

INTERIM REPORT APRIL–JUNE 2022

Second quarter

- Revenue amounted to €362.2m (€348.9m), an increase of 3.8% with an organic reduction of 5.0%.
- Operating profit (EBIT) was €15.2m (€46.2m), representing an operating margin of 4.2% (13.3%).
- Net profit amounted to €2.9m (€33.5m), which represents a net profit margin of 0.8% (9.6%).
- EBITDA was €53.0m (€71.8m), a decrease by 26.1%. EBITDA margin was 14.6% (20.6%).
- EBITDAaL amounted to €31.5m (€58.2m), corresponding to an EBITDAaL margin of 8.7% (16.7%).
- Net cash flow from operating activities was €27.8m (€38.1m).
- Basic/diluted earnings per share were €0.011 (€0.203).

First half

- Revenue amounted to €743.9m (€666.1m), an increase of 11.7% with an organic growth of 3.9%.
- Operating profit (EBIT) was €37.7m (€87.8m), representing an operating margin of 5.1% (13.2%).
- Net profit amounted to €15.2m (€59.8m), which represents a net profit margin of 2.0% (9.0%).
- EBITDA was €115.6m (€137.3m), a decrease by 15.7%. EBITDA margin was 15.5% (20.6%).
- EBITDAaL amounted to €74.4m (€111.1m), corresponding to an EBITDAaL margin of 10.0% (16.7%).
- Net cash flow from operating activities was €73.6m (€95.8m).
- Basic/diluted earnings per share were €0.093 (€0.377).

REVENUE AND EARNINGS

€ millions (€m)	Q2 2022	Q2 2021	Variance	6M 2022	6M 2021	Variance	LTM*	FY 2021
Revenue	362.2	348.9	4%	743.9	666.1	12%	1,455.2	1,377.4
Operating profit (EBIT)	15.2	46.2	-67%	37.7	87.8	-57%	109.3	159.4
Operating profit margin	4.2%	13.3%		5.1%	13.2%		7.5%	11.6%
Net profit	2.9	33.5	-91%	15.2	59.8	-75%	62.0	106.6
Net profit margin	0.8%	9.6%		2.0%	9.0%		4.3%	7.7%
Basic/diluted earnings per share, €	0.011	0.203	-95%	0.093	0.377	-75%	0.402	0.686
EBITDA	53.0	71.8	-26%	115.6	137.3	-16%	248.7	270.4
EBITDA margin	14.6%	20.6%		15.5%	20.6%		17.1%	19.6%
Adjusted EBITDA	56.2	74.1	-24%	123.7	141.0	-12%	263.2	280.5
Adjusted EBITDA margin	15.5%	21.2%		16.6%	21.2%		18.1%	20.4%
EBITDAaL	31.5	58.2	-46%	74.4	111.1	-33%	174.1	210.8
EBITDAaL margin	8.7%	16.7%		10.0%	16.7%		12.0%	15.3%
Adjusted EBITDAaL	34.7	60.5	-43%	82.5	114.8	-28%	188.6	220.9
Adjusted EBITDAaL margin	9.6%	17.4%		11.1%	17.2%		13.0%	16.0%
EBITA	19.8	48.6	-59%	51.8	92.7	-44%	130.3	171.2
EBITA margin	5.5%	13.9%		7.0%	13.9%		9.0%	12.4%

Definition and reconciliation of alternative performance measures are available at www.medicover.com/financial-information.

* LTM: last twelve months (1 July 2021-30 June 2022)

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 2021, Medicover had revenue of €1,377 million and more than 38,000 employees. For more information, go to www.medicover.com

CEO STATEMENT



For the second quarter which has been an exceptionally difficult quarter, with multiple negative macro trends as well as specific challenges impacting our geographies, we are reporting a revenue growth of 3.8%. Despite that, our underlying revenue growth, business as usual excluding Covid-19, has shown strong organic growth during the quarter of 13.7%, and excluding Ukraine impact organic revenue growth is 20.6%, evidencing the strength and diversification of our business.

However our operating margin for the quarter has significantly contracted from the prior year comparative quarter, which is largely driven by reduced Covid-19 testing and impact of war in Ukraine however several factors impacting us in parallel.

First, the war in Ukraine and the direct impact this has on our operations in the country, and in addition multiple indirect impacts. As we comment on later in this report, while we are encouraged and surprised by the speed of business recovery in Ukraine outside of the immediate conflict zone, we also recognise the inherent uncertainty impacting the country and its economy from the ongoing Russian Federation aggression.

Second, the accelerating inflation cost impacts on our business, in particular salary inflation. We remain confident that we continue to see market acceptance for our price compensation, however reiterate the inherent 3-9 months time lag between cost and pricing impact in results.

Third, a period of very strong footprint expansion with multiple businesses in maturing stages, particularly across our Indian hospital network and our Polish gym expansion. We equally here remain confident and encouraged by the development during the quarter as these maturing businesses develop according to plan.

Fourth, testing levels from the most recent wave of Covid-19 dropping off significantly across all our markets early in the second quarter. It remains to be seen how future variants of Covid-19 will be impacting the world and our markets. We maintain our capacity and ability to respond to potential future demand increases. Our projected increase in operating margins through the year and 2023, is not dependent on further Covid-19 testing volume.

Despite these multiple negative factors impacting our business in the quarter, I consider it satisfactory, that we are able to report an adjusted EBITDA margin within the target range of our public financial targets, be it at the lower end for the quarter, but the upper end for the first half of the year. We will be able to manage the inflation aspects, as price increases come through, and our expansionary footprint will mature and we can hope for a resolution of some sort for Ukraine in the second half. These actions will be supportive of margin improvement.

Revenue for the quarter grew 3.8% to €362.2m (€348.9m), with an organic reduction of 5.0%. Organic growth for business as usual was 13.7%. Fee-For-Service and other services (FFS) represented 59% of total revenue.

EBITDA was €53.0m (€71.8m), decreased by 26.1%, representing an EBITDA margin of 14.6% (20.6%). Adjusted EBITDA amounted to €56.2m (€74.1m), with a margin of 15.5% (21.2%).

Healthcare Services revenue grew by 18.2% to €219.5m (€185.7m), with an organic growth of 4.3%. Organic growth in business as usual (excluding Covid-19) was an impressive 30.4%. The number of members in the Integrated Healthcare Model increased by a strong 13.3% to 1.6 million (1.4 million) members, with 29,000 new members during the quarter. FFS grew 18.1% in the quarter and represented 55% of divisional revenue.

Healthcare Services EBITDA decreased by 11.3% to €29.7m (€33.4m), an EBITDA margin of 13.5% (18.0%). Impacted by the reduction in Covid-19 services, the expansion pace with several large projects in an early/construction stage, and medical demand/cost pressures.

Diagnostic Services revenue decreased by 12.6% to €147.4m (€168.7m), with an organic reduction of 15.5%. Organic growth in business as usual (excluding Covid-19 and Ukraine) was 4.0%. As mentioned



Covid-19-testing levels dropped significantly across all our markets early in the second quarter. The number of laboratory tests amounted to 29.0 million (32.5 million), a decrease of 10.7%. The number of blood-drawing points (BDPs) open and operating was 843 (779). FFS decreased by 15.1% in the quarter and represented 66% of divisional revenue.

Diagnostic Services EBITDA amounted to €28.9m (€43.4m), a decrease of 33.2%, an EBITDA margin of 19.6% (25.7%). Ukraine continues to have a negative impact and less contribution from Covid-19 reduced margins.

We have continued to be active with our acquisition agenda and completed several deals in the field of dental, laboratory, mental health, and gyms that will contribute to future growth.

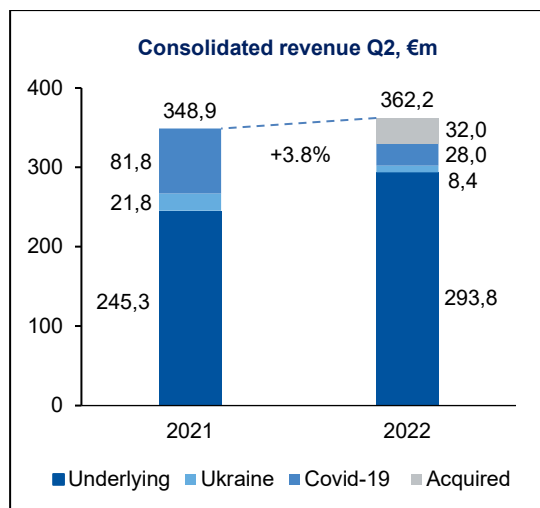
Notwithstanding the unusual high number of uncertain factors we face this year, we are confident that we will be within the financial adjusted EBITDA margin target of 15.5-16.5% for 2022. We are continuously working on the aspects in our control, as we increase pricing and drive our expansion to maturity.

Finally, a big thank you to all our employees and especially to employees in Ukraine who, despite the difficult circumstances, do a fantastic job and show a great fighting spirit and faith in a better future. Thank you!

Fredrik Rågmark
CEO

REVENUE SECOND QUARTER 2022

Consolidated revenue amounted to €362.2m (€348.9m), up 3.8% with an organic reduction of 5.0%. Revenue from Covid-19 services amounted to €28.0m (€81.8m).



The business continued to be negatively impacted from the decrease in revenue in Ukraine and the slow-down in Covid-19 revenue due to less public health attention to the virus. Taking these two aspects into account, the business lines grew and were further boosted by acquisition growth. Organic growth excluding Ukraine and Covid-19 revenue amounted to a strong 20.6%.

More comments on the war in Ukraine and its impact are described in a separate section on page 14.

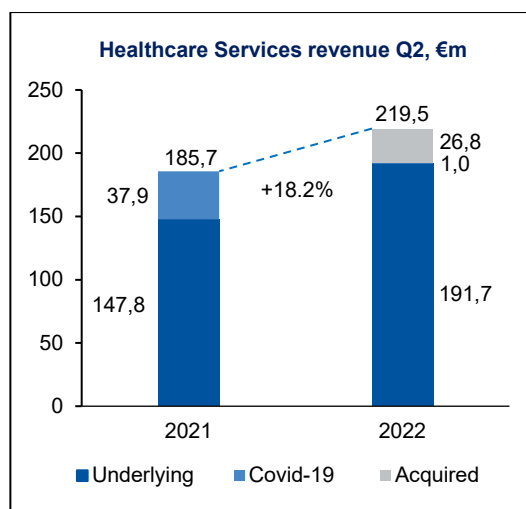
Inflation is very apparent in headline inflation measures, reaching 15.6% annualised for Poland in June 2022 (4.4% in June 2021), and is particularly visible in capital equipment pricing and construction. Price indexations are lagging the acceleration in inflation, depressing margins.

The Group continued to invest in greenfield infrastructure and acquisitions have been made mainly in the dental, sports, mental health and laboratory business in Poland, refer to note 4. In addition acquisitions have been signed during the quarter and are yet to close, notably Laurus Medical - a Romanian network of clinics - and MeinDentist - a leading dental provider in the Berlin area with 147 chairs. Acquired revenue amounted to €32.0m.

Foreign exchange fluctuations were relatively minor overall with a negative impact of 0.4%. The weakness of the Polish zloty was offset by the strengthening of the Indian rupee.

€m	Q2 2022	Q2 2021	FY 2021
Covid-19 revenue			
Healthcare Services	1.0	37.9	66.6
Diagnostic Services	27.0	43.9	179.4
Total	28.0	81.8	246.0

Healthcare Services revenue reached €219.5m (€185.7m), up 18.2% with an organic growth of 4.3%. Revenue from Covid-19 services amounted to €1.0m (€37.9m). Organic growth excluding Covid-19 revenue amounted to an impressive 30.4%, with volume being the largest component of the growth.



Covid-19 revenue decreased significantly with lower testing and reduced inpatient services. Additional costs are still incurred in maintaining a level of preparedness for Covid-19 resurgence, such as patient/staff testing regimes, enhanced medical equipment and facilities to be able to separate patient flows. Employment and economic activity has been strong in European markets, with a significant lack of labour and widespread wage pressure.

Members increased by a strong 13.3% to 1,608K (1,419K), with 29K new members in the quarter.

FFS activities have performed well with good demand levels. During the quarter 27 dental chairs were added resulting in a total of 400 dental chairs in Poland. Further greenfield openings are scheduled in 2022 and additional acquisitions are expected.

The division operated 5,461 commissioned hospital beds, an increase of 1,599 beds since prior year, with the largest number in India (+1,206). In August, a new greenfield hospital is planned to

open in Navi Mumbai, adding an additional 300 beds.

	30 June 2022	30 June 2021	FY 2021
Clinics	138	119	129
Hospitals	37	32	32
Beds (commissioned)	5,461	3,862	4,028
Fertility clinics	26	21	26
Dental clinics	70	56	64
Dental chairs	400	278	359
Gyms	103	32	77
Other facilities	104	60	65
Members (thousands)	1,608	1,419	1,495

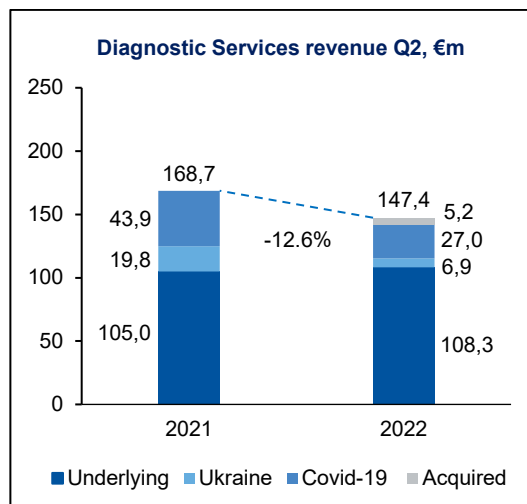
Acquired revenue amounted to €26.8m. The rate of expansion of both organic and acquired revenue is strong, following the high growth in capital investments over the previous years.

Foreign exchange fluctuations were relatively minor with a negative impact of 0.5%. The weakness of the Polish zloty was offset by the strengthening of the Indian rupee.

Diagnostic Services revenue amounted to €147.4m (€168.7m), a decrease of 12.6% with an organic reduction of 15.5%. Ukraine and a sharp reduction in Covid-19 services impacted the quarter. Revenue from Covid-19 services amounted to €27.0m (€43.9m). Covid-19 testing dropped as testing requirements and travel restrictions have been removed. Currently there is a resurgence of infections in Europe (visible where cases are being measured), and testing regimes may be reinstated in the autumn/winter.

Organic growth excluding Ukraine and Covid-19 revenue, amounted to 4.0%, with a large hospital outsourcing contract loss from the start of 2022 not fully compensated by FFS growth in Poland, and some smaller markets being softer offset by good underlying laboratory test volume growth in Romania. The FFS price component represented 1.6% of this increase.

The activity levels in Ukraine are higher than expected. Revenue for June was approximately 50-55% of the normal levels excluding Covid-19 revenue. 293 out of 345 BDPs were operational at quarter end. Pricing has not been increased.



Indexation has been applied to FFS prices in some markets from the beginning of the year, however basic testing was largely shielded to maintain affordability for patients. Public pricing and commercial contracts have largely not been indexed yet despite increasing inflation. German prices have not changed except for a reduction in the reimbursement for Covid-19 PCR tests to take effect from July 2022.

The laboratory test volume decreased by 10.7% to 29.0 million (32.5 million) impacted by the war in Ukraine. Covid-19 tests were 1.6 million (1.1 million), the difference in Covid-19 test volume versus revenue development arises from higher proportion of lower priced commercial contract PCR testing. Volume was 25.1 million (24.2 million) excluding Ukraine and Covid-19 testing.

The number of BDPs amounted to 895 (779), 52 BDPs and 2 labs were non-operational in Ukraine.

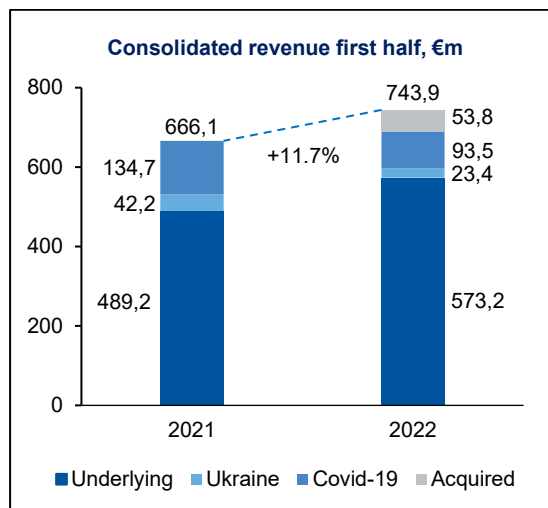
	30 June 2022	30 June 2021	FY 2021
Total labs	108	98	99
BDPs	895	779	852
Clinics	24	24	24
Lab tests (million)	29.0	32.5	133.4

Acquired revenue amounted to €5.2m.

Foreign exchange fluctuations were relatively minor overall with a negative impact of 0.2%.

REVENUE FIRST HALF 2022

Consolidated revenue increased to €743.9m (€666.1m), up 11.7% with an organic growth of 3.9%. Revenue from Covid-19 services amounted to €93.5m (€134.7m).



The Group continued to invest in greenfield infrastructure and acquisitions, the main acquisitions included NIPD Genetics - a specialised genetics company in Cyprus - and CDT Medicus - a leading regional provider of medical services in the south-west of Poland, refer to note 4.

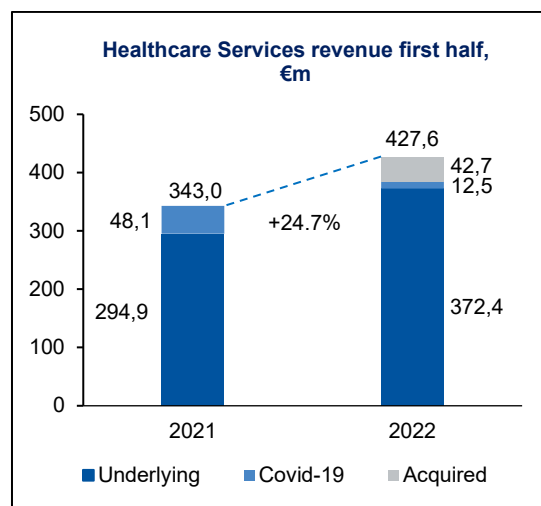
Organic growth excluding Ukraine and Covid-19 revenue amounted to a strong 17.9%.

Acquired revenue amounted to €53.8m.

Foreign exchange fluctuations were relatively minor with a negative impact of 0.3%. The weakness of the Polish zloty was offset by the strengthening of the Indian rupee.

€m	6M 2022	6M 2021	FY 2021
Covid-19 revenue			
Healthcare Services	12.5	48.1	66.6
Diagnostic Services	81.0	86.6	179.4
Total	93.5	134.7	246.0

Healthcare Services revenue reached €427.6m (€343.0m), up 24.7% with an organic growth of 12.7%. Revenue from Covid-19 services amounted to €12.5m (€48.1m). Organic growth excluding Covid-19 revenue was up a very strong 26.9% boosted almost 10pp by the fast growth in Medicover Hospitals India switching back to normal business.

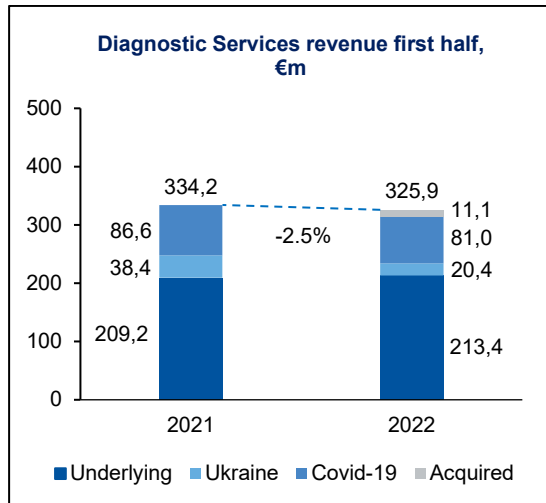


	30 June 2022	30 June 2021	FY 2021
Clinics	138	119	129
Hospitals	37	32	32
Beds (commissioned)	5,461	3,862	4,028
Fertility clinics	26	21	26
Dental clinics	70	56	64
Dental chairs	400	278	359
Gyms	103	32	77
Other facilities	104	60	65
Members (thousands)	1,608	1,419	1,495

Acquired revenue amounted to €42.7m.

Foreign exchange fluctuations were relatively minor with a negative impact of 0.5%. The weakness of the Polish zloty was offset by the strengthening of the Indian rupee.

Diagnostic Services revenue amounted to €325.9m (€334.2m), down 2.5% with an organic reduction of 5.6%. Revenue from Covid-19 services amounted to €81.0m (€86.6m). Organic growth excluding Ukraine and Covid-19 revenue amounted to 2.9%.



The number of BDPs amounted to 895 (779), 52 BDPs and 2 labs were non-operational in Ukraine.

	30 June 2022	30 June 2021	FY 2021
Total labs	108	98	99
BDPs	895	779	852
Clinics	24	24	24
Lab tests (million)	61.0	65.1	133.4

Acquired revenue amounted to €11.1m.

Foreign exchange fluctuations were relatively minor with a negative impact of 0.2%.

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	Q2 2022	Q2 2021	Var- iance	6M 2022	6M 2021	Var- iance	LTM	FY 2021
Healthcare Services								
Revenue	219.5	185.7		427.6	343.0		796.2	711.6
Inter-segment revenue	-0.2	-0.2		-0.4	-0.5		-1.0	-1.1
Revenue from external customers	219.3	185.5	18.2%	427.2	342.5	24.7%	795.2	710.5
By payer:								
Public	24.2	18.3	32.5%	47.5	36.1	31.6%	86.2	74.8
Private	195.1	167.2	16.6%	379.7	306.4	23.9%	709.0	635.7
Funded	73.8	64.5	14.3%	145.7	126.8	14.9%	280.4	261.5
Fee-For-Service (FFS)	97.3	96.2	1.2%	193.6	168.0	15.3%	362.1	336.5
Other services	24.0	6.5	265.8%	40.4	11.6	245.2%	66.5	37.7
By country:								
Poland	144.9	111.7	29.8%	279.3	213.6	30.7%	515.7	450.0
India	39.7	43.6	-9.1%	76.0	69.7	9.0%	141.2	134.9
Romania	22.3	21.0	6.3%	46.5	41.5	12.2%	88.8	83.8
Other countries	12.4	9.2	34.7%	25.4	17.7	42.9%	49.5	41.8
Diagnostic Services								
Revenue	147.4	168.7		325.9	334.2		678.5	686.8
Inter-segment revenue	-4.5	-5.4		-9.3	-10.8		-18.7	-20.2
Revenue from external customers	142.9	163.3	-12.5%	316.6	323.4	-2.1%	659.8	666.6
By payer:								
Public	48.9	52.5	-6.9%	113.9	107.8	5.6%	214.0	207.9
Private	94.0	110.8	-15.1%	202.7	215.6	-6.0%	445.8	458.7
Fee-For-Service (FFS)	76.3	102.4	-25.6%	172.8	202.9	-14.9%	385.3	415.4
Other services	17.7	8.4	112.1%	29.9	12.7	137.1%	60.5	43.3
By country:								
Germany	75.7	79.2	-4.6%	169.5	160.5	5.5%	325.4	316.4
Ukraine	7.0	26.5	-73.4%	25.0	51.5	-51.4%	83.0	109.5
Romania	19.4	21.4	-9.4%	41.5	44.0	-5.8%	85.3	87.8
Poland	12.8	16.5	-22.3%	26.1	31.2	-16.2%	55.0	60.1
Other countries	28.0	19.7	43.0%	54.5	36.2	50.8%	111.1	92.8

The following table presents Covid-19 related metrics.

	Q2 2022	Q1 2022	6M 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
Revenue (€m)								
Healthcare Services	1.0	11.5	12.5	7.6	10.9	37.9	10.2	66.6
Diagnostic Services	27.0	54.0	81.0	53.9	38.9	43.9	42.7	179.4
Total	28.0	65.5	93.5	61.5	49.8	81.8	52.9	246.0
Admissions¹⁾								
Healthcare Services	6	1,339	1,345	821	1,385	11,767	2,362	16,335
Lab tests²⁾ (million)								
Diagnostic Services	1.6	2.4	4.0	2.6	2.2	1.1	1.1	7.0

¹⁾ Include hospitalisations

²⁾ Include PCR, antibody and antigen tests

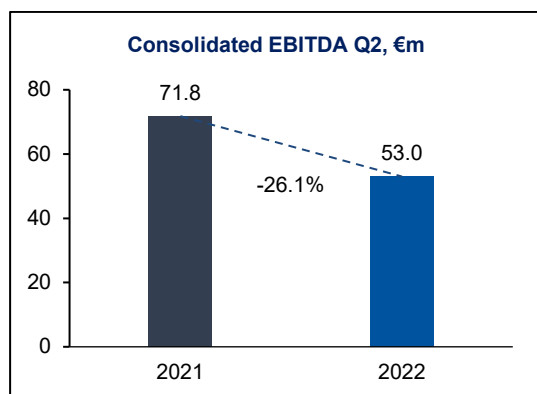
PROFIT DEVELOPMENT SECOND QUARTER 2022

Operating profit (EBIT) was €15.2m (€46.2m), an operating margin of 4.2% (13.3%), impacted by the war in Ukraine, increased medical costs, lower contribution from Covid-19 services and several projects in maturing stages.

Net profit amounted to €2.9m (€33.5m), which represented a margin of 0.8% (9.6%). Other income/(costs) of €-4.6m (€0.2m) mainly include a loss on bond funds of €-3.7m. Total financial result amounted to €-6.7m (€-1.3m) of which €-7.9m (€-4.1m) was related to interest expense and commitment fees on the Group's debt and other discounted liabilities. Within the interest expense €-5.4m (€-3.2m) 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 €0.7m (€2.6m) of which €-0.3m (€2.0m) was related to euro denominated lease liabilities mainly in Poland as the zloty weakened, impacted by concerns related to the war in Ukraine and economic outlook concerns.

Basic/diluted earnings per share amounted to €0.011 (€0.203).

Consolidated EBITDA was €53.0m (€71.8m), an EBITDA margin of 14.6% (20.6%). Adjusted EBITDA amounted to €56.2m (€74.1m) a margin of 15.5% (21.2%).



EBITDAaL was €31.5m (€58.2m), a margin of 8.7% (16.7%). Adjusted EBITDAaL was €34.7m (€60.5m), a margin of 9.6% (17.4%).

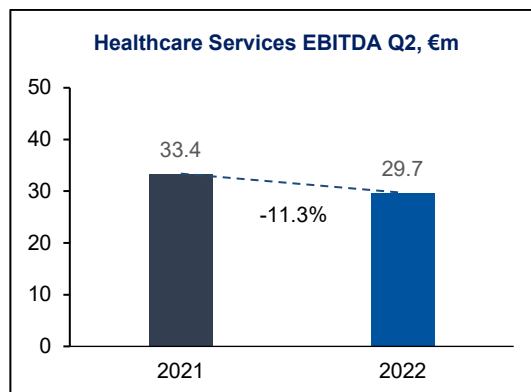
Items affecting comparability

Acquisition related expenses were €-1.1m (€-0.9m).

Equity settled share-based payments charges relating to long-term performance-based share programmes were €-2.1m (€-1.4m).

The war in Ukraine has impacted the contribution of that market significantly with an EBITDA of €-0.2m (€5.8m).

EBITDA for **Healthcare Services** was €29.7m (€33.4m), an EBITDA margin of 13.5% (18.0%).



The factors having the largest impact on profit for the division are the swing in Covid-19 activity, the new expansion activities (new units & pre-opening costs), acquisitions made in the last 12 months and inflation impacts on the cost base. The war in Ukraine has had a direct impact however relatively minor for the division.

In the comparative quarter the Delta variant was running very high in India with increased occupancy of Covid-19 patients and consequently large contribution from Covid-19 revenue. In Q2 2021 EBITDA from Covid-19 services was estimated to €12.0m of which the large majority was relating to India. Excluding Covid-19 revenue, the development in the segment was very strong. Covid-19 represented approximately 6.5pp in the comparative EBITDA margin.

EBITDAaL was €14.6m (€25.4m), a margin of 6.7% (13.7%). The medical cost ratio (MCR) to revenue was 81.0%, an increase of 7.4pp, the driver for the reduction in margin due to new projects, cost inflation and reduction in Covid-19 services. Covid-19 represented approximately 6.5pp in the comparative EBITDAaL margin.

Operating profit amounted to €5.7m (€18.6m), a margin of 2.6% (10.0%), where the 7.4pp increase in MCR is carried through.

The swing in Covid-19 activity was significant (-6.3pp of EBITDAaL margin), with high levels of Covid-19 dedicated resources in India in Q2 2021. The underlying growth for the division is boosted significantly by the switch from Covid-19 back to underlying business for the quarter (around 10pp of

the 30.4pp underlying organic revenue growth related to this switch alone).

The division has expanded significantly with start-ups and early stage projects over the twelve months, particularly as investment was restrained in the earlier part of the Covid-19 pandemic in 2020/2021. Among these is the new hospital in Cluj, Romania, a 214-bed general hospital with its first full quarter of operations. Over the quarter 550 procedures were performed and EBITDAaL of €-1.6m was recorded. 4 new units in India were opened over the last 12 months and incurred EBITDAaL of €-0.9m. Losses on these new units represent approximately 1.1pp of EBITDAaL margin for the quarter.

Additionally, pre-opening lease & other costs were expensed for the 183-bed hospital under construction in Bucharest and the two new hospitals being built in India (Pune & Navi Mumbai). These incurred EBITDAaL of €-0.8m, or -0.3pp of margin.

Medicover Sports is observing a good increase in demand for sports benefits packages which are sold alongside Medicover healthcare benefits to the same employer base. The large ramp up in gyms (+14 locations in Q2 2022) is still dilutive to margin overall but has improved compared to the comparative quarter. The improvement at the EBITDAaL level is €0.6m, equivalent to 0.3pp of margin. The further integration of the gyms acquired and gain in market share of the sports/fitness corporate benefit plans is expected to occur over the next 12 months and also contribute to margin improvement.

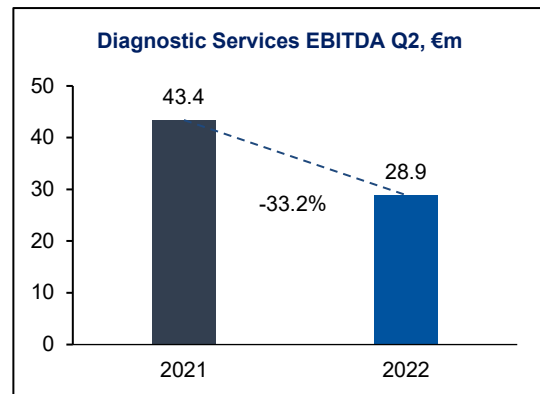
Acquisitions (made in the last 12 months and excluding Medicover Sports acquisitions) have supported profitability over the quarter and have generated EBITDAaL of €2.2m or 1.0pp of margin, with CDT Medicus being the largest contributor.

Salary costs, energy and contracted services have been the drivers for increased costs in the corporate paid services, for which there is a lag in passing on to clients. This has been offset with a reduction in the utilisation level over the quarter (which was high at the start of the quarter and normalised at quarter end), and price indexation. The salary and energy cost increases have however been significant and higher than these positive aspects.

Several other units have performed well, the Polish dental business being noticeable, with an increase in the number of facilities, a strong consumer market and integration of acquired units.

The existing inpatient facilities in Poland and Romania have performed well despite not having public tariffs indexed and being faced with increased staff costs. Health fund price tariffs are now being increased in Poland effective July 2022 with no visibility yet on the absolute amounts.

EBITDA for **Diagnostic Services** was €28.9m (€43.4m), an EBITDA margin of 19.6% (25.7%), impacted by the war in Ukraine and less contribution from Covid-19 services.



EBITDAaL was €22.6m (€37.9m), a margin of 15.3% (22.5%). The sharp reduction in Covid-19 testing has had a corresponding reduction in margin, representing approximately 3.9pp. The war in Ukraine has also impacted margin with a negative EBITDAaL for the quarter diluting margin, with a negative swing of €3.2m or 2.0pp.

Acquisitions made in the last 12 months had a positive impact on EBITDAaL of €0.5m, or 0.4pp of margin.

Pre-opening costs were expensed for the new central laboratory site in Germany and additional costs have been incurred due to the switch of suppliers for the main laboratories leading to the old and new automated systems running concurrently. Margins have been under pressure as a consequence of labour cost increases and other inflationary costs with no price indexation in Germany and in other markets for outsourced contracts and basic testing. This will improve as lab automation projects start and contracts are renegotiated. The overall negative impact of these items and net cost increase to the underlying business has been approximately €2.6m or 1.8pp of margin.

Operating profit was €15.6m (€33.0m), a margin of 10.6% (19.6%).

Inflation in most markets has been apparent with increasing staff costs (including legislation increasing staff remuneration) and operational costs such as heat and lighting and other services. Indexation of prices occurred in some markets at

the beginning of the year for FFS business, however not on some of the more basic tests to support affordability for patients. Public reimbursement rates have not been changed,

adding to margin pressure. A large proportion of testing supplies are under long term supplier contracts with fixed prices which offsets some pressure on margins.

PROFIT DEVELOPMENT FIRST HALF 2022

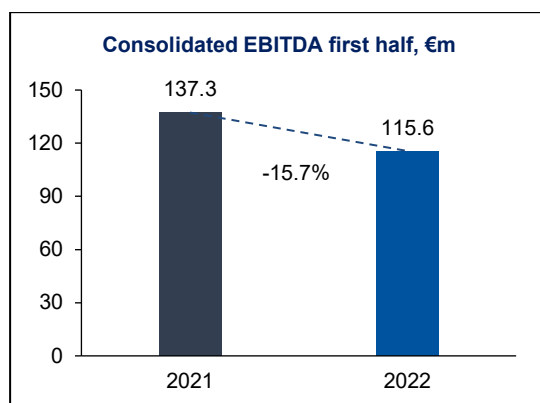
Operating profit (EBIT) was €37.7m (€87.8m) with an operating margin of 5.1% (13.2%), impacted by the war in Ukraine and a related €-5.1m impairment, increased utilisation and medical costs, lower contribution from Covid-19 services as well as several projects in maturing stages.

Net profit amounted to €15.2m (€59.8m), a margin of 2.0% (9.0%). Other income/(costs) of €-3.3m (€0.1m) mainly include a gain of €4.4m relating to the revaluation of the NIPD investment offset against a loss on bond funds of €-6.6m. Total financial result amounted to €-13.4m (€-6.6m) of which €-15.4m (€-8.3m) was related to interest expense, €-1.5m (€1.4m) to foreign exchange losses and €2.4m (-) to a gain on early repayment of debt obligations.

The Group has recognised an income tax charge of €-5.9m (€-22.1m) which corresponds to an effective tax rate for the first half of 28.0% (27.0%).

Basic/diluted earnings per share amounted to €0.093 (€0.377).

Consolidated EBITDA was €115.6m (€137.3m), an EBITDA margin of 15.5% (20.6%). Adjusted EBITDA was €123.7m (€141.0m), a margin of 16.6% (21.2%).



EBITDAaL was €74.4m (€111.1m), a margin of 10.0% (16.7%). Adjusted EBITDAaL amounted to €82.5m (€114.8m), a margin of 11.1% (17.2%).

Items affecting comparability

During the first quarter, the Group recognised an impairment of €-5.1m relating to damaged and

destroyed assets as well as assets not under its control in occupied regions of Ukraine, of which €-4.0m is included in medical provision costs and €-1.1m in administrative costs.

Until January 2022 NIPD was accounted for as an associate using the equity method. In January the share of ownership was increased to 87.2% and subsequently consolidated. Upon consolidation, the Group's previously held interest of 18.9%, with a carrying value of €7.9m, was remeasured to its acquisition fair value of €12.3m, resulting in a gain of €4.4m which has been recognised as other income/(costs).

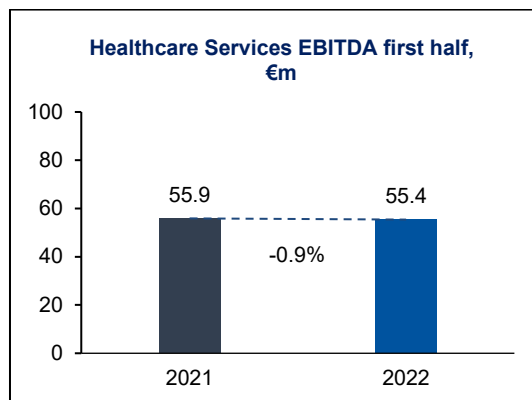
A gain of €2.4m was recognised on the early repayment of €40m nominal of debt obligations at a discount, presented within other financial income/(expense).

Acquisition related expenses were €-4.0m (€-1.1m).

Equity settled share-based payments charges relating to long-term performance-based share programmes were €-4.1m (€-2.6m).

The war in Ukraine has impacted the contribution of that market significantly with an EBITDA of €2.0m (€10.7m).

EBITDA for **Healthcare Services** was €55.4m (€55.9m), an EBITDA margin of 13.0% (16.3%).

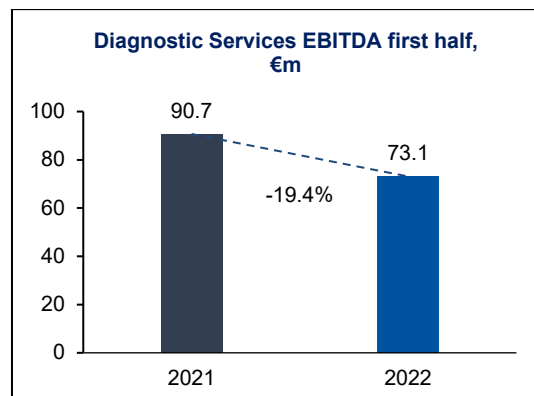


EBITDAaL was €27.4m (€40.8m), a margin of 6.4% (11.9%).

Operating profit amounted to €9.8m (€27.4m), a margin of 2.3% (8.0%).

The strong contribution from Covid-19 services, particularly in India in Q2 2021 has been largely replaced with “normal” business, from organic expansion and acquisitions. The organic growth has weighed on margins as those units have started up and made negative or dilutive margins over the first half, such as the new units in India and Romania.

EBITDA for **Diagnostic Services** was €73.1m (€90.7m), an EBITDA margin of 22.4% (27.1%).



EBITDAaL was €60.1m (€79.8m), a margin of 18.4% (23.9%). Contribution from Covid-19 has been higher, increasing margins by approximately 0.4pp. This has been offset by the war in Ukraine which has diluted margins with a negative swing of approximately 2.1pp. The balance of -3.8pp is the short-term impact in most markets in late February and early March where demand dipped, impacting contribution and increased cost of inputs (labour, transport, energy) through the period.

Operating profit amounted to €41.7m (€70.5m), a margin of 12.8% (21.1%).

KEY FINANCIAL DATA

Medicover, €m	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	LTM	FY 2021
Revenue	362.2	348.9	4%	743.9	666.1	12%	1,455.2	1,377.4
Operating profit (EBIT)	15.2	46.2	-67%	37.7	87.8	-57%	109.3	159.4
Operating profit margin	4.2%	13.3%		5.1%	13.2%		7.5%	11.6%
Net profit	2.9	33.5	-91%	15.2	59.8	-75%	62.0	106.6
Net profit margin	0.8%	9.6%		2.0%	9.0%		4.3%	7.7%
Basic/diluted earnings per share, €	0.011	0.203	-95%	0.093	0.377	-75%	0.402	0.686
EBITDA	53.0	71.8	-26%	115.6	137.3	-16%	248.7	270.4
EBITDA margin	14.6%	20.6%		15.5%	20.6%		17.1%	19.6%
Adjusted EBITDA	56.2	74.1	-24%	123.7	141.0	-12%	263.2	280.5
Adjusted EBITDA margin	15.5%	21.2%		16.6%	21.2%		18.1%	20.4%
EBITDAaL	31.5	58.2	-46%	74.4	111.1	-33%	174.1	210.8
EBITDAaL margin	8.7%	16.7%		10.0%	16.7%		12.0%	15.3%
Adjusted EBITDAaL	34.7	60.5	-43%	82.5	114.8	-28%	188.6	220.9
Adjusted EBITDAaL margin	9.6%	17.4%		11.1%	17.2%		13.0%	16.0%
EBITA	19.8	48.6	-59%	51.8	92.7	-44%	130.3	171.2
EBITA margin	5.5%	13.9%		7.0%	13.9%		9.0%	12.4%
Adjusted EBITA	23.0	50.9	-55%	59.9	96.4	-38%	144.8	181.3
Adjusted EBITA margin	6.3%	14.6%		8.0%	14.5%		9.9%	13.2%
EBITAaL	14.4	45.4	-68%	41.6	86.7	-52%	112.1	157.2
EBITAaL margin	4.0%	13.0%		5.6%	13.0%		7.7%	11.4%
Adjusted EBITAaL	17.6	47.7	-63%	49.7	90.4	-45%	126.6	167.3
Adjusted EBITAaL margin	4.9%	13.7%		6.7%	13.6%		8.7%	12.1%
Healthcare Services, €m								
Revenue	219.5	185.7	18%	427.6	343.0	25%	796.2	711.6
Operating profit (EBIT)	5.7	18.6	-70%	9.8	27.4	-64%	27.8	45.4
Operating profit margin	2.6%	10.0%		2.3%	8.0%		3.5%	6.4%
EBITDA	29.7	33.4	-11%	55.4	55.9	-1%	110.2	110.7
EBITDA margin	13.5%	18.0%		13.0%	16.3%		13.8%	15.6%
EBITDAaL	14.6	25.4	-42%	27.4	40.8	-33%	60.6	74.0
EBITDAaL margin	6.7%	13.7%		6.4%	11.9%		7.6%	10.4%
Adjusted EBITDAaL	15.2	25.7	-41%	28.6	41.4	-31%	63.2	76.0
Adjusted EBITDAaL margin	6.9%	13.9%		6.7%	12.1%		7.9%	10.7%
EBITA	9.3	20.4	-54%	17.1	31.2	-45%	40.5	54.6
EBITA margin	4.2%	11.0%		4.0%	9.1%		5.1%	7.7%
Members (period end) (000's)	1,608	1,419	13%	1,608	1,419	13%	1,608	1,495
Diagnostic Services, €m								
Revenue	147.4	168.7	-13%	325.9	334.2	-2%	678.5	686.8
Operating profit (EBIT)	15.6	33.0	-53%	41.7	70.5	-41%	106.7	135.5
Operating profit margin	10.6%	19.6%		12.8%	21.1%		15.7%	19.7%
EBITDA	28.9	43.4	-33%	73.1	90.7	-19%	162.1	179.7
EBITDA margin	19.6%	25.7%		22.4%	27.1%		23.9%	26.2%
EBITDAaL	22.6	37.9	-40%	60.1	79.8	-25%	137.4	157.1
EBITDAaL margin	15.3%	22.5%		18.4%	23.9%		20.2%	22.9%
Adjusted EBITDAaL	23.1	38.1	-39%	61.1	80.4	-24%	139.6	158.9
Adjusted EBITDAaL margin	15.7%	22.7%		18.8%	24.1%		20.6%	23.1%
EBITA	16.5	33.5	-51%	48.5	71.5	-32%	115.2	138.2
EBITA margin	11.2%	19.9%		14.9%	21.4%		17.0%	20.1%
Lab tests (period volume) (m)	29.0	32.5	-11%	61.0	65.1	-6%	129.3	133.4

UKRAINE

On 24 February the Russian Federation invaded the sovereign independent state of Ukraine and started an unprovoked war. Medicover's business has as a result been severely disrupted. Medicover had more than 3,500 employees working in Ukraine at year-end 2021 with a reduction of approximately 380 employees at the end of the quarter. The war has deeply affected the lives and wellbeing of all staff. Medicover has supported its workforce and families both within the borders of Ukraine and outside, providing refugees with accommodation, support and the essentials to live and try to come to terms with the trauma and stress. The Medicover Foundation has committed a financial contribution to support these relief efforts. Some staff members have been employed in other Medicover countries, notably Poland, Moldova and Germany.

As at 30 June 2022 the Group's operations in Ukraine include 8 laboratories (1 central and 7 regional laboratories) of which 2 have suspended operations, a nationwide network of 345 BDPs

excluding 7 destroyed BDPs of which 293 were operational, 3 fertility and 4 medical clinics.

In Q1 2022 Medicover recognised an impairment of €-5.1m relating to damaged and destroyed assets as well as assets that the Group does not have control over in the occupied regions.

All 3 fertility facilities and 4 medical clinics were operating at the date of the report and exports of donor fertility materials have continued uninterrupted throughout the period.

The outlook for the year is uncertain. The Group has negotiated with landlords on restructuring leases. Staffing and staff salaries from April have been adapted to the lower level of services to enable the business to continue, however at a reduced level. In any scenario when the war ceases or becomes a frozen conflict, the business will be well placed to resume volume activity quickly. Revenue for June was approximately 50-55% of the normal levels excluding Covid-19 revenue.

€m	Q2 2022	Q2 2021	6M 2022	6M 2021	FY 2021
Revenue	8.5	28.5	28.0	55.2	117.4
Healthcare Services	1.5	2.0	3.0	3.7	7.9
Diagnostic Services	7.0	26.5	25.0	51.5	109.5
EBITDA	-0.2	5.8	2.0	10.7	26.0
EBITDAaL	-1.8	4.4	-1.1	8.0	20.5
Net profit/(loss)	-3.2	1.6	-9.5	2.5	9.2
Total assets	55.5	59.4	55.5	59.4	61.9
Net assets	34.6	38.4	34.6	38.4	40.7

CASH FLOW

Second quarter

Cash generated from operations before working capital changes amounted to €44.8m (€67.5m), being 84.9% of EBITDA (94.2%). Net working capital increased by €17.0m (increased by €29.4m). Income tax paid was €7.8m (€6.4m). Net cash from operating activities was €27.8m (€38.1m).

Investments in property, plant and equipment and intangible assets continued at a strong pace and amounted to €40.6m (€23.3m) with approximately 67% being growth capital investment and 33% being maintenance investment. €25.9m (€13.9m) was invested in Healthcare Services and €14.7m (€9.4m) in Diagnostic Services. Cash flow from acquisitions of subsidiaries amounted to €38.6m (€13.6m) relating to acquisitions closed in the quarter and payments for earlier closed transactions. Proceeds for short-term investments amounted to €90.5m.

A dividend of €17.8m (€10.4m) was distributed to shareholders. Net loans repaid amounted to €16.3m (net loans drawn €23.5m). Lease liabilities repaid were €11.4m (€8.6m). Interest paid amounted to €8.7m (€4.5m), of which €5.4m (€3.2m) related to lease liabilities.

Cash and cash equivalents amounted to €65.6m.

First half

Cash generated from operations before working capital changes amounted to €107.8m (€130.4m), being 93.3% of EBITDA (95.1%). Net working capital increased by €34.2m (increased by €34.6m). Income tax paid was €11.8m (€9.0m). Net cash from operating activities was €73.6m (€95.8m).

Investments in property, plant and equipment and intangible assets amounted to €67.9m (€42.7m) with approximately 73% being growth capital investment and 27% being maintenance investment. €46.0m (€25.6m) was invested in Healthcare Services and €21.9m (€17.1m) in Diagnostic Services. Cash flow from acquisitions of subsidiaries amounted to €144.7m (€16.1m) relating to acquisitions closed in the first half and payments for earlier closed transactions. The non-controlling interest in the Serbian laboratory business was acquired, total consideration for the 20% amounted to €5.2m of which €3.2m has been paid during the first half. Proceeds for short-term investments amounted to €126.6m.

A dividend of €17.8m (€10.4m) was distributed to shareholders. Net loans drawn amounted to €53.7m (net loans drawn €17.1m). Lease liabilities repaid were €22.9m (€17.4m). Interest paid amounted to €14.8m (€7.8m), of which €10.2m (€6.0m) related to lease liabilities.

Cash and cash equivalents amounted to €65.6m.

FINANCIAL POSITION

Consolidated equity as at 30 June 2022 amounted to €536.2m (€562.1m). The decrease in equity includes a negative movement of €1.8m on translation reserves mainly relating to the weakness of the Polish zloty offset by the strengthening the Indian rupee. In addition, total equity attributable to owners of the parent includes a negative movement of €10.9m relating to fair value changes of put option liquidity obligations with non-controlling interests and €11.4m relating to acquisition of non-controlling interests in the Indian and Serbian businesses. A dividend of €17.8m (€10.4m) was distributed to shareholders, equivalent to €0.12 (€0.07) per share.

Inventories amounted to €63.9m (€72.0m).

At the end of the quarter, €63.0m (€192.9m) was mainly invested in liquid bond funds and short-term government bonds.

Loans payable amounted to €490.3m (€418.2m) and lease liabilities to €396.8m (€345.9m).

Lease liabilities increased by €50.9m, of which 71.2% related to acquisitions mainly in Poland, Romania and India. The remaining increase reflected the expansion of facilities leased in Poland, Romania, India and Germany.

The total financial debt was €887.1m (€764.1m). In December 2021, the Group carried out its second schuldchein issue (a German private placement debt instrument) under its 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. €216m was received in 2021, €42m was received during the first quarter and €19m during the second quarter. €69m of the schuldschein loans carried out in the first schuldschein issue in 2020 has been repaid. During the quarter, the revolving credit facility has been renewed and increased from €220m to €300m with a duration of 3 years with the possibility to extend for up to two years. Loans payable net of cash and liquid short-term investments amounted to €361.7m (€143.4m) reflecting the operating cash flows as well as the acquisitions closed in the quarter and continuing

pace of organic capital investment. The ratio of loans payable net of cash and liquid short-term investments to adjusted EBITDAaL for the prior twelve months was 1.9x (0.6x level at year-end 2021).

The Group has utilised €38.3m (€19.5m) under its 2bn SEK commercial paper programme. The Group has undrawn committed credit facilities of €303.7m, liquid short-term investments and cash and cash equivalents of €128.6m, in total €432.3m (€504.8m) liquidity at the end of the quarter and is well positioned to support future organic and acquisition growth.

PARENT COMPANY

There was no significant revenue. The loss for the first half amounted to €-6.2m (€-4.8m). At the end of the quarter €38.3m (€19.5m) has been utilised under the commercial paper programme. 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 June 2022 was €589.7m (€609.9m).

RISK FACTORS

The Group's business is exposed to risks that could impact its operations, performance or financial position. These comprise *operational risks* relating to the ability to recruit and retain skilled staff, acquisition execution, anti-corruption, employee protection, environment, insurance risk, IT systems, medical risk, premises, reputational risk, suppliers and technology and innovation risk. *External risks* consist of risks relating to armed conflict, climate change, legislative and regulatory risk, market risk, pandemic and political risk. In addition, the Group is exposed to *financial risks*, such as credit risk, currency risk, interest rate risk and 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.

Medicover operates in Ukraine which is experiencing an armed conflict. During armed conflicts there is a risk that facilities and assets are

requisitioned, damaged or destroyed and that staff are killed, injured or displaced. Impacts are likely to be negative affecting or potentially affecting the ability to continue operations, the economy, funding, currency stability and ultimately impairment of assets and curtailment of operations. Disruptions to operations and to supply chains may also occur as a direct or indirect result due to such issues as cyber-attacks, international embargos, sanctions or other issues arising from conflict.

Ukraine represented 9% of the Group's revenue during 2021 and the diversified business across several countries mitigates the risks to a certain degree.

Medicover has taken an approach to protect staff whilst also considering the essential nature of many of its services, hence seeking to maintain services even in difficult circumstances. Refer to section Ukraine on page 14 for additional information. Risk factors and uncertainties of relevance to the Group are described in the annual report 2021, section 'Risk and risk management' (pages 61-66).



The board of directors and the CEO declare that the interim report for January-June 2022 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 22 July 2022

Fredrik Stenmo
Chairman of the board

Peder af Jochnick
Board member

Robert af Jochnick
Board member

Anne Berner
Board member

Arno Bohn
Board member

Sonali Chandmal
Board member

Michael Flemming
Board member

Margareta Nordenvall
Board member

Fredrik Rågmark
CEO and board member

Azita Shariati
Board member

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

This is information that Medicover AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the agency of the contact person set out below at 7.45 (CEST) on 22 July 2022. This interim report and other information about Medicover is available at medicover.com.

Financial calendar

Interim report July-September

3 November

For further information, please contact:

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E-mail: hanna.bjellquist@medicover.com

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

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

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

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

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM	Jan-Dec 2021
Revenue	362.2	348.9	743.9	666.1	1,455.2	1,377.4
Operating expenses						
Medical provision costs	-284.3	-245.4	-572.2	-465.9	-1,088.7	-982.4
Gross profit	77.9	103.5	171.7	200.2	366.5	395.0
Distribution, selling and marketing costs	-15.6	-15.0	-31.5	-28.9	-60.7	-58.1
Administrative costs	-47.1	-42.3	-102.5	-83.5	-196.5	-177.5
Operating profit (EBIT)	15.2	46.2	37.7	87.8	109.3	159.4
Other income/(costs)	-4.6	0.2	-3.3	0.1	-2.7	0.7
Interest income	0.5	0.2	1.1	0.3	1.8	1.0
Interest expense	-7.9	-4.1	-15.4	-8.3	-27.2	-20.1
Other financial income/(expense)	0.7	2.6	0.9	1.4	1.3	1.8
Total financial result	-6.7	-1.3	-13.4	-6.6	-24.1	-17.3
Share of profit of associates	0.1	0.3	0.1	0.6	0.5	1.0
Profit before income tax	4.0	45.4	21.1	81.9	83.0	143.8
Income tax	-1.1	-11.9	-5.9	-22.1	-21.0	-37.2
Profit for the period	2.9	33.5	15.2	59.8	62.0	106.6
Profit attributable to:						
Owners of the parent	1.6	30.2	13.8	56.0	59.6	101.8
Non-controlling interests	1.3	3.3	1.4	3.8	2.4	4.8
Profit for the period	2.9	33.5	15.2	59.8	62.0	106.6
Earnings per share attributable to owners of the parent:						
Basic/diluted, €	0.011	0.203	0.093	0.377	0.402	0.686

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM	Jan-Dec 2021
Profit for the period	2.9	33.5	15.2	59.8	62.0	106.6
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to income statement:						
Exchange differences on translating foreign operations	4.8	4.6	-1.8	7.9	-0.6	9.1
Income tax relating to these items	0.0	-0.2	0.1	-0.4	0.0	-0.5
Other comprehensive income/(loss) for the period, net of tax	4.8	4.4	-1.7	7.5	-0.6	8.6
Total comprehensive income/(loss) for the period	7.7	37.9	13.5	67.3	61.4	115.2
Total comprehensive income/(loss) attributable to:						
Owners of the parent	5.8	35.8	11.4	63.1	56.0	107.7
Non-controlling interests	1.9	2.1	2.1	4.2	5.4	7.5
Total comprehensive income/(loss) for the period	7.7	37.9	13.5	67.3	61.4	115.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	465.3	304.5	371.7
Other intangible assets	121.5	62.6	75.1
Property, plant and equipment	378.1	286.5	319.3
Right-of-use assets	372.3	223.8	327.4
Deferred tax assets	14.6	13.9	11.9
Investments in associates	0.6	8.2	8.5
Other financial assets	15.4	13.9	18.8
Total non-current assets	1,367.8	913.4	1,132.7
Current assets			
Inventories	63.9	55.1	72.0
Other financial assets	2.2	0.0	3.1
Trade and other receivables	226.9	171.4	201.7
Short-term investments	63.0	25.1	192.9
Cash and cash equivalents	65.6	77.9	81.9
Total current assets	421.6	329.5	551.6
Total assets	1,789.4	1,242.9	1,684.3
EQUITY			
Equity attributable to owners of the parent	492.6	500.9	517.6
Non-controlling interests	43.6	39.8	44.5
Total equity	536.2	540.7	562.1
LIABILITIES			
Non-current liabilities			
Loans payable	378.4	161.2	375.3
Lease liabilities	342.3	205.2	299.8
Deferred tax liabilities	41.2	33.5	35.3
Provisions	2.8	2.2	2.8
Other financial liabilities	72.6	47.4	78.3
Other liabilities	6.1	3.8	5.7
Total non-current liabilities	843.4	453.3	797.2
Current liabilities			
Loans payable	111.9	26.1	42.9
Lease liabilities	54.5	38.6	46.1
Unearned premiums/ deferred revenue	17.6	15.4	20.2
Corporate tax payable	28.0	20.6	28.8
Other financial liabilities	24.5	4.6	4.6
Trade and other payables	173.3	143.6	182.4
Total current liabilities	409.8	248.9	325.0
Total liabilities	1,253.2	702.2	1,122.2
Total equity and liabilities	1,789.4	1,242.9	1,684.3

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
Opening balance as at 1 January 2021	30.1	-0.4	458.7	50.9	-45.1	8.9	-55.1	448.0	35.5	483.5
Profit for the period	-	-	-	56.0	-	-	-	56.0	3.8	59.8
Other comprehensive income/(loss)	-	-	-	-	-	-	7.1	7.1	0.4	7.5
Total comprehensive income/(loss) for the period	-	-	-	56.0	-	-	7.1	63.1	4.2	67.3
Transactions with owners in their capacity as owners:										
Business combinations	-	-	-	-	-	-	-	-	0.1	0.1
Changes in interest in subsidiaries	-	-	-	-0.7	-	-	-	-0.7	0.0	-0.7
Share capital increase in non-controlling interests	-	-	-	-	-	-	-	-	1.7	1.7
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-1.5	-	-	-1.5	-1.7	-3.2
Dividend	-	-	-	-10.4	-	-	-	-10.4	-	-10.4
Share-based payments	-	-	-	-	-	2.4	-	2.4	-	2.4
Total transactions with owners in their capacity as owners	-	-	-	-11.1	-1.5	2.4	-	-10.2	0.1	-10.1
Closing balance as at 30 June 2021	30.1	-0.4	458.7	95.8	-46.6	11.3	-48.0	500.9	39.8	540.7
Opening balance as at 1 January 2022	30.4	-0.7	458.7	141.3	-78.2	15.3	-49.2	517.6	44.5	562.1
Profit for the period	-	-	-	13.8	-	-	-	13.8	1.4	15.2
Other comprehensive income/(loss)	-	-	-	-	-	-	-2.4	-2.4	0.7	-1.7
Total comprehensive income/(loss) for the period	-	-	-	13.8	-	-	-2.4	11.4	2.1	13.5
Transactions with owners in their capacity as owners:										
Business combinations	-	-	-	-	-	-	-	-	4.5	4.5
Changes in interest in subsidiaries	-	-	-	-11.4	-	-	-	-11.4	-5.1	-16.5
Share capital increase/distribution of dividend in non-controlling interests	-	-	-	-	-	-	-	-	0.6	0.6
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-10.9	-	-	-10.9	-3.0	-13.9
Dividend	-	-	-	-17.8	-	-	-	-17.8	-	-17.8
Distribution of performance shares to employees	-	0.1	-0.1	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	3.7	-	3.7	-	3.7
Total transactions with owners in their capacity as owners	-	0.1	-0.1	-29.2	-10.9	3.7	-	-36.4	-3.0	-39.4
Closing balance as at 30 June 2022	30.4	-0.6	458.6	125.9	-89.1	19.0	-51.6	492.6	43.6	536.2

CONSOLIDATED CASH FLOW STATEMENT

€m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM	Jan-Dec 2021
Profit before income tax	4.0	45.4	21.1	81.9	83.0	143.8
Adjustments for:						
Depreciation, amortisation and impairment	37.8	25.6	77.9	49.5	139.4	111.0
Share-based payments	2.1	1.3	4.1	2.4	8.1	6.4
Net interest expense	7.4	3.8	14.3	7.9	25.5	19.1
Unrealised foreign exchange (gain)/loss	-1.0	-2.8	2.4	-1.9	1.7	-2.6
Other non-cash transactions	2.3	0.6	-0.2	-0.4	-1.6	-1.8
Income tax paid	-7.8	-6.4	-11.8	-9.0	-21.1	-18.3
Cash generated from operations before working capital changes	44.8	67.5	107.8	130.4	235.0	257.6
Changes in operating assets and liabilities:						
(Increase)/decrease in inventories	4.5	-2.1	10.2	-1.4	-5.5	-17.1
(Increase)/decrease in trade and other receivables	0.2	-8.2	-9.2	-20.0	-38.7	-49.5
Increase/(decrease) in trade and other payables	-21.7	-19.1	-35.2	-13.2	3.7	25.7
Net cash from operating activities	27.8	38.1	73.6	95.8	194.5	216.7
Investing activities:						
Payment for acquisition of intangible assets and property, plant and equipment	-40.6	-23.3	-67.9	-42.7	-127.4	-102.2
Proceeds from disposal of intangible assets and property, plant and equipment	1.8	0.4	1.9	0.4	3.6	2.1
Dividends received from associates	0.0	0.0	0.0	0.0	0.1	0.1
Payment for other financial assets	0.0	0.9	0.0	0.0	-2.0	-2.0
Payment for acquisition of subsidiaries, net of cash acquired	-38.6	-13.6	-144.7	-16.1	-216.1	-87.5
Payment of loans granted	0.0	-0.6	0.0	-0.6	-2.2	-2.8
Payment for short-term investments	-0.7	-	-1.1	-	-183.6	-182.5
Proceeds from short-term investments	90.5	10.0	126.6	15.0	151.9	40.3
Interest received	0.5	0.2	0.8	0.3	1.4	0.9
Net cash from/(used in) investing activities	12.9	-26.0	-84.4	-43.7	-374.3	-333.6
Financing activities:						
Issue of shares, net of transaction cost	-	-	-	-	0.3	0.3
Acquisition of treasury shares	-	-	-	-	-0.3	-0.3
Acquisition of non-controlling interests	-2.5	-0.6	-4.1	-0.7	-4.9	-1.5
Repayment of loans	-214.7	-0.9	-275.4	-8.5	-321.6	-54.7
Proceeds from loans received	198.4	24.4	329.1	25.6	597.2	293.7
Repayment of leases	-11.4	-8.6	-22.9	-17.4	-44.0	-38.5
Interest paid	-8.7	-4.5	-14.8	-7.8	-26.7	-19.7
Dividend paid	-17.8	-10.4	-17.8	-10.4	-17.8	-10.4
Distribution to non-controlling interests	-	0.0	-	-3.9	-2.8	-6.7
Proceeds from non-controlling interests	0.1	0.3	0.8	1.7	1.0	1.9
Net cash from/(used in) financing activities	-56.6	-0.3	-5.1	-21.4	180.4	164.1
Total cash flow	-15.9	11.8	-15.9	30.7	0.6	47.2
Cash and cash equivalents						
Cash balance as at beginning of the period	79.6	65.9	81.9	46.7	77.9	46.7
Net effects of exchange gain/(loss) on cash balances	1.9	0.2	-0.4	0.5	-12.9	-12.0
Cash balance as at end of the period	65.6	77.9	65.6	77.9	65.6	81.9
Increase/(decrease) in cash and cash equivalents	-15.9	11.8	-15.9	30.7	0.6	47.2

PARENT COMPANY INCOME STATEMENT

€m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM	Jan-Dec 2021
Revenue	0.1	0.1	0.2	0.2	0.7	0.7
Operating expenses	-3.2	-2.6	-6.4	-5.0	-13.0	-11.6
Operating loss	-3.1	-2.5	-6.2	-4.8	-12.3	-10.9
Income from participation in group companies	-	-	-	-	13.0	13.0
Interest income from group companies	-	-	0.1	-	0.1	0.0
Interest expense	0.0	0.0	-0.1	0.0	-0.2	-0.1
Profit/(loss) before income tax	-3.1	-2.5	-6.2	-4.8	0.6	2.0
Income tax	-	-	-	-	-	-
Profit/(loss) for the period	-3.1	-2.5	-6.2	-4.8	0.6	2.0

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 Jun 2022	30 Jun 2021	31 Dec 2021
Property, plant and equipment	0.0	0.0	0.1
Investments in subsidiaries	584.8	434.8	434.8
Total non-current assets	584.8	434.8	434.9
Current receivables	45.8	166.3	196.5
Cash and bank	-	-	0.0
Total current assets	45.8	166.3	196.5
Total assets	630.6	601.1	631.4
Restricted equity	30.4	30.1	30.4
Non-restricted equity	559.3	569.0	579.5
Total equity	589.7	599.1	609.9
Current liabilities	40.9	2.0	21.5
Total liabilities	40.9	2.0	21.5
Total equity and liabilities	630.6	601.1	631.4

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 reporting and functional currency of the Company is the Euro.

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read together with the Group's consolidated financial statements 2021.

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

Information on pages 1-18 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 2021. Some amendments to existing standards became applicable as from 1 January 2022, however none of these have a material impact on the consolidated financial statements or accounting policies.

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 2021 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.

2. Segment information

	Apr-Jun 2022				Apr-Jun 2021			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	219.5	147.4	0.1		185.7	168.7	0.0	
Inter-segment revenue	-0.2	-4.5	-0.1		-0.2	-5.4	0.1	
Revenue from external customers	219.3	142.9	0.0	362.2	185.5	163.3	0.1	348.9
By payer:								
Private	195.1	94.0	0.0	289.1	167.2	110.8	0.1	278.1
Public	24.2	48.9	-	73.1	18.3	52.5	-	70.8
By country:								
Poland	144.9	12.8	0.0	157.7	111.7	16.5	0.0	128.2
Germany	-	75.7	-	75.7	-	79.2	-	79.2
Romania	22.3	19.4	-	41.7	21.0	21.4	0.0	42.4
India	39.7	-	-	39.7	43.6	-	-	43.6
Ukraine	1.5	7.0	-	8.5	2.0	26.5	-	28.5
Other countries	10.9	28.0	0.0	38.9	7.2	19.7	0.1	27.0
Operating profit	5.7	15.6	-6.1	15.2	18.6	33.0	-5.4	46.2
<i>Margin</i>	2.6%	10.6%		4.2%	10.0%	19.6%		13.3%
Depreciation, amortisation and impairment	24.0	13.3	0.5	37.8	14.8	10.4	0.4	25.6
EBITDA	29.7	28.9	-5.6	53.0	33.4	43.4	-5.0	71.8
<i>Margin</i>	13.5%	19.6%		14.6%	18.0%	25.7%		20.6%
Right-of-use depreciation/impairment	-10.7	-5.3	-0.1	-16.1	-5.6	-4.7	-0.1	-10.4
Interest on lease liabilities	-4.4	-1.0	0.0	-5.4	-2.4	-0.8	0.0	-3.2
Segment result: EBITDAaL	14.6	22.6	-5.7	31.5	25.4	37.9	-5.1	58.2
<i>Margin</i>	6.7%	15.3%		8.7%	13.7%	22.5%		16.7%
Other income/(costs)				-4.6				0.2
Net interest expense				-7.4				-3.9
Other financial income/(expense)				0.7				2.6
Share of profit of associates				0.1				0.3
Income tax				-1.1				-11.9
Profit for the period				2.9				33.5

	Jan-Jun 2022				Jan-Jun 2021			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	427.6	325.9	0.2		343.0	334.2	0.1	
Inter-segment revenue	-0.4	-9.3	-0.1		-0.5	-10.8	0.1	
Revenue from external customers	427.2	316.6	0.1	743.9	342.5	323.4	0.2	666.1
By payer:								
Private	379.7	202.7	0.1	582.5	306.4	215.6	0.2	522.2
Public	47.5	113.9	-	161.4	36.1	107.8	-	143.9
By country:								
Poland	279.3	26.1	0.0	305.4	213.6	31.2	0.0	244.8
Germany	-	169.5	-	169.5	-	160.5	-	160.5
Romania	46.5	41.5	-	88.0	41.5	44.0	0.0	85.5
India	76.0	-	-	76.0	69.7	-	-	69.7
Ukraine	3.0	25.0	-	28.0	3.7	51.5	-	55.2
Other countries	22.4	54.5	0.1	77.0	14.0	36.2	0.2	50.4
Operating profit	9.8	41.7	-13.8	37.7	27.4	70.5	-10.1	87.8
<i>Margin</i>	2.3%	12.8%		5.1%	8.0%	21.1%		13.2%
Depreciation, amortisation and impairment	45.6	31.4	0.9	77.9	28.5	20.2	0.8	49.5
EBITDA	55.4	73.1	-12.9	115.6	55.9	90.7	-9.3	137.3
<i>Margin</i>	13.0%	22.4%		15.5%	16.3%	27.1%		20.6%
Right-of-use depreciation/impairment	-19.7	-11.1	-0.2	-31.0	-10.7	-9.3	-0.2	-20.2
Interest on lease liabilities	-8.3	-1.9	0.0	-10.2	-4.4	-1.6	0.0	-6.0
Segment result: EBITDAaL	27.4	60.1	-13.1	74.4	40.8	79.8	-9.5	111.1
<i>Margin</i>	6.4%	18.4%		10.0%	11.9%	23.9%		16.7%
Other income/(costs)				-3.3				0.1
Net interest expense				-14.3				-8.0
Other financial income/(expense)				0.9				1.4
Share of profit of associates				0.1				0.6
Income tax				-5.9				-22.1
Profit for the period				15.2				59.8

	LTM				Jan-Dec 2021			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	796.2	678.5	0.4		711.6	686.8	0.3	
Inter-segment revenue	-1.0	-18.7	-0.2		-1.1	-20.2	0.0	
Revenue from external customers	795.2	659.8	0.2	1,455.2	710.5	666.6	0.3	1,377.4
By payer:								
Private	709.0	445.8	0.2	1,155.0	635.7	458.7	0.3	1,094.7
Public	86.2	214.0	-	300.2	74.8	207.9	-	282.7
By country:								
Poland	515.7	55.0	0.0	570.7	450.0	60.1	0.0	510.1
Germany	-	325.4	-	325.4	-	316.4	-	316.4
Romania	88.8	85.3	0.0	174.1	83.8	87.8	0.0	171.6
India	141.2	-	-	141.2	134.9	-	-	134.9
Ukraine	7.2	83.0	-	90.2	7.9	109.5	-	117.4
Other countries	42.3	111.1	0.2	153.6	33.9	92.8	0.3	127.0
Operating profit	27.8	106.7	-25.2	109.3	45.4	135.5	-21.5	159.4
<i>Margin</i>	3.5%	15.7%		7.5%	6.4%	19.7%		11.6%
Depreciation, amortisation and impairment	82.4	55.4	1.6	139.4	65.3	44.2	1.5	111.0
EBITDA	110.2	162.1	-23.6	248.7	110.7	179.7	-20.0	270.4
<i>Margin</i>	13.8%	23.9%		17.1%	15.6%	26.2%		19.6%
Right-of-use depreciation/impairment	-34.9	-21.2	-0.3	-56.4	-25.9	-19.4	-0.3	-45.6
Interest on lease liabilities	-14.7	-3.5	0.0	-18.2	-10.8	-3.2	0.0	-14.0
Segment result: EBITDAaL	60.6	137.4	-23.9	174.1	74.0	157.1	-20.3	210.8
<i>Margin</i>	7.6%	20.2%		12.0%	10.4%	22.9%		15.3%
Other income/(costs)				-2.7				0.7
Net interest expense				-25.4				-19.1
Other financial income/(expense)				1.3				1.8
Share of profit of associates				0.5				1.0
Income tax				-21.0				-37.2
Profit for the period				62.0				106.6

3. Share capital

Share capital as at 30 June 2022 was €30.4m (€30.4m) and corresponded to the following shares:

	Class A shares	Class B shares	Class C* shares	Total
1 January 2021	78,551,881	69,798,670	2,384,644	150,735,195
Conversion of class A to class B shares	-610	610		
30 June 2021	78,551,271	69,799,280	2,384,644	150,735,195
1 January 2022	77,569,276	70,781,275	3,584,644	151,935,195
Conversion of class A to class B shares	-170,000	170,000		
Conversion of class C to class B shares		603,016	-603,016	
30 June 2022	77,399,276	71,554,291	2,981,628	151,935,195

* held by the Company as treasury shares.

Celox Holding AB owned 47,157,365 shares and 55.6% of the voting rights (47,157,365 shares and 55.5% of the voting rights at year-end 2021).

The number of shares used to calculate the basic earnings per share was 148,781,277 (148,350,551) for the quarter and 148,567,104 (148,350,551) for the first half.

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

Equity settled share-based programme

The five-year vesting period for Plan 2017 was completed on 27 April 2022. The performance conditions were achieved in full, corresponding to eight performance shares for each share right. The

annual EBITDA (pre IFRS 16) growth rate (CAGR) calculated on the basis of the Group's financial statements for 2016 and 2021 (restated consolidated financial accounts prepared on a pre IFRS 16 basis), was 37.1%. Refer to note 33 in the annual report 2021 for more information.

Medicover compensated the participants for the dividends paid during the duration of the programme by increasing the number of shares. The issuance date of Plan 2017 was 24 May 2022. 603,016 class C shares were converted to class B shares and distributed to the participants.

4. Business combinations

Note	Acquisition date	Name	Country	Description of business	Segment*	Voting rights, %
a)	10 Jan	NIPD Genetics Public Company Ltd ("NIPD")	Cyprus	Laboratory	DS	68.3
c)	20 Jan	Polaris Medical S.A.	Romania	Hospital	HS	90
b)	28 Jan	Centrum Diagnostyczno-Terapeutyczne "Medicus" sp. z o.o. ("CDT")	Poland	Hospital/ Medical/ Laboratory	HS	100
c)	31 Jan	Premium Fitness & Gym sp. z o.o.	Poland	Gym	HS	100
c)	11 Feb	Sahrudaya Health Care (Vizianagaram) Private Limited	India	Hospital	HS	60
c)	28 Feb	Bellevue Polska sp. z o.o.	Poland	Vision care	HS	100
c)	11 Mar	"Konzilijum" d.o.o. Banja Luka	Bosnia-Herzegovina	Laboratory	DS	80
c)	1 Apr	Czar-Dent	Poland	Dental	HS	-
c)	4 Apr	Clinical trial business of Nasz Lekarz	Poland	Laboratory	DS	-
c)	8 Apr	Dialab	Poland	Laboratory	DS	-

		Ostoya Holding sp. z o.o., Propsyche Allenort sp. z o.o., Psychiatra Allenort Bialystok sp. z o.o., Psychomedica Allenort sp. z o.o.		Mental health/ Hospital		
c)	25 Apr		Poland		HS	100
c)	5 May	McFit Polska sp. z o.o.	Poland	Gym	HS	100

* DS: Diagnostic Services, HS: Healthcare Services

Preliminary purchase price allocations are as follows.

€m	NIPD	CDT	Other	Total
Other intangible assets:	26.7	13.3	10.3	50.3
Brand	-	12.9	4.2	17.1
Customer relations	-	-	6.0	6.0
Development costs	10.3	-	-	10.3
Patents	16.3	-	-	16.3
Other	0.1	0.4	0.1	0.6
Property, plant and equipment	1.6	23.8	12.6	38.0
Right-of-use assets	1.3	0.4	35.9	37.6
Accounts receivable and inventories	6.8	3.0	15.6	25.4
Corporate tax receivable	0.1	-	-	0.1
Cash and cash equivalents	7.8	3.6	3.8	15.2
Loans payable	-	-3.4	-0.4	-3.8
Lease liabilities	-1.3	-0.4	-34.4	-36.1
Deferred tax (net)	-2.0	-4.1	-0.5	-6.6
Corporate tax payable	-	0.0	-0.1	-0.1
Accounts payable	-7.1	-3.2	-17.2	-27.5
Other payable	-	-	-1.4	-1.4
Net identifiable assets	33.9	33.0	24.2	91.1
Non-controlling interests	-4.3	-0.2	-0.2	-4.7
Goodwill	27.2	23.3	44.4	94.9
Total consideration	56.8	56.1	68.4	181.3
Cash and cash equivalents acquired	-7.8	-3.6	-3.8	-15.2
Contingent consideration payable	-	-	-6.0	-6.0
Deferred consideration payable	-	-	-5.9	-5.9
Previous held interest in NIPD	-12.3	-	-	-12.3
Non-cash movements	-	-	-0.9	-0.9
Net cash flow outflow, acquisitions in current year	36.7	52.5	51.8	141.0
Payment related to acquisitions in prior years	-	-	-	3.7
Net cash flow outflow	36.7	52.5	51.8	144.7

Included in the consolidated income statement 2022 was revenue of €31.7m and a net loss of €-2.4m related to business combinations in the quarter. If these acquisitions had occurred on 1 January 2022, revenue would have been €11.0m higher and net profit would have been €0.6m higher.

Acquisition related expenses (included in administrative expenses) amounted to €-4.0m for the first half of the year.

a) 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 €20.3m.

In January the Group increased its ownership in NIPD from 18.9% to 87.2%. Total consideration for the 68.3% acquired shares in NIPD was €56.8m, settled in cash €44.5m. Goodwill of €27.2m was recognised and represented expected synergies with existing operations. Goodwill is not expected to be deductible for tax purposes. Patents amounted to €16.3m with an estimated useful life of 18 years, valued by using the relief from royalty method. Capitalised development costs mainly related to staff costs for scientists that are developing the tests. Non-controlling interests have been measured at the proportionate share of the acquiree's net assets.

Medicover has an obligation, at a future date, to acquire the non-controlling interests. This put option liquidity obligation was measured at €6.3m.

Until January 2022 NIPD was accounted for as an associate using the equity method. Upon consolidation, the Group's previously held interest of 18.9%, with a carrying value of €7.9m, was remeasured to its acquisition fair value of €12.3m,

resulting in a gain of €4.4m recognised as other income/(costs) in the first quarter 2022.

b) CDT, which was acquired in January is a leading regional provider of medical services in southwestern Poland consisting of a network of hospitals, clinics and laboratories and has approximately 1,000 employees. Revenue for 2021 was €28.9m. The consideration was €56.1m, settled in cash. Goodwill of €23.3m was recognised and represented expected synergies with existing operations. Goodwill is not expected to be deductible for tax purposes. Brand of €12.9m has been recognised with an estimated useful life of 10 years, valued by using the relief from royalty method.

c) Goodwill within other acquisitions amounted to €44.4m, including €19.2m (gyms), €13.0m (laboratory) and €6.6m (vision care). Lease liabilities amounted to €34.4m, including €14.6m (three hospitals) and €13.8m (gyms). Other acquisitions were individually not significant.

5. Related party transactions

The Group has transactions with non-controlling interests in MHI. The purchase of material and services amounted to €-7.2m (€-7.3m) for the

quarter and to €-16.0m (€-13.3m) for the first half. Trade payables were €4.4m (€7.7m) as at 30 June 2022.

6. Financial assets and liabilities

Note	€m	30 Jun 2022			30 Jun 2021			31 Dec 2021		
		Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
	Financial assets at fair value through profit or loss									
	Short-term investments	-	63.0	63.0	-	25.1	25.1	-	192.9	192.9
	Foreign currency swaps	-	-	-	-	0.0	0.0	-	0.5	0.5
a)	Other financial assets	4.6	-	4.6	3.2	-	3.2	5.8	-	5.8
	Total	4.6	63.0	67.6	3.2	25.1	28.3	5.8	193.4	199.2
	Financial assets at amortised cost									
	Other financial assets	10.8	2.2	13.0	10.7	0.0	10.7	13.0	3.1	16.1
	Trade and other receivables ¹⁾	-	174.1	174.1	-	147.3	147.3	-	171.2	171.2
	Total	10.8	176.3	187.1	10.7	147.3	158.0	13.0	174.3	187.3
	Cash and cash equivalents	-	65.6	65.6	-	77.9	77.9	-	81.9	81.9
	Total financial assets	15.4	304.9	320.3	13.9	250.3	264.2	18.8	449.6	468.4
	Financial liabilities at fair value through profit or loss									
	Foreign currency swaps	-	0.8	0.8	-	-	-	-	-	-
b)	Contingent consideration payable ²⁾	22.0	5.3	27.3	13.4	4.5	17.9	17.2	7.5	24.7
	Total	22.0	6.1	28.1	13.4	4.5	17.9	17.2	7.5	24.7
c)	Put option liquidity obligations with non-controlling interests (with movement through equity) ³⁾	72.1	17.6	89.7	47.4	-	47.4	78.3	0.7	79.0
	Total financial liabilities at fair value	94.1	23.7	117.8	60.8	4.5	65.3	95.5	8.2	103.7
	Financial liabilities at amortised cost									
	Borrowings ²⁾	347.0	97.9	444.9	147.8	21.3	169.1	356.7	34.9	391.6
	Lease liabilities	342.3	54.5	396.8	205.2	38.6	243.8	299.8	46.1	345.9
	Other financial liabilities	0.5	6.9	7.4	-	4.6	4.6	-	3.9	3.9
	Trade and other payables ¹⁾	-	50.0	50.0	-	35.1	35.1	-	65.1	65.1
	Deferred consideration payable ²⁾	9.4	8.7	18.1	-	0.3	0.3	1.4	0.5	1.9
	Total	699.2	218.0	917.2	353.0	99.9	452.9	657.9	150.5	808.4
	Total financial liabilities	793.3	241.7	1,035.0	413.8	104.4	518.2	753.4	158.7	912.1

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

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

³⁾ Presented with other current and non-current financial liabilities in the statement of financial position.

Financial assets and liabilities carried at amortised cost are considered to have carrying amounts that materially correspond to their fair values, for long-

term borrowings this is due to interest rates approximating current market rates.

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 €63.0m (€192.9m) and €1.9m (€2.2m) mainly in euro-denominated bond funds and government bonds where the valuation is based on quoted prices in active markets.

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 measured using level 3 fair value measurements:

a) Other financial assets include €2.7m (€3.6m) relating to 14% (14%) of the voting rights in a dialysis clinic in Germany.

b) The contingent consideration payable resulting from current year and past business combinations is based on the estimated outcome of future performance targets.

c) The put option liquidity obligations with non-controlling interests consist of:

- 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 €25.6m (€22.6m). Due

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

- A put option liquidity obligation with non-controlling interests in Medicover Hospitals India ("MHI") of €45.4m (€43.1m). Half of the put options (which corresponds to €17.6m) can be exercised in June 2023 at the earliest and the remaining half (which corresponds to €27.8m) from June 2027.
- Put option liquidity obligations with non-controlling interests in subsidiaries in Norway, Cyprus and Bosnia-Herzegovina of €18.7m (€13.3m), estimated to be exercised in 2026 and 2027. During Q2, the Group acquired the non-controlling interest in the Danish subsidiary and the put option liquidity obligation of €0.8m (€0.7m) was settled.

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:

Description	Fair Value (€m)			Inputs		Sensitivity
	30 Jun 2022	31 Dec 2021		30 Jun 2022	31 Dec 2021	Relationship of unobservable inputs to fair value (FV)
Put option (liquidity obligation with non-controlling interests in a German subsidiary)	25.6	22.6	Earnings growth factor Risk adjusted discount rate	5.5% 1.4%	5.5% 0.9%	Increase of 1% point in profit growth = increase in FV liability of €0.2m Decrease of 1% point in discount rate = increase in FV liability of €0.4m
Put option (liability obligation with non-controlling interests in MHI)	45.4	43.1	6-year projected CAGR EBITDA Risk adjusted discount rate	34.8% 12.8%	34.8% 11.8%	Increase of 10% in CAGR EBITDA = increase in FV liability of €5.0m Decrease of 1% point in discount rate = increase in FV liability of €1.4m
Put option (liability obligation with non-controlling interests in a Norwegian subsidiary)	12.0	12.6	4-year projected CAGR EBITDA Risk adjusted discount rate	28.8% 7.5%	28.8% 6.3%	Increase of 10% in CAGR EBITDA = increase in FV liability of €1.2m Decrease of 1% point in discount rate = increase in FV liability of €0.5m
Put option (liability obligation with non-controlling interests in a Cypriot subsidiary)	6.3	-	5-year projected revenue Risk adjusted discount rate	29.5% 10.8%	- -	Increase of 10% in revenue = increase in FV liability of €0.6m Decrease of 1% point in discount rate = increase in FV liability of €0.3m
Put option (liability obligation with non-controlling interests in a Bosnia-Herzegovina subsidiary)	0.4	0.7	Risk adjusted discount rate	16.9%	-	Decrease of 1% point in discount rate = increase in FV liability of €0.0m
Contingent consideration payable	27.3	24.7	Risk adjusted discount rate	5.5%-11.8%	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 2022.

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 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current loans payable	378.4	161.2	375.3
Current loans payable	111.9	26.1	42.9
Total loans payable	490.3	187.3	418.2
Less: short-term investments	-63.0	-25.1	-192.9
Less: cash and cash equivalents	-65.6	-77.9	-81.9
Loans payable net of cash and liquid short-term investments	361.7	84.3	143.4
Non-current lease liabilities	342.3	205.2	299.8
Current lease liabilities	54.5	38.6	46.1
Total lease liabilities	396.8	243.8	345.9
Financial debt	887.1	431.1	764.1
Less: short-term investments	-63.0	-25.1	-192.9
Less: cash and cash equivalents	-65.6	-77.9	-81.9
Net financial debt	758.5	328.1	489.3

€m	30 Jun 2022	30 Jun 2021	31 Dec 2021
Other financial liabilities			
Non-current	72.6	47.4	78.3
Current	24.5	4.6	4.6
Total	97.1	52.0	82.9