poland added 11 gyms to the network (8 acquired and 3 organic expansion). One dental business in Poland was acquired. Two acquisitions were signed during the quarter and closed subsequently in 2022: NIPD Genetics, a specialised genetics company in Cyprus and CDT Medicus, a network of medical services in the south-west of Poland. The business overall has been further supported by organic investments and expansion across Medicover's markets.

Acquired revenue amounted to €14.5m.

Foreign exchange fluctuations had a negative impact of 0.1% with weakness for the Polish zloty

offsetting the strengthening of the Ukrainian hryvna.

**Healthcare Services** revenue reached €191.9m (€149.0m), up 28.7% with an organic growth of 22.8%. Revenue from the underlying business was €184.3m (€137.8m) and grew by 33.7%. Revenue from Covid-19 services amounted to €7.6m (€11.2m).



Demand levels have been robust in almost all units. Negative impacts of Covid-19 have been limited, with some postponing of elective treatments seen at the end of the quarter. Additional costs were incurred in preparation for a potential increase in Covid-19 admissions and vaccination drives restarted. Employment and economic activity have been strong in the European markets, with a significant lack of labour and real wage increases.

Members increased by 10.6% to 1,495K (1,353K), 31K new members in the quarter. Employers understand clearly the value of healthcare packages for the workforce, which is reflected in robust demand. Maintaining service levels remains a challenge when shortages of medical staff are present.

FFS activities have performed well with good demand levels and coping with Covid-19 restrictions. Expansion of facilities has continued despite delays on commissioning as a result of government authority departments working at lower levels and handling backlogs. During the quarter 65 dental chairs were added resulting in a total of 359 dental chairs in Poland. Further greenfield openings are scheduled in 2022 and additional acquisitions are expected.

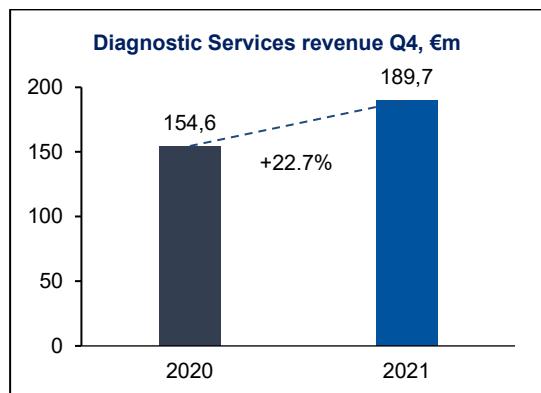
The division operated 4,028 commissioned hospital beds, 233 beds and one hospital were added during the quarter. Total hospitals amounted to 32 (19 hospitals in India).

	<b>Q4 2021</b>	<b>Q4 2020</b>
Clinics	129	115
Hospitals	32	25
Beds (commissioned)	4,028	3,185
Fertility clinics	26	21
Dental clinics	64	52
Dental chairs	359	256
Gyms	77	25
Other facilities	65	58
Members (thousands)	1,495	1,353

Acquired revenue amounted to €11.2m.

Foreign exchange fluctuations had a negative impact of 1.6%, mainly due to the weakness for the Polish zloty.

**Diagnostic Services** revenue increased to €189.7m (€154.6m), up 22.7%, with an organic growth of 19.1%. Revenue from the underlying business was €135.8m (€113.4m) and grew by 19.8%. Revenue from Covid-19 services amounted to €53.9m (€41.2m).



Prices for most markets were stable quarter on quarter. Private pay funding grew by 28.2%. The BDP network was more impacted by Covid-19 restrictions in the comparative period.

The laboratory test volume increased by 22.8% to 35.9 million (29.1 million) in line with revenue growth. Covid-19 tests were 2.6 million (1.1 million), a higher growth versus the increase in revenue reflecting a different test mix and pricing.

The number of BDPs increased by 15% to 852 (745), 31 new BDPs during the quarter. Delays in opening new BDPs have been encountered due to Covid-19 working practices of public approval authorities. Investment in infrastructure continues, as well as specific facilities and machinery to expand the range of tests and automation. Medicover Genetics continues to expand its offering and the acquisition of NIPD Genetics will further support the growth of genetic services in 2022.

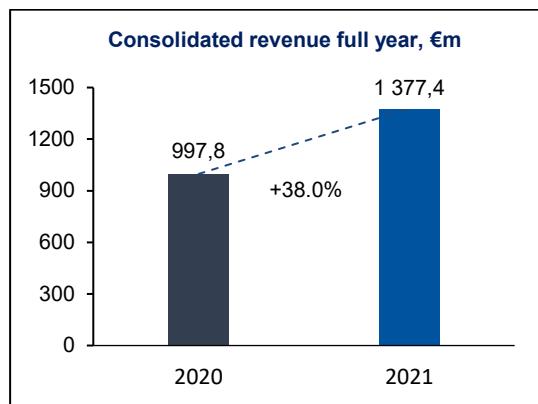
	<b>Q4 2021</b>	<b>Q4 2020</b>
Total labs	99	97
BDPs	852	745
Medicover clinics	24	25
Lab tests (million)	35.9	29.1

Acquired revenue amounted to €3.3m.

Foreign exchange fluctuations had a positive impact of 1.5%, mainly due to the strengthening of the Ukrainian hryvna.

## REVENUE FULL YEAR 2021

**Consolidated revenue** amounted to €1,377.4m (€997.8m), up 38.0% with an organic growth of 38.1%. Revenue from the underlying business was €1,131.4m (€903.4m) and grew by 25.2% with an organic growth of 24.7%. Revenue from Covid-19 services amounted to €246.0m (€94.4m).

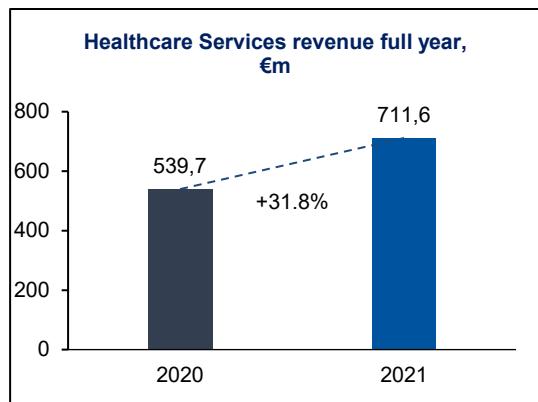


Growth has continued and investments and new capacity are contributing. Demand levels are robust with strong employment markets and increasing real salaries driving both disposable income and demand for employer paid healthcare.

Acquired revenue amounted to €32.2m.

Foreign exchange fluctuations had a negative impact of 3.3%, with all currencies weaker and most notably the Polish zloty.

**Healthcare Services** revenue reached €711.6m (€539.7m), up 31.8%, with an organic growth of 30.9%. Revenue from the underlying business was €645.0m (€511.4m) and grew by 26.1% with an organic growth of 24.7%.



Revenue from Covid-19 services amounted to €66.6m (€28.3m) with inpatient revenue in Medicover Hospitals India ('MHI') being one of the largest contributors. More than 15 thousand Covid-19 patients have been admitted to MHI inpatient

facilities over the year and almost half a million vaccine doses administered.

Members increased by 10.6% to 1,495K (1,353K) and 142K members were added in 2021. The strong employment markets in Healthcare Services operating countries have continued to support this business activity.

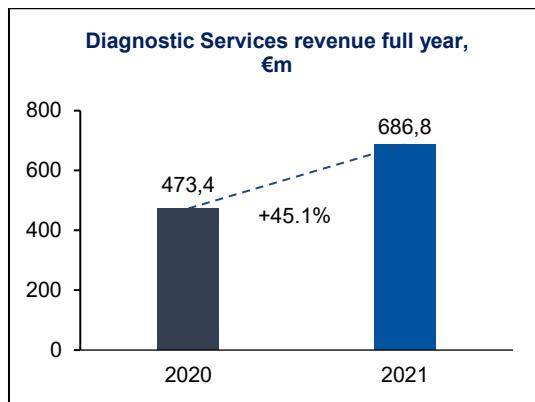
Fertility services expanded during the year with the addition of 4 clinics in Norway and a sperm bank in Denmark. The Group now operates 26 (21) fertility clinics. Organic expansion in facilities is planned for 2022 with new clinic openings and additional capacity.

	31 Dec 2021	31 Dec 2020
Clinics	129	115
Hospitals	32	25
Beds (commissioned)	4,028	3,185
Fertility clinics	26	21
Dental clinics	64	52
Dental chairs	359	256
Gyms	77	25
Other facilities	65	58
Members (thousands)	1,495	1,353

Acquired revenue amounted to €24.4m.

Foreign exchange fluctuations had a negative impact of 3.6%, with largest weakness for the Polish zloty and the Indian rupee.

**Diagnostic Services** revenue increased to €686.8m (€473.4m), up 45.1%, with an organic growth of 46.2%. Revenue from the underlying business was €507.4m (€407.3m) and grew by 24.6% with an organic growth of 25.0%.



Revenue from Covid-19 services amounted to €179.4m (€66.1m). Covid-19 testing has been a very strong feature over the year. The laboratory test volume increased by 28.3% to 133.4 million

(103.9 million) including 7.0 million (1.9 million) Covid-19 tests.

	31 Dec 2021	31 Dec 2020
Total labs	99	97
BDPs	852	745
Medicover clinics	24	25
Lab tests (million)	133.4	103.9

Acquired revenue amounted to €7.8m.

Foreign exchange fluctuations had a negative impact of 2.8%, with all currencies weaker and most notably for the Ukrainian hryvna.

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	Q4 2021	Q4 2020	Growth	FY 2021	% of FY 2021	FY 2020	% of FY 2020	Growth
<b>Healthcare Services</b>								
Revenue	191.9	149.0		711.6		539.7		
Inter-segment revenue	-0.5	-1.1		-1.1		-1.6		
<b>Revenue from external customers</b>								
	<b>191.4</b>	<b>147.9</b>	<b>29.4%</b>	<b>710.5</b>		<b>538.1</b>		<b>32.0%</b>
By payer:								
Public	21.1	15.3	38.6%	74.8	10.5%	55.8	10.4%	34.2%
Private	170.3	132.6	28.4%	635.7	89.5%	482.3	89.6%	31.8%
Funded	68.3	61.1	11.8%	261.5	36.8%	237.8	44.2%	10.0%
Fee-For-Service (FFS)	85.5	63.9	33.9%	336.5	47.4%	221.3	41.1%	52.1%
Other services	16.5	7.6	113.5%	37.7	5.3%	23.2	4.3%	62.2%
By country:								
Poland	124.8	97.6	28.0%	450.0	63.3%	358.4	66.6%	25.6%
India	32.2	23.3	38.8%	134.9	19.0%	82.5	15.3%	63.6%
Romania	22.1	18.9	17.0%	83.8	11.8%	64.6	12.0%	29.7%
Other countries	12.3	8.1	48.0%	41.8	5.9%	32.6	6.1%	27.7%
<b>Diagnostic Services</b>								
Revenue	189.7	154.6		686.8		473.4		
Inter-segment revenue	-4.9	-5.0		-20.2		-14.1		
<b>Revenue from external customers</b>								
	<b>184.8</b>	<b>149.6</b>	<b>23.5%</b>	<b>666.6</b>		<b>459.3</b>		<b>45.1%</b>
By payer:								
Public	55.5	49.9	11.1%	207.9	31.2%	161.0	35.1%	29.1%
Private	129.3	99.7	29.6%	458.7	68.8%	298.3	64.9%	53.8%
Fee-For-Service (FFS)	114.9	95.4	20.4%	415.4	62.3%	287.8	62.7%	44.3%
Other services	14.4	4.3	233.1%	43.3	6.5%	10.5	2.2%	314.0%
By country:								
Germany	86.0	76.6	12.2%	316.4	47.5%	242.4	52.8%	30.5%
Ukraine	32.4	26.8	21.1%	109.5	16.4%	73.1	15.9%	49.8%
Romania	23.0	18.7	22.9%	87.8	13.2%	63.4	13.8%	38.4%
Poland	15.5	12.6	22.6%	60.1	9.0%	39.0	8.5%	54.0%
Other countries	27.9	14.9	86.7%	92.8	13.9%	41.4	9.0%	123.9%

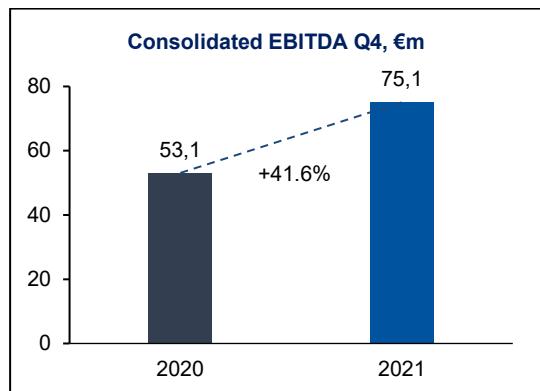
## PROFIT DEVELOPMENT FOURTH QUARTER 2021

**Operating profit (EBIT)** was €41.6m (€29.9m), an operating margin of 11.1% (10.1%). The estimate of EBIT from Covid-19 services was €25.5m (€14.1m) with a margin of 41.4% (26.9%). The underlying business was estimated at €16.1m (€15.8m), a margin of 5.1% (6.4%). The strong overall financial performance was a result of the resilient level of demand for Medicover's services and strong Covid-19 demand.

**Net profit** amounted to €28.4m (€18.8m), which represented a margin of 7.6% (6.3%). Net profit was impacted by a total financial result of €-4.1m (€-6.0m) of which €-6.3m (€-3.8m) was related to interest expense and commitment fees on the Group's debt and other discounted liabilities. Within the interest expense €-4.4m (€-2.7m) was related to lease liabilities. As the Group has expanded its activities significantly, including its leased premises, the cost of interest allocated to lease liabilities has increased. Foreign exchange gains were €1.7m (€-2.2m) of which €0.8m (€-1.1m) was related to euro denominated lease liabilities in Poland as the zloty strengthened.

Basic/diluted earnings per share amounted to €0.186 (€0.123).

**Consolidated EBITDA** was €75.1m (€53.1m), increased by 41.6%, an EBITDA margin of 20.0% (17.8%).



EBITDA for the underlying business grew by 25.7% to €48.7m (€38.8m), a margin of 15.5% (15.8%). When taking into account subsidies received in the prior year quarter, adjusting for acquisitions and the Q2 change in the method of allocation of overheads for Covid-19 services, the underlying EBITDA margin has increased by 1.4pp.

Adjusted EBITDA was €78.8m (€55.7m), a margin of 20.9% (18.7%).

Adjusted EBITDAaL increased to €60.6m (€43.8m), a margin of 16.1% (14.7%) driving the strong cash flows.

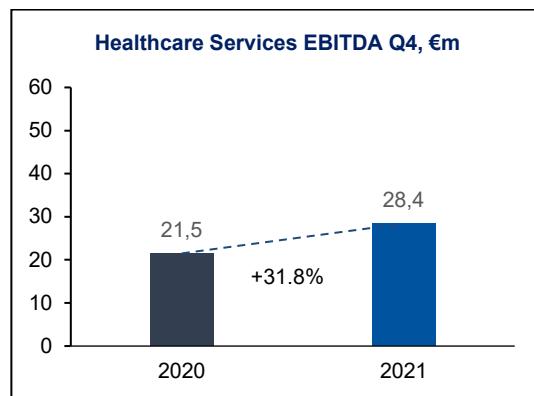
### Items affecting comparability

The contribution from Covid-19 revenue was estimated at an average of 42.9% (27.3%) EBITDA margin, which increased the overall EBITDA margin by approximately 4.5pp, corresponding to €26.4m (€14.3m). The method of allocating overheads to estimate the impact of Covid-19 was changed between the years, moving to a more marginal cost basis as from Q2 2021. In Q4 2021, this change in allocation method has had a negative impact on the underlying EBITDA margin by approximately 1.7pp.

In Q4 2020, €1.3m was recognised in other income/(cost) resulting from a revaluation of a financial investment.

Acquisition related expenses were €-1.5m (€-0.8m) and share-based payments were €-2.2m (€-1.8m).

EBITDA for **Healthcare Services** was €28.4m (€21.5m), an EBITDA margin of 14.8% (14.4%).



EBITDA for the underlying business grew by 37.4% to €27.0m (€19.6m), an EBITDA margin of 14.6% (14.2%). The strong expansion of facilities is reflected in this growth.

The EBITDA contribution from Covid-19 services was estimated to €1.4m (€1.9m) a margin of 18.8% (17.0%).

EBITDAaL was €16.4m (€14.9m), a margin of 8.5% (10.0%). The reduction in the margin is a reflection of the higher medical costs in the employer paid businesses, particularly in Poland and the dilution from the fast expansion with additions of new facilities that are in an earlier stage of development.

Operating profit amounted to €8.1m (€8.6m), a margin of 4.2% (5.8%).

The employer paid services grew well. Medical costs increased as a percentage of revenue resulting from seasonal patterns returning to increasing utilisation rates, inflation in particular higher hourly rates for medical staff and a catch up on diagnostic testing such as scans and laboratory tests. This was partially offset by better productivity of medical staff due to digital health channels. The comparable quarter was still impacted by lower levels of utilisation.

Romanian and Indian inpatient facilities were still attending to Covid-19 admissions, with higher demand at the end of Q3 2021. In Romania, admissions continued into the first part of the quarter and levelled off towards the end of the year.

MHI has expanded the number of facilities, ending up with 2,974 commissioned beds and 2,430 chargeable beds in 19 facilities. Of these facilities 5 were opened in 2021. There is an inevitable reduction in performance of the business with such a fast expansion pace as new facilities build up their activities.

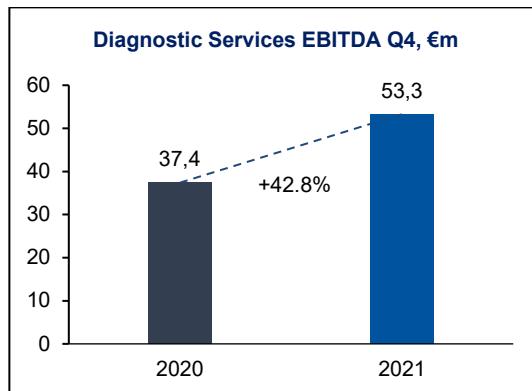
Dental services in Poland have performed well, with an increase in number of facilities and a strong consumer market.

Fertility services have been more consistent with similar levels of demand compared to prior quarter. 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 is visible.

Medicover Sport is observing good demand for sports benefits packages since reopening at the end of May 2021, new memberships have been contracted at a satisfactory pace. Overall the business has a strong performance, however it has a large dependence on leased space, hence slightly dilutive to the division results. The expectation is that as membership size grows the

overall result for this business will demonstrate a high degree of operational leverage.

EBITDA for **Diagnostic Services** was €53.3m (€37.4m), an EBITDA margin of 28.1% (24.2%).



EBITDA for the underlying business grew by 13.8% to €28.3m (€25.0m), a margin of 20.9% (22.0%). The change in allocation basis of overheads between the comparative quarters impacts the underlying business EBITDA margin negatively by 4.0pp. The EBITDA contribution from Covid-19 services was estimated to €25.0m (€12.4m), with a margin of 46.3% (30.1%).

EBITDAaL was €47.2m (€32.2m), a margin of 24.9% (20.8%). EBITDAaL margin for the underlying business was 16.4% (17.4%), impacted negatively by the change in overhead allocation between Covid-19 and underlying business.

Operating profit was €40.4m (€27.7m), a margin of 21.3% (17.9%).

Demand for Covid-19 testing supported profitability with variability between markets, strong demand in Germany and weaker in Romania as the population suffered from a stronger Covid-19 wave earlier. Testing around travel and events has been supportive as well as contracts for businesses which require testing for customers' safety. It is becoming clear that Covid-19 demand is becoming a more persistent feature of medical demand and is likely to continue at variable levels over the coming years.

## PROFIT DEVELOPMENT FULL YEAR 2021

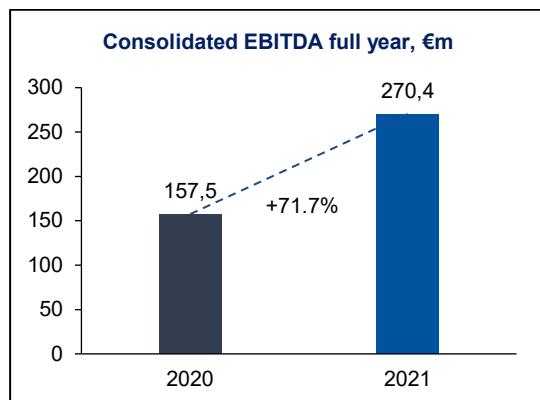
**Operating profit (EBIT)** was €159.4m (€61.3m) with an operating margin of 11.6% (6.1%), increased by the impact of Covid-19. EBIT for the underlying business was €72.3m (€31.6m), an operating margin of 6.4% (3.5%).

**Net profit** amounted to €106.6m (€27.3m), a margin of 7.7% (2.7%). Net profit was impacted by a total financial result of €-17.3m (€-25.6m) of which €-20.1m (€-18.1m) was related to interest expense and €1.8m (€-8.4m) to foreign exchange gains.

The Group has recognised an income tax charge of €-37.2m (€-10.0m). The effective tax rate is 25.8% (26.7%). The reduction in the effective tax rate is a reflection of the change in the composition of the countries where profits are being made, with a higher weighting to lower tax rate countries.

Basic/diluted earnings per share amounted to €0.686 (€0.182).

**Consolidated EBITDA** was €270.4m (€157.5m), an EBITDA margin of 19.6% (15.8%).



EBITDA for the underlying business amounted to €180.2m (€127.4m), an increase of €52.8m, a margin of 15.9% (14.1%), 1.8pp higher. When taking into account subsidies received in the prior year, adjusting for acquisitions and the Q2 change in allocation method of overheads for Covid-19 related services, the underlying EBITDA margin has increased by 4.7pp.

Adjusted EBITDA was €280.5m (€164.1m), a margin of 20.4% (16.4%).

Adjusted EBITDAaL increased to €220.9m (€115.1m), a margin of 16.0% (11.5%).

### Items affecting comparability

The EBITDA contribution from Covid-19 revenue was estimated at €90.2m (€30.1m), with a margin of 36.7% (31.8%). This higher margin increased the overall EBITDA margin by approximately 3.7pp.

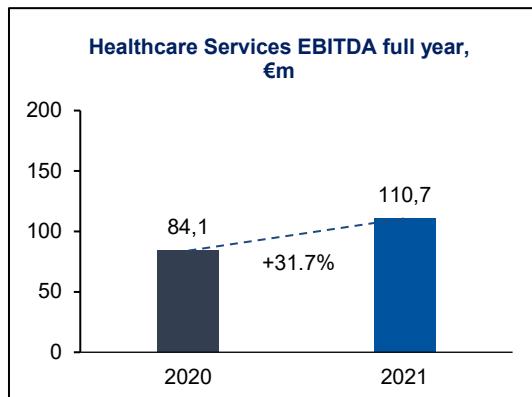
In 2020, temporary salary reductions (voluntary, furlough and government support) were €13.1m, reduction in property lease costs were €1.5m and other cost actions amounted to a reduction of €3.1m for a total of €17.7m. In addition, the method of allocating overheads to estimate the impact of Covid-19 was changed between the years, moving to a more marginal cost basis as from Q2 2021. In 2021, this change in allocation method has had a negative impact on the underlying EBITDA margin by approximately 1.3pp.

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

In 2020, €1.3m was recognised in other income/(cost) resulting from a revaluation of a financial investment.

Acquisition related expenses amounted to €-3.2m (€-1.5m) and share-based payments were €-6.9m (€-5.1m).

EBITDA for **Healthcare Services** increased by 31.7% to €110.7m (€84.1m), an EBITDA margin of 15.6% (15.6%).



EBITDA for the underlying business grew by 25.4% to €94.3m (€75.2m), growth of €19.1m and a margin of 14.6% (14.7%). Salary related reductions (voluntary, furlough and government support) in 2020 were €6.1m and reduction in property lease costs was €0.8m which effectively represented 1.3pp of the underlying EBITDA margin in the comparative period. Underlying EBITDA margin development has been positively supported by volume recovering and continuing patient choices of digital channels for care delivery. In excess of

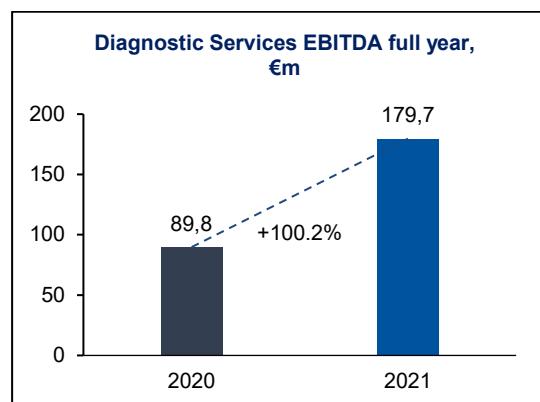
two million remote consultations were performed during the year in the Polish employer paid business. Utilisation levels were higher in the fourth quarter for the employer paid business impacting margins negatively. The underlying EBITDA margin was negatively impacted by the disruption from changing between Covid-19 and underlying business particularly in India between the second and third quarter. Additional factors were restrictions on business operations such as the gyms in the first and into the second quarter and pressure on costs from salary inflation and general inflation.

The EBITDA contribution from Covid-19 services was estimated to €16.4m (€8.9m) impacting 1.0pp of margin. EBITDAaL increased by 28.9% to €74.0m (€57.5m), a margin of 10.4% (10.6%).

Operating profit amounted to €45.4m (€28.8m), a margin of 6.4% (5.3%).

The fast expansion of facilities for Medicover Sport (+52 in Poland) and MHI (+5) has diluted performance.

EBITDA for **Diagnostic Services** increased by 100.2% to €179.7m (€89.8m), an EBITDA margin of 26.2% (19.0%).



EBITDA for the underlying business grew by €37.3m or 54.5% to €105.9m (€68.6m), a margin of 20.9% (16.8%), 4.1pp higher. Salary related reductions (voluntary, furlough and government support) in 2020 were €6.2m and reduction in property lease costs was €0.7m, which together represent approximately 1.7pp of the underlying margin for the comparative period. The change in allocation basis of overheads between the comparative years impacts the underlying business EBITDA margin negatively by 2.8pp.

The EBITDA contribution from Covid-19 services was estimated to €73.8m (€21.2m), a margin of 41.1% (32.1%) and impacted 5.3pp on the overall margin. EBITDAaL amounted to €157.1m (€67.8m), a margin of 22.9% (14.3%) with underlying business EBITDAaL of €83.3m (€46.6m), a margin of 16.4% (11.5%). The prior year was impacted significantly in Q2 with a sharp fall in demand levels at BDPs impacting heavily the margin overall for the year.

Operating profit amounted to €135.5m (€50.8m), a margin of 19.7% (10.7%).

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

## KEY FINANCIAL DATA

<b>Medicover, €m</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Growth</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Growth</b>
Revenue	376.3	297.7	26%	1,377.4	997.8	38%
Operating profit (EBIT)	41.6	29.9	39%	159.4	61.3	160%
Operating profit margin	11.1%	10.1%		11.6%	6.1%	
Net profit	28.4	18.8	51%	106.6	27.3	290%
Net profit margin	7.6%	6.3%		7.7%	2.7%	
Basic/diluted earnings per share, €	0.186	0.123	51%	0.686	0.182	277%
EBITDA	75.1	53.1	42%	270.4	157.5	72%
EBITDA margin	20.0%	17.8%		19.6%	15.8%	
Adjusted EBITDA	78.8	55.7	42%	280.5	164.1	71%
Adjusted EBITDA margin	20.9%	18.7%		20.4%	16.4%	
EBITDAaL	56.9	41.2	38%	210.8	108.5	94%
EBITDAaL margin	15.1%	13.9%		15.3%	10.9%	
Adjusted EBITDAaL	60.6	43.8	38%	220.9	115.1	92%
Adjusted EBITDAaL margin	16.1%	14.7%		16.0%	11.5%	
EBITA	45.9	32.7	41%	171.2	76.9	123%
EBITA margin	12.2%	11.0%		12.4%	7.7%	
Adjusted EBITA	49.6	35.3	41%	181.3	83.5	117%
Adjusted EBITA margin	13.2%	11.9%		13.2%	8.4%	
EBITAAaL	41.5	30.0	38%	157.2	66.7	136%
EBITAAaL margin	11.0%	10.1%		11.4%	6.7%	
Adjusted EBITAAaL	45.2	32.6	39%	167.3	73.3	128%
Adjusted EBITAAaL margin	12.0%	11.0%		12.1%	7.3%	
<b>Healthcare Services, €m</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Growth</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Growth</b>
Revenue	191.9	149.0	29%	711.6	539.7	32%
Operating profit (EBIT)	8.1	8.6	-6%	45.4	28.8	58%
Operating profit margin	4.2%	5.8%		6.4%	5.3%	
EBITDA	28.4	21.5	32%	110.7	84.1	32%
EBITDA margin	14.8%	14.4%		15.6%	15.6%	
EBITDAaL	16.4	14.9	10%	74.0	57.5	29%
EBITDAaL margin	8.5%	10.0%		10.4%	10.6%	
EBITA	11.6	11.0	6%	54.6	39.8	37%
EBITA margin	6.0%	7.3%		7.7%	7.4%	
Members (period end) (000's)	1,495	1,353	11%	1,495	1,353	11%
<b>Diagnostic Services, €m</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Growth</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Growth</b>
Revenue	189.7	154.6	23%	686.8	473.4	45%
Operating profit (EBIT)	40.4	27.7	47%	135.5	50.8	167%
Operating profit margin	21.3%	17.9%		19.7%	10.7%	
EBITDA	53.3	37.4	43%	179.7	89.8	100%
EBITDA margin	28.1%	24.2%		26.2%	19.0%	
EBITDAaL	47.2	32.2	47%	157.1	67.8	132%
EBITDAaL margin	24.9%	20.8%		22.9%	14.3%	
EBITA	41.4	28.1	47%	138.2	55.4	149%
EBITA margin	21.8%	18.2%		20.1%	11.7%	
Lab tests (period volume) (m)	35.9	29.1	23%	133.4	103.9	28%

## COVID-19

The following table presents Covid-19 related metrics.

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020
<b>Covid-19 revenue (€m)</b>										
Healthcare Services	7.6	10.9	37.9	10.2	66.6	11.2	16.0	1.1	0.0	28.3
Diagnostic Services	53.9	38.9	43.9	42.7	179.4	41.2	16.0	7.9	1.0	66.1
<b>Total</b>	<b>61.5</b>	<b>49.8</b>	<b>81.8</b>	<b>52.9</b>	<b>246.0</b>	<b>52.4</b>	<b>32.0</b>	<b>9.0</b>	<b>1.0</b>	<b>94.4</b>
<b>Covid-19 admissions<sup>1)</sup></b>										
Healthcare Services	821	1,385	11,767	2,362	16,335	2,050	4,965	297	-	7,312
<b>Lab tests<sup>2)</sup> (million)</b>										
Diagnostic Services	2.6	2.2	1.1	1.1	7.0	1.1	0.5	0.3	-	1.9
<b>EBITDA<sup>3)</sup> (€m)</b>										
Healthcare Services	1.4	1.6	12.0	1.4	16.4	1.9	6.4	0.6	0.0	8.9
Diagnostic Services	25.0	14.7	18.9	15.2	73.8	12.4	6.1	2.3	0.4	21.2
<b>Total</b>	<b>26.4</b>	<b>16.3</b>	<b>30.9</b>	<b>16.6</b>	<b>90.2</b>	<b>14.3</b>	<b>12.5</b>	<b>2.9</b>	<b>0.4</b>	<b>30.1</b>
<b>EBITDA margin<sup>3)</sup> (€m)</b>										
Healthcare Services	18.8%	14.8%	31.7%	13.2%	24.6%	17.0%	40.1%	48.0%	-	31.3%
Diagnostic Services	46.3%	37.7%	43.0%	35.7%	41.1%	30.1%	38.2%	29.7%	32.0%	32.1%
<b>Total</b>	<b>42.9%</b>	<b>32.7%</b>	<b>37.8%</b>	<b>31.4%</b>	<b>36.7%</b>	<b>27.3%</b>	<b>39.2%</b>	<b>31.9%</b>	<b>32.0%</b>	<b>31.8%</b>

<sup>1)</sup> Include hospitalisations and associated treatments.

<sup>2)</sup> Include PCR, antibody and antigen tests.

<sup>3)</sup> The method of allocating overheads to estimate the impact of Covid-19 EBITDA was changed in Q2 2021, moving to a more marginal cost basis.

The pandemic is demonstrating its ability to be longer term in nature with the Omicron variant becoming the dominant strain in most markets causing renewed, albeit less lethal, disruption. After almost two years, the world is adapting to how to operate in a chronic Covid-19 environment. These adaptions are that testing is important to maintain “normal” activities, vaccinations give protection against severe illness but not against propagation of the viruses and that a balance between living a “normal” life and public health actions is required and essential to maintain population support.

The impact of restrictions and behaviour changes have resulted in more severe late-stage cancer cases and other late diagnosed chronic diseases. Long Covid-19 cases and mental health issues cause increased pressure on public healthcare systems which result in funding gaps. Positive aspects are also being felt from the pandemic, particularly the shift to digital healthcare 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 and

continue to act in this way though the current waves. All frontline staff who want to have been vaccinated with boosters.

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. Strong economic growth is evident combined with increasing inflation. The Group has been able for selected customers to provide bespoke testing capability for specific industries from events management, the cruise industry, airlines and airports with an expectation that the impact of the pandemic will continue as a long-term business area in varying degrees, with a particular seasonal pattern.

## CASH FLOW

### Fourth quarter

Cash generated from operations before working capital changes amounted to €71.4m (€53.0m), being 95.1% of EBITDA (99.8%). Net working capital increased by €17.5m (increased by €14.0m). Income tax paid was €5.5m (€3.4m). Net cash from operating activities was €53.9m (€39.0m).

Investments in property, plant and equipment and intangible assets amounted to €37.2m (€31.4m) with approximately 57% being growth capital investment and 43% being maintenance investment. Covid-19 investments amounted to €1.1m (€4.4m). Cash flow from acquisitions of subsidiaries and associates amounted to €10.6m (€10.2m) relating to acquisitions during the quarter and payments for earlier closed transactions. Payment for short-term investments amounted to €182.5m.

Net loans drawn amounted to €201.8m (net loans repaid €6.5m). Lease liabilities repaid were €11.4m (€7.7m). Interest paid amounted to €7.5m (€4.3m), of which €4.4m (€2.7m) related to lease liabilities.

Cash and cash equivalents increased by €2.3m to €81.9m.

### Full year

Cash generated from operations before working capital changes amounted to €257.6m (€156.7m), being 95.3% of EBITDA (99.5%). Net working capital increased by €40.9m (increased by €1.6m). Income tax paid was €18.3m (€11.0m). Net cash from operating activities was €216.7m (€155.1m).

Investments in property, plant and equipment and intangible assets amounted to €102.2m (€72.5m) with approximately 61% being growth capital investment and 39% being maintenance investment. Covid-19 investments amounted to €7.7m (€5.0m). Cash flow from acquisitions of subsidiaries and associates amounted to €87.5m (€13.6m) relating to acquisitions for the year and payments for earlier closed transactions. Payment for short-term investments amounted to €182.5m and proceeds were €40.3m.

A dividend of €10.4m (-) was distributed to shareholders. Net loans drawn amounted to €239.0m (net loans repaid €106.4m). Lease liabilities repaid were €38.5m (€31.4m). Interest paid amounted to €19.7m (€15.8m), of which €14.0m (€10.2m) related to lease liabilities.

Cash and cash equivalents increased by €47.2m to €81.9m.

## FINANCIAL POSITION

Consolidated equity as at 31 December 2021 amounted to €562.1m (€483.5m). The increase in equity included a positive movement of €9.1m on translation reserves mostly relating to Ukraine and India as those currencies strengthened compared to year-end 2020 offset with a slight weakness in the Romanian lei. In addition, total equity attributable to owners of the parent includes a negative movement of €33.1m relating to fair value changes of put option liquidity obligations with non-controlling interests, consisting of €19.8m for existing and €13.3m for new obligations arising from acquisition of subsidiaries.

Inventories amounted to €72.0m (€53.0m), of which approximately €15.3m (€11.2m) is related to Covid-19 services and contracts.

Loans payable amounted to €418.2m (€167.9m) and lease liabilities to €345.9m (€199.5m). The total financial debt was €764.1m (€367.4m). In December, the Group carried out its second schuldschein issue (a German private placement

debt instrument) under its newly established social financing framework. €277m was issued in euro-denominated tranches with maturities of 5.5, 7.5 and 10 years at fixed and floating rates. At year-end €216m had been received, €42m was received in January 2022 and the remaining €19m will be received in April 2022. Loans payable net of cash and liquid short-term investments amounted to €143.4m (€81.1m) reflecting the strong operating cash flows as well as acquisitions and capital investment. The ratio of loans payable net of cash and liquid short-term investments to adjusted EBITDAaL for the year was 0.6x (0.7x level at year-end 2020).

Lease liabilities increased by €146.4m, of which 57.2% 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, India and Germany.

The Group has resumed issuance under its SEK 2bn commercial paper programme at the end of the third quarter. €19.5m has been issued.

At year-end, €192.9m was mainly invested in highly liquid short-term euro-denominated bond funds and short-term government bonds. The Group has undrawn committed credit facilities of €230m, liquid

short-term investments and cash and cash equivalents of €274.8m, in total €504.8m (€306.8m) at the end of the year and is well positioned to support future organic and acquisition growth.

## PARENT COMPANY

---

There was no significant revenue. The profit for the year amounted to €2.0m (€2.1m). The company has reassumed its commercial paper programme. At year-end, €19.5m 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 31 December 2021 was €610.0m (€611.9m).

## DIVIDEND

---

The board of directors proposes to the annual general meeting that a dividend of €0.12 (€0.07) per share is distributed for the financial year 2021. The decision is subject to the shareholders' approval at the annual general meeting on 27 April 2022.

The proposed dividend is 17.5% of the net profit attributable to owners of the parent, in line with the dividend policy, corresponding to a total of €17.8m. If the proposal is accepted, the expected record date for the dividend will be 29 April and the dividend is expected to be paid out by Euroclear on 6 May.

## RISK FACTORS

---

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 year-end report for January-December 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 11 February 2022

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 interim 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 and the Securities Markets Act. The information was submitted for publication through the agency of the contact person set out below at 7.45 (CET) on 11 February 2022. This year-end report and other information about Medicover is available at [medicover.com](http://medicover.com).

#### **Financial Calendar**

Annual report	week 13
Interim report January-March	27 April
Annual general meeting	27 April
Interim report April-June	22 July
Interim report July-September	3 November

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

Hanna Bjellquist, Head of Investor Relations  
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: 4597901  
SE: +46 (0)8-566 184 67 DE: +49 (0) 305 200 2085  
UK: +44 (0) 2071 928 338 US: +1 646 741 3167

#### **Address**

Org nr: 559073-9487  
Medicover AB (publ)  
P.O. Box 5283, SE-102 46 Stockholm  
Visiting address: Riddargatan 12A, SE-114 35 Stockholm, Sweden  
Phone: +46 8 400 17 600

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	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Revenue</b>	<b>376.3</b>	<b>297.7</b>	<b>1,377.4</b>	<b>997.8</b>
<b>Operating expenses</b>				
Medical provision costs	-267.1	-218.1	-982.4	-734.3
<b>Gross profit</b>	<b>109.2</b>	<b>79.6</b>	<b>395.0</b>	<b>263.5</b>
Distribution, selling and marketing costs	-16.3	-12.7	-58.1	-43.3
Administrative costs	-51.3	-37.0	-177.5	-158.9
<b>Operating profit (EBIT)</b>	<b>41.6</b>	<b>29.9</b>	<b>159.4</b>	<b>61.3</b>
<b>Other income/(costs)</b>	<b>-0.1</b>	<b>1.5</b>	<b>0.7</b>	<b>1.5</b>
Interest income	0.5	0.0	1.0	0.9
Interest expense	-6.3	-3.8	-20.1	-18.1
Other financial income/(expense)	1.7	-2.2	1.8	-8.4
<b>Total financial result</b>	<b>-4.1</b>	<b>-6.0</b>	<b>-17.3</b>	<b>-25.6</b>
Share of profit of associates	0.1	0.0	1.0	0.1
<b>Profit before income tax</b>	<b>37.5</b>	<b>25.4</b>	<b>143.8</b>	<b>37.3</b>
Income tax	-9.1	-6.6	-37.2	-10.0
<b>Profit for the period</b>	<b>28.4</b>	<b>18.8</b>	<b>106.6</b>	<b>27.3</b>
<b>Profit attributable to:</b>				
Owners of the parent	27.5	18.2	101.8	25.8
Non-controlling interests	0.9	0.6	4.8	1.5
<b>Profit for the period</b>	<b>28.4</b>	<b>18.8</b>	<b>106.6</b>	<b>27.3</b>
<b>Earnings per share attributable to owners of the parent:</b>				
Basic/diluted, €	0.186	0.123	0.686	0.182

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Profit for the period</b>	<b>28.4</b>	<b>18.8</b>	<b>106.6</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	4.0	-9.2	9.1	-40.5
Income tax relating to these items	0.0	0.0	-0.5	0.4
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>4.0</b>	<b>-9.2</b>	<b>8.6</b>	<b>-40.1</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>32.4</b>	<b>9.6</b>	<b>115.2</b>	<b>-12.8</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	30.3	10.2	107.7	-9.2
Non-controlling interests	2.1	-0.6	7.5	-3.6
<b>Total comprehensive income/(loss) for the period</b>	<b>32.4</b>	<b>9.6</b>	<b>115.2</b>	<b>-12.8</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

€m	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	371.7	289.2
Other intangible assets	75.1	64.6
Property, plant and equipment	319.3	257.9
Right-of-use assets	327.4	180.4
Deferred tax assets	11.9	12.1
Investment in associates	8.5	7.6
Other financial assets	18.8	9.9
<b>Total non-current assets</b>	<b>1,132.7</b>	<b>821.7</b>
<b>Current assets</b>		
Inventories	72.0	53.0
Other financial assets	3.1	0.0
Trade and other receivables	201.7	149.4
Short-term investments	192.9	40.1
Cash and cash equivalents	81.9	46.7
<b>Total current assets</b>	<b>551.6</b>	<b>289.2</b>
<b>Total assets</b>	<b>1,684.3</b>	<b>1,110.9</b>
<b>EQUITY</b>		
Equity attributable to owners of the parent	517.6	448.0
Non-controlling interests	44.5	35.5
<b>Total equity</b>	<b>562.1</b>	<b>483.5</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans payable	375.3	152.8
Lease liabilities	299.8	165.1
Deferred tax liabilities	35.3	30.0
Provisions	2.8	1.9
Other financial liabilities	78.3	45.9
Other liabilities	5.7	3.4
<b>Total non-current liabilities</b>	<b>797.2</b>	<b>399.1</b>
<b>Current liabilities</b>		
Loans payable	42.9	15.1
Lease liabilities	46.1	34.4
Unearned premiums/deferred revenue	20.2	14.8
Corporate tax payable	28.8	7.8
Other financial liabilities	4.6	6.8
Trade and other payables	182.4	149.4
<b>Total current liabilities</b>	<b>325.0</b>	<b>228.3</b>
<b>Total liabilities</b>	<b>1,122.2</b>	<b>627.4</b>
<b>Total equity and liabilities</b>	<b>1,684.3</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 for the period	-	-	-	25.8	-	-	-	25.8	1.5	27.3
Other comprehensive income/(loss)	-	-	-	-	-	-0.1	-34.9	-35.0	-5.1	-40.1
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.8</b>	<b>-</b>	<b>-0.1</b>	<b>-34.9</b>	<b>-9.2</b>	<b>-3.6</b>	<b>-12.8</b>
<b>Transactions with owners in their capacity as owners:</b>										
Issue of shares	3.0	-	140.0	-	-	-	-	143.0	-	143.0
Transaction costs	-	-	-1.1	-	-	-	-	-1.1	-	-1.1
Changes in interests in subsidiaries	-	-	-	0.1	-	-	-	0.1	-0.3	-0.2
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-7.0	-	-	-7.0	-2.9	-9.9
Share-based payments	-	-	-	-	-	4.7	-	4.7	-	4.7
Issue of treasury shares to employees	-	0.0	0.1	-	-	-	-	0.1	-	0.1
<b>Total transactions with owners in their capacity as owners</b>	<b>3.0</b>	<b>0.0</b>	<b>139.0</b>	<b>0.1</b>	<b>-7.0</b>	<b>4.7</b>	<b>-</b>	<b>139.8</b>	<b>-3.2</b>	<b>136.6</b>
<b>Closing balance as at 31 December 2020</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>
<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	-	-	-	101.8	-	-	-	101.8	4.8	106.6
Other comprehensive income/(loss)	-	-	-	-	-	-	5.9	5.9	2.7	8.6
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.8</b>	<b>-</b>	<b>-</b>	<b>5.9</b>	<b>107.7</b>	<b>7.5</b>	<b>115.2</b>
<b>Transactions with owners in their capacity as owners:</b>										
Issue of shares	0.3	-	-	-	-	-	-	0.3	-	0.3
Acquisition of treasury shares	-	-0.3	-	-	-	-	-	-0.3	-	-0.3
Business combinations	-	-	-	-	-	-	-	-	3.8	3.8
Changes in interests in subsidiaries	-	-	-	-1.0	-	-	-	-1.0	-0.4	-1.4
Share capital increase in non-controlling interests	-	-	-	-	-	-	-	-	1.8	1.8
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-33.1	-	-	-33.1	-3.7	-36.8
Dividend	-	-	-	-10.4	-	-	-	-10.4	-	-10.4
Share-based payments	-	-	-	-	-	6.4	-	6.4	-	6.4
<b>Total transactions with owners in their capacity as owners</b>	<b>0.3</b>	<b>-0.3</b>	<b>-</b>	<b>-11.4</b>	<b>-33.1</b>	<b>6.4</b>	<b>-</b>	<b>-38.1</b>	<b>1.5</b>	<b>-36.6</b>
<b>Closing balance as at 31 December 2021</b>	<b>30.4</b>	<b>-0.7</b>	<b>458.7</b>	<b>141.3</b>	<b>-78.2</b>	<b>15.3</b>	<b>-49.2</b>	<b>517.6</b>	<b>44.5</b>	<b>562.1</b>

**CONSOLIDATED CASH FLOW STATEMENT**

€m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Profit before income tax</b>	<b>37.5</b>	<b>25.4</b>	<b>143.8</b>	<b>37.3</b>
Adjustments for:				
Depreciation, amortisation and impairment	33.5	23.2	111.0	96.2
Share-based payments	2.0	1.7	6.4	4.7
Net interest expense	5.8	3.8	19.1	17.2
Unrealised foreign exchange (gain)/loss	-2.0	1.5	-2.6	7.0
Other non-cash transactions	0.1	0.8	-1.8	5.3
Income tax paid	-5.5	-3.4	-18.3	-11.0
<b>Cash generated from operations before working capital changes</b>	<b>71.4</b>	<b>53.0</b>	<b>257.6</b>	<b>156.7</b>
<b>Changes in operating assets and liabilities:</b>				
Increase in inventories	-11.5	-16.2	-17.1	-22.0
Increase in trade and other receivables	-20.6	-23.0	-49.5	-29.3
Increase in trade and other payables	14.6	25.2	25.7	49.7
<b>Net cash from operating activities</b>	<b>53.9</b>	<b>39.0</b>	<b>216.7</b>	<b>155.1</b>
<b>Investing activities:</b>				
Payment for acquisition of intangible assets and property, plant and equipment	-37.2	-31.4	-102.2	-72.5
Proceeds from disposal of intangible assets and property, plant and equipment	0.3	0.0	2.1	0.9
Payment for acquiring interest in associates	0.0	-1.4	0.0	-1.4
Dividends received from associates	0.0	0.2	0.1	0.3
Payment for other financial assets	-2.0	-1.8	-2.0	-3.1
Payment for acquisition of subsidiaries, net of cash acquired	-10.6	-8.8	-87.5	-12.2
Repayment of loans granted	-	0.1	-	0.1
Payment of loans granted	-0.2	0.0	-2.8	-0.2
Payment for short-term investments	-182.5	-	-182.5	-50.0
Proceeds from short-term investments	-	5.0	40.3	10.9
Interest received	0.4	0.1	0.9	0.9
<b>Net cash used in investing activities</b>	<b>-231.8</b>	<b>-38.0</b>	<b>-333.6</b>	<b>-126.3</b>
<b>Financing activities:</b>				
Issue of shares, net of transaction cost	0.3	-	0.3	141.9
Acquisition of treasury shares	-0.3	-	-0.3	-
Acquisition of non-controlling interests	0.0	-	-1.5	-1.2
Repayment of loans	-21.0	-25.8	-54.7	-287.8
Proceeds from loans received	222.8	19.3	293.7	181.4
Repayment of leases	-11.4	-7.7	-38.5	-31.4
Interest paid	-7.5	-4.3	-19.7	-15.8
Dividend paid	-	-	-10.4	-
Distribution to non-controlling interests	-2.8	-	-6.7	-1.2
Proceeds from non-controlling interests	0.1	0.1	1.9	0.9
<b>Net cash from/(used in) financing activities</b>	<b>180.2</b>	<b>-18.4</b>	<b>164.1</b>	<b>-13.2</b>
<b>Total cash flow</b>	<b>2.3</b>	<b>-17.4</b>	<b>47.2</b>	<b>15.6</b>
<b>Cash and cash equivalents</b>				
Cash balance as at beginning of the period	92.6	63.2	46.7	34.8
Net effects of exchange gain/(loss) on cash balances	-13.0	0.9	-12.0	-3.7
Cash balance as at end of the period	81.9	46.7	81.9	46.7
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>2.3</b>	<b>-17.4</b>	<b>47.2</b>	<b>15.6</b>

## PARENT COMPANY INCOME STATEMENT

€m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Revenue</b>	<b>0.4</b>	<b>0.2</b>	<b>0.7</b>	<b>0.7</b>
Operating expenses	-3.6	-2.9	-11.6	-9.7
<b>Operating loss</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-10.9</b>	<b>-9.0</b>
Income from participation in group companies	13.0	11.5	13.0	11.5
Interest expense	-0.1	0.0	-0.1	-0.4
<b>Profit before income tax</b>	<b>9.7</b>	<b>8.8</b>	<b>2.0</b>	<b>2.1</b>
Income tax	-	-	-	-
<b>Profit for the period</b>	<b>9.7</b>	<b>8.8</b>	<b>2.0</b>	<b>2.1</b>

As the profit 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 Dec 2021	31 Dec 2020
Property, plant and equipment	0.1	0.0
Investments in subsidiaries	434.8	434.8
<b>Total non-current assets</b>	<b>434.9</b>	<b>434.8</b>
Current receivables	196.5	179.3
Cash and bank	-	-
<b>Total current assets</b>	<b>196.5</b>	<b>179.3</b>
<b>Total assets</b>	<b>631.4</b>	<b>614.1</b>
Restricted equity	30.4	30.1
Non-restricted equity	579.6	581.8
<b>Total equity</b>	<b>610.0</b>	<b>611.9</b>
Current liabilities	21.4	2.2
<b>Total liabilities</b>	<b>21.4</b>	<b>2.2</b>
<b>Total equity and liabilities</b>	<b>631.4</b>	<b>614.1</b>

## NOTES

---

### 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 and some amendments are applicable from 1 January 2022, however none of these have had/will have a material impact on the consolidated financial statements or accounting policies when applied for the first time.

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	Oct-Dec 2021				Oct-Dec 2020			
	Healthcare Services	Diagnostic Services	Central/other	Group total	Healthcare Services	Diagnostic Services	Central/other	Group total
Revenue	191.9	189.7	0.0		149.0	154.6	0.2	
Inter-segment revenue	-0.5	-4.9	0.1		-1.1	-5.0	0.0	
<b>Revenue from external customers</b>	<b>191.4</b>	<b>184.8</b>	<b>0.1</b>	<b>376.3</b>	<b>147.9</b>	<b>149.6</b>	<b>0.2</b>	<b>297.7</b>
By payer:								
Private	170.3	129.3	0.1	299.7	132.6	99.7	0.2	232.5
Public	21.1	55.5	-	76.6	15.3	49.9	-	65.2
By country:								
Poland	124.8	15.5	0.0	140.3	97.6	12.6	0.1	110.3
Germany	-	86.0	-	86.0	-	76.6	-	76.6
Romania	22.1	23.0	0.0	45.1	18.9	18.7	0.0	37.6
Ukraine	2.2	32.4	-	34.6	2.0	26.8	-	28.8
India	32.2	-	-	32.2	23.3	-	-	23.3
Other countries	10.1	27.9	0.1	38.1	6.1	14.9	0.1	21.1
<b>Operating profit</b>	<b>8.1</b>	<b>40.4</b>	<b>-6.9</b>	<b>41.6</b>	<b>8.6</b>	<b>27.7</b>	<b>-6.4</b>	<b>29.9</b>
<i>Margin</i>	4.2%	21.3%		11.1%	5.8%	17.9%		10.1%
Depreciation, amortisation and impairment	20.3	12.9	0.3	33.5	12.9	9.7	0.6	23.2
<b>EBITDA</b>	<b>28.4</b>	<b>53.3</b>	<b>-6.6</b>	<b>75.1</b>	<b>21.5</b>	<b>37.4</b>	<b>-5.8</b>	<b>53.1</b>
<i>Margin</i>	14.8%	28.1%		20.0%	14.4%	24.2%		17.8%
Right-of-use depreciation/impairment	-8.4	-5.3	-0.1	-13.8	-4.7	-4.4	-0.1	-9.2
Interest on lease liabilities	-3.6	-0.8	0.0	-4.4	-1.9	-0.8	0.0	-2.7
<b>Segment result: EBITDAaL</b>	<b>16.4</b>	<b>47.2</b>	<b>-6.7</b>	<b>56.9</b>	<b>14.9</b>	<b>32.2</b>	<b>-5.9</b>	<b>41.2</b>
<i>Margin</i>	8.5%	24.9%		15.1%	10.0%	20.8%		13.9%
Other income/(costs)					-0.1			1.5
Net interest expense					-5.8			-3.8
Other financial income/(expense)					1.7			-2.2
Share of profit of associates					0.1			0.0
Income tax					-9.1			-6.6
<b>Profit for the period</b>				<b>28.4</b>				<b>18.8</b>

€m	Jan-Dec 2021				Jan-Dec 2020			
	Healthcare Services	Diagnostic Services	Central/other	Group total	Healthcare Services	Diagnostic Services	Central/other	Group total
Revenue	711.6	686.8	0.3		539.7	473.4	0.7	
Inter-segment revenue	-1.1	-20.2	0.0		-1.6	-14.1	-0.3	
<b>Revenue from external customers</b>	<b>710.5</b>	<b>666.6</b>	<b>0.3</b>	<b>1,377.4</b>	<b>538.1</b>	<b>459.3</b>	<b>0.4</b>	<b>997.8</b>
By payer:								
Private	635.7	458.7	0.3	1,094.7	482.3	298.3	0.4	781.0
Public	74.8	207.9	-	282.7	55.8	161.0	-	216.8
By country:								
Poland	450.0	60.1	0.0	510.1	358.4	39.0	0.1	397.5
Germany	-	316.4	-	316.4	-	242.4	-	242.4
Romania	83.8	87.8	0.0	171.6	64.6	63.4	0.0	128.0
India	134.9	-	-	134.9	82.5	-	-	82.5
Ukraine	7.9	109.5	-	117.4	7.6	73.1	-	80.7
Other countries	33.9	92.8	0.3	127.0	25.0	41.4	0.3	66.7
<b>Operating profit</b>	<b>45.4</b>	<b>135.5</b>	<b>-21.5</b>	<b>159.4</b>	<b>28.8</b>	<b>50.8</b>	<b>-18.3</b>	<b>61.3</b>
<i>Margin</i>	6.4%	19.7%		11.6%	5.3%	10.7%		6.1%
Depreciation, amortisation and impairment	65.3	44.2	1.5	111.0	55.3	39.0	1.9	96.2
<b>EBITDA</b>	<b>110.7</b>	<b>179.7</b>	<b>-20.0</b>	<b>270.4</b>	<b>84.1</b>	<b>89.8</b>	<b>-16.4</b>	<b>157.5</b>
<i>Margin</i>	15.6%	26.2%		19.6%	15.6%	19.0%		15.8%
Right-of-use depreciation/impairment	-25.9	-19.4	-0.3	-45.6	-19.6	-18.8	-0.4	-38.8
Interest on lease liabilities	-10.8	-3.2	0.0	-14.0	-7.0	-3.2	0.0	-10.2
<b>Segment result: EBITDAaL</b>	<b>74.0</b>	<b>157.1</b>	<b>-20.3</b>	<b>210.8</b>	<b>57.5</b>	<b>67.8</b>	<b>-16.8</b>	<b>108.5</b>
<i>Margin</i>	10.4%	22.9%		15.3%	10.6%	14.3%		10.9%
Other income/(costs)				0.7				1.5
Net interest expense				-19.1				-17.2
Other financial income/(expense)				1.8				-8.4
Share of profit of associates				1.0				0.1
Income tax				-37.2				-10.0
<b>Profit for the period</b>				<b>106.6</b>				<b>27.3</b>

### 3. Share capital

Share capital as at 31 December 2021 was €30.4m (€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	-219,550	219,550		
<b>31 December 2020</b>	<b>78,551,881</b>	<b>69,798,670</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>
Issue of shares		1,200,000		1,200,000
Conversion of class A to class B shares	-982,605	982,605		
<b>31 December 2021</b>	<b>77,569,276</b>	<b>70,781,275</b>	<b>3,584,644</b>	<b>151,935,195</b>

\* held by the Company as treasury shares.

Celox Holding AB owned 47,157,365 shares and 55.5% of the voting rights (47,157,365 shares and 55.0% of the voting rights at year-end 2020).

The number of shares used to calculate the basic and diluted earnings per share was 148,350,551 (148,350,551) for the quarter and 148,350,551 (141,748,414) for the year.

1.2 million class C shares were issued and immediately repurchased in November 2021. The purpose was to enable future delivery of performance shares in accordance with the incentive programmes. Following the share issue, the share capital increased by €0.3m.

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

### 4. Business combinations

During the fourth quarter, the Group acquired the fitness club chain Mega Solar Sp. z o.o., a Romanian clinic Mediplus Company SRL and a Polish dental business. Total purchase price amounted to €12.1m and total payments net of cash acquired were €10.6m. Goodwill of €10.1m was recognised, representing expected synergies with existing operations. Contingent consideration of €1.1m has been recognised and capped as part of the purchase price based on future performance.

In 2021, payment net of cash acquired amounted to €87.5m. Goodwill of €79.0m was recognised, including €27.1m (gyms) and €32.0m (fertility business). Goodwill represented expected synergies with existing operations. Lease liabilities amounted to €83.7m, including €52.0m (gyms), €21.6m (MHI) and €4.4m (fertility business). Contingent consideration of €11.3m has been recognised and capped as part of the purchase price based on future performance. The primary

reason for these acquisitions is future growth and strengthening of Medicover's offer within healthcare and diagnostic services. For some of these acquisitions, the Group has granted a contractual right to the owner to put their non-controlling interest at a future date. As at 31 December 2021, these put option liquidity obligations granted amounted to €13.3m, refer to note 5. None of the acquisitions in 2021 are individually significant.

Included in the consolidated income statement 2021 was revenue of €25.7m and a net loss of €-2.2m. If these acquisitions had occurred on 1 January 2021, revenue would have been €21.3m higher and net profit would have been €-2.8m lower. Acquisition related expenses (included in administrative expenses) amounted to €-3.2m in 2021.

The following table presents the total preliminary purchase price allocation for acquisitions in 2021.

€m	Total
Goodwill	79.0
Other intangible assets:	
Brand	13.9
Operating licenses	1.1
Other	1.4
Property, plant and equipment	12.1
Right-of-use assets	83.7
Accounts receivable and inventories	9.8
Corporate tax receivable	0.2
Cash and cash equivalents	3.5
Non-controlling interests	-3.8
Loans payable	-3.5
Lease liabilities	-83.7
Deferred tax (net)	-2.8
Corporate tax payable	-1.0
Accounts payable	-14.6
<b>Total purchase price</b>	<b>95.3</b>
Cash and cash equivalents acquired	-3.5
Contingent consideration payable	-11.3
Deferred consideration payable	-1.7
Non-cash movements	0.4
Payment into escrow	3.1
Movements related to prior year's acquisitions	5.2
<b>Total cash flow for acquisitions net of cash acquired</b>	<b>87.5</b>

Business combinations in 2021 included:

Acquisition date	Name	Country	Description of business	Voting rights, %
Quarter 1	Dom Lekarski S.A.	Poland	Hospital	65 <sup>1)</sup>
	Holmes Place Poland Sp. z o.o.	Poland	Gym	100
	Dental business	Poland	Dental	-
Quarter 2	Pradhama Hospital	India	Hospital	-
	ANV Güven Sağlık Hizmetleri Ticaret A.Ş.	Turkey	Laboratory	70 <sup>2)</sup>
	AWO Gesundheitszentrum Calbe (Saale) GmbH	Germany	Hospital	100
Quarter 3	Klinikk Hausken AS	Norway	Fertility	70 <sup>2)</sup>
	Centrum Medyczne MML Sp. z o.o.	Poland	Hospital	65 <sup>2)</sup>
	SellmerDiers Holding ApS	Denmark	Fertility	89 <sup>2)</sup>
	Just Gym Sp. z o.o.	Poland	Gym	60 <sup>2)</sup>
	Fit Projekt Sp. z o.o.	Poland	Gym	100
	Dental business	Poland	Dental	-
Quarter 4	Mega Solar Sp. z o.o.	Poland	Gym	100
	Mediplus Company SRL	Romania	Medical	80 <sup>2)</sup>
	Dental business	Poland	Dental	-

<sup>1)</sup> Non-controlling interests have been measured at the fair value of the acquiree's net assets.

<sup>2)</sup> Non-controlling interests have been measured at the proportionate share of the acquiree's net assets.

## 5. Financial assets and liabilities

Note	€m	31 Dec 2021			31 Dec 2020		
		Non-current	Current	Total	Non-current	Current	Total
	<b>Financial assets at fair value through profit or loss</b>						
	Short-term investments	-	192.9	192.9	-	40.1	40.1
	Foreign currency swaps	-	0.5	0.5	-	-	-
a)	Other financial assets	5.8	-	5.8	3.2	-	3.2
	<b>Total</b>	<b>5.8</b>	<b>193.4</b>	<b>199.2</b>	<b>3.2</b>	<b>40.1</b>	<b>43.3</b>
	<b>Financial assets at amortised cost</b>						
	Other financial assets	13.0	3.1	16.1	6.7	0.0	6.7
	Trade and other receivables <sup>1)</sup>	-	171.2	171.2	-	129.3	129.3
	<b>Total</b>	<b>13.0</b>	<b>174.3</b>	<b>187.3</b>	<b>6.7</b>	<b>129.3</b>	<b>136.0</b>
	Cash and cash equivalents	-	81.9	81.9	-	46.7	46.7
	<b>Total financial assets</b>	<b>18.8</b>	<b>449.6</b>	<b>468.4</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
b)	Contingent consideration payable <sup>2)</sup>	17.2	7.5	24.7	11.5	7.0	18.5
	<b>Total</b>	<b>17.2</b>	<b>7.5</b>	<b>24.7</b>	<b>11.5</b>	<b>7.3</b>	<b>18.8</b>
c)	Put option liquidity obligations with non-controlling interests (with movement through equity) <sup>3)</sup>	78.3	0.7	79.0	45.9	-	45.9
	<b>Total financial liabilities at fair value</b>	<b>95.5</b>	<b>8.2</b>	<b>103.7</b>	<b>57.4</b>	<b>7.3</b>	<b>64.7</b>
	<b>Financial liabilities at amortised cost</b>						
	Borrowings <sup>2)</sup>	356.7	34.9	391.6	141.2	7.8	149.0
	Lease liabilities	299.8	46.1	345.9	165.1	34.4	199.5
	Other financial liabilities	-	3.9	3.9	-	6.8	6.8
	Trade and other payables <sup>1)</sup>	-	65.1	65.1	-	57.6	57.6
	Deferred consideration payable <sup>2)</sup>	1.4	0.5	1.9	0.1	0.3	0.4
	<b>Total</b>	<b>657.9</b>	<b>150.5</b>	<b>808.4</b>	<b>306.4</b>	<b>106.9</b>	<b>413.3</b>
	<b>Total financial liabilities</b>	<b>753.4</b>	<b>158.7</b>	<b>912.1</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.

<sup>3)</sup> Presented as other non-current financial liabilities in the statement of financial position.

<sup>4)</sup> Financial assets and liabilities carried at amortised cost are considered to have carrying amounts that materially correspond to their fair values.

### 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:** Short-term investments and other financial assets include €192.9m (€40.1m) and €2.2m (-) mainly in euro denominated bond funds and government bonds 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) Other financial assets include €3.6m (€3.2m) relating to 14% (14%) of the voting rights in a dialysis clinic in Germany.

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

c) 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 €22.6m (€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 €43.1m (€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 €13.3m (-). These are estimated to be exercised in 2022 and 2026.

In determining the fair value of the 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:

<b>Description</b>	<b>Fair Value (€m)</b>		<b>Inputs</b>		<b>Sensitivity</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>Relationship of unobservable inputs to fair value (FV)</b>	
Put option (liquidity obligation with non-controlling interests in a German subsidiary)	22.6	18.9	Earnings growth factor	5.5%	5.5%	Increase of 1% point in profit growth = increase in FV liability of €0.2m
			Risk adjusted discount rate	0.9%	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)	43.1	27.0	6 year projected CAGR EBITDA	34.8%	27.0%	Increase of 10% in CAGR EBITDA = increase in FV liability of €4.8m
			Risk adjusted discount rate	11.8%	11.3%	Decrease of 1% point in discount rate = increase in FV liability of €1.6m
Put option (liability obligation with non-controlling interests in other subsidiaries)	13.3	-	Earnings growth factor	28.8%	-	Increase of 10% in CAGR EBITDA = increase in FV liability of €1.3m
			Risk adjusted discount rate	6.3%	-	Decrease of 1% point in discount rate = increase in FV liability of €0.5m
Contingent consideration payable	24.7	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.

## 6. Related party transactions

The Group has transactions with non-controlling interests in MHI. The purchase of material and services amounted to €-7.1m (€-4.4m) for the

quarter and to €-28.8m (€-17.1m) for the year. Trade payables were €7.7m (€7.2m) as at 31 December 2021.

## 7. Net financial debt and other financial liabilities

€m	31 Dec 2021	31 Dec 2020
Non-current loans payable	375.3	152.8
Current loans payable	42.9	15.1
<b>Total loans payable</b>	<b>418.2</b>	<b>167.9</b>
Less: short-term investments	-192.9	-40.1
Less: cash and cash equivalents	-81.9	-46.7
<b>Loans payable net of cash and liquid short-term investments</b>	<b>143.4</b>	<b>81.1</b>
Non-current lease liabilities	299.8	165.1
Current lease liabilities	46.1	34.4
<b>Total lease liabilities</b>	<b>345.9</b>	<b>199.5</b>
<b>Financial debt</b>	<b>764.1</b>	<b>367.4</b>
Less: short-term investments	-192.9	-40.1
Less: cash and cash equivalents	-81.9	-46.7
<b>Net financial debt</b>	<b>489.3</b>	<b>280.6</b>
€m	31 Dec 2021	31 Dec 2020
<b>Other financial liabilities</b>		
Non-current	78.3	45.9
Current	4.6	6.8
<b>Total</b>	<b>82.9</b>	<b>52.7</b>

## 8. Subsequent events

In January 2022 Medicover increased its ownership in NIPD Genetics Public Company Ltd ('NIPD') from 18.9% to 87.2% and the acquisition of 100% of Centrum Diagnostyczno-Terapeutyczne "Medicus" Sp. z o.o. was closed ('CDT').

NIPD is a specialised genetics company based in Cyprus with 170 employees, active in the field of designing, developing, producing, and providing in vitro genetic testing solutions. NIPD offers advanced genetic testing services in over 30 countries in Europe, Asia and Africa. NIPD's technology and expertise in prenatal testing complements and expands Medicover's genetic offering in its markets while NIPD's geographic reach allows Medicover to penetrate new markets quicker with a combined product offering. Revenue for 2021 was approximately €20.3m.

The purchase price for the 68.3% acquired shares in NIPD was €44.4m, no debt assumed, all settled in cash. Medicover has an obligation, at a future date, to acquire the non-controlling interests. NIPD has, up until January 2022, been accounted for as an associate using the equity method.

CDT is a leading regional provider of medical services in southwestern Poland. CDT operates two hospitals, 13 outpatient clinics (mainly focused on primary care), three diagnostic laboratories and has approximately 1,000 employees. Revenue for 2021 was approximately €28.9m. The purchase price was €55.8m, net zero debt assumed, all settled in cash.

The purchase price allocations are still being prepared. NIPD and CDT will be consolidated in the first quarter of 2022.