

YEAR-END REPORT JANUARY–DECEMBER 2018

Fourth Quarter

- Revenue increased by 18.7% to €181.2m (€152.7m). Organic revenue grew by 13.6%.
- Operating profit amounted to €7.5m (€7.8m), representing an operating margin of 4.1% (5.1%).
- Net profit amounted to €3.9m (€9.2m), which represents a net profit margin of 2.2% (6.0%).
- EBITDA increased by 11.0% to €16.2m (€14.6m), corresponding to an EBITDA margin of 8.9% (9.6%).
- Adjusted EBITDA increased by 18.9% to €17.6m (€14.8m), corresponding to an adjusted EBITDA margin of 9.7% (9.7%).
- Cash flow from operating activities amounted to €8.7m (€17.3m).

Full Year

- Revenue increased by 15.8% to €671.6m (€580.2m). Organic revenue grew by 13.5%.
- Operating profit amounted to €29.4m (€28.8m), representing an operating margin of 4.4% (5.0%).
- Net profit increased by 31.2% to €26.5m (€20.2m), which represents a net profit margin of 3.9% (3.5%).
- EBITDA increased by 8.7% to €59.8m (€55.0m), corresponding to an EBITDA margin of 8.9% (9.5%).
- Adjusted EBITDA increased by 9.5% to €63.2m (€57.7m), corresponding to an adjusted EBITDA margin of 9.4% (9.9%).
- Cash flow from operating activities amounted to €44.4m (€50.3m).
- Basic/diluted earnings per share (EPS) were €0.185 (€0.157).
- Members increased by 185,000 to 1.2 million, the strongest growth ever.
- The Board of Directors proposes that no dividend is paid for the financial year 2018, in line with dividend guidance.

REVENUE AND EARNINGS

€ millions (€m)	Q4 2018	Q4 2017	Growth	FY 2018	FY 2017	Growth
Revenue	181.2	152.7	19%	671.6	580.2	16%
Operating profit	7.5	7.8	-4%	29.4	28.8	2%
Operating profit margin, %	4.1%	5.1%		4.4%	5.0%	
Net profit	3.9	9.2	-58%	26.5	20.2	31%
Net profit margin, %	2.2%	6.0%		3.9%	3.5%	
Earnings per share, €	0.025	0.067	-63%	0.185	0.157	18%
Diluted earnings per share, €	0.025	0.067	-63%	0.185	0.157	18%
EBITDA	16.2	14.6	11%	59.8	55.0	9%
EBITDA margin, %	8.9%	9.6%		8.9%	9.5%	

For definition and reconciliation of alternative performance measures, refer to note 13.

Medicover is a leading international healthcare and diagnostic services company and was founded in 1995. Medicover operates a large number of ambulatory clinics, hospitals, specialty-care facilities and laboratories and the largest markets are Poland and Germany. In 2017, Medicover had revenue around €580 million and 15,900 employees. For more information, go to www.medicover.com

CEO STATEMENT



During 2018, we have successfully continued our strong organic growth as well as integrating recent acquisitions, strengthening our footprint in all key markets. The market conditions have continued to be favourable in our main markets and we have continued to focus on accessibility and good services.

Revenue growth accelerated in Q4 and reached a strong 18.7% and 15.8% for the year. All in all, revenue increased in the fourth quarter to €181.2m (€152.7m) and to €671.6m (€580.2m) for the year.

EBITDA increased to €16.2m (€14.6m) for the fourth quarter and to €59.8m (€55.0m) for 2018. Adjusted EBITDA for the final quarter bounced back and grew by 18.9% to reach €17.6m (€14.8m), supported by an improvement in our German lab trading.

Adjusted EBITDA for year 2018 reached €63.2m (€57.7m) corresponding to an adjusted EBITDA margin of 9.4% (9.9%). Adjusted EBITDA removing the impact of acquisitions and the greenfield Indian fertility business loss for the first nine months 2018 for comparability, grew 12.2% organically for the year, which was at the top end of the revised 2018 target range (8-12%), communicated in Q2.

Healthcare Services had a particularly strong quarter with revenue growth of 27.7% lifting revenue to €97.7m (€76.5m), with organic growth of 15.4%. Revenue growth for the year increased by 21.1% and amounted to €346.1m (€285.8m), with organic growth of 14.9%. The integrated healthcare model together with good performance for our Fee-For-Service offerings continues to be the main growth driver. The demand for our services remains strong, especially in our key markets Poland and Romania. Number of members reached 1,209K at the end of the year, with growth of 18.1% compared to the same period last year. For the year, we added 185K members, our strongest member growth ever. Healthcare Services EBITDA grew by 36.8% to reach €9.3m (€6.8m) for the quarter corresponding to a margin of 9.5% (8.9%).

Revenue for Diagnostic Services grew by 9.6% in the quarter with organic growth of 11.7% and revenue for the year grew with 10.6%, with organic growth of 11.8%. All in all, revenue increased in the fourth quarter to €86.6m (€79.0m) and to €336.7m (€304.4m) for the year. Revenue growth was supported by laboratory tests growing by 6.4% to 24.8 million in the quarter. In Diagnostic Services, we are continuously increasing access to our services by extending footprint in our markets. During the quarter, 13 new blood drawing points (BDPs) were opened and for year 2018, 69 new BDPs were added bringing a total of 570 BDPs. Diagnostic Services EBITDA grew by 12.2% to reach €11.0m (€9.8m) for the quarter, an EBITDA margin of 12.7% (12.4%). As communicated earlier, the German laboratory business was affected by the double cut reimbursement revision for publicly funded tests, which has held back profit growth for the division. The results for the quarter and the year were supported by normalisation trends during the fourth quarter.

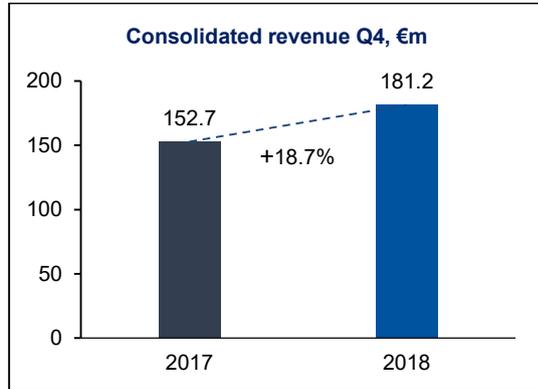
Our continued success rests on our professional and committed employees, thank you all for your everyday dedicated efforts for providing outstanding care for millions of people. We will continue to focus on operating efficiency and leverage advantages of scale. We continue to develop the service propositions offered to our customers, combined with acquisitions in both divisions to complement our current services and footprint in line with our strategies.

Fredrik Rågmark

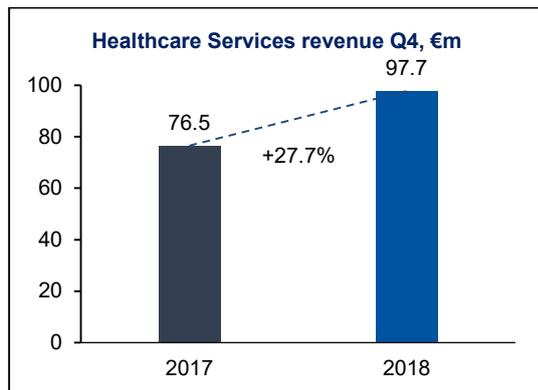
CEO

REVENUE FOURTH QUARTER 2018

Consolidated revenue increased by 18.7% to €181.2m (€152.7m) with organic growth of 13.6%. All main revenue lines have been strong except for the public paid laboratory services impacted by the German lab reimbursement changes.



Healthcare Services revenue grew by 27.7% to €97.7m (€76.5m) with organic growth of 15.4%. Members grew by 18.1% to 1,209K versus prior year end (1,024K).

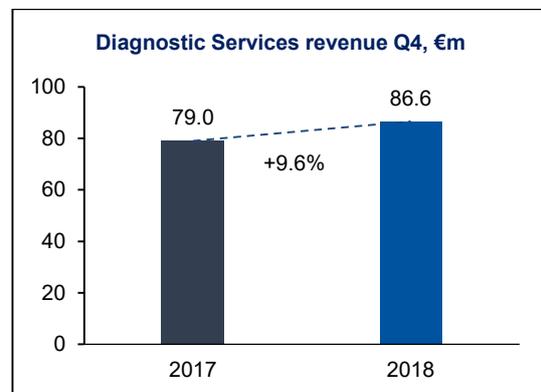


The favourable employment market in the major countries supports member growth under employer funded employee health packages. This has been the strongest growth driver at 60% of the organic growth with out of pocket Fee-For-Service being the other organic growth driver. Fee-For-Service volume increased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

MaxCure has been running for the full quarter a new hospital in the state of Maharashtra, with initially 50 beds and now 150 out of 300 licensed beds having been operationalised. Revenue for the quarter increased by 3.5% in local currency compared to prior year. The ownership stake of

MaxCure has not changed over the period. Medicover has rights to increase its stake to over 50% in 2019.

Diagnostic Services revenue grew by 9.6% to €86.6m (€79.0m) with organic growth of 11.7%. The Ukrainian and Romanian currencies were weaker, and the Polish zloty slightly weaker year on year. The laboratory test volume increased by 6.4% to 24.8 million (23.3 million) (restated – refer to note 13 for more information on the lab test restatement) with strong organic growth in Romania and Ukraine, as well as good growth in other markets. The only area where volumes growth was subdued was in public paid testing, being held back in Germany.



The reimbursement revision actions first applied in Q2 for public insurance reimbursed tests in Germany continued to have an impact of reducing referrals from doctors for laboratory tests under the public insurance in some geographies, while in other areas, particularly urban, the impact is normalised. In Medicover's own medical clinic network in Germany, there was no impact on referral patterns as the patients treated are generally complex patient cases where laboratory diagnostic is critical to good care. As such the reimbursement revision actions were irrelevant with the only impact being the price cut. As the Medicover German medical clinic network continues to gain a reputation for treating complex patient cases well, the growth more than compensated for the price reduction. This illustrates to some degree the impact across different types of doctors.

The German clinical business showed strong growth with revenue of €14.9m (€12.7m). The impact of the reimbursement revision actions has had a more limited impact upon this area as discussed above.

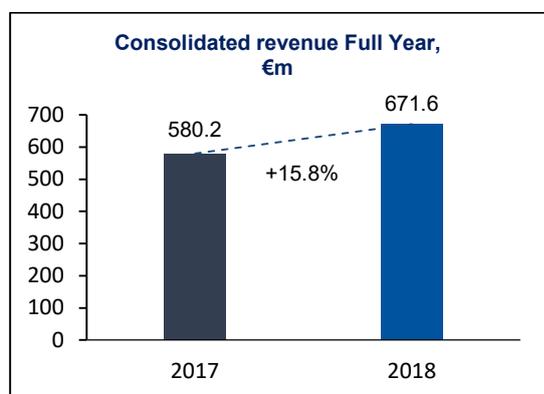
The Romanian and Ukrainian markets showed strong growth in volume and the Polish market grew well particularly in self-pay but at a slightly lower rate than in Romania and Ukraine.

No material acquisitions were made and consolidated during the quarter.

The continuing strong economic development in Romania and Poland is leading to increased ability to self-pay for health care and the expansion of access through more BDPs supports this growth. During the quarter, 13 new BDPs were opened, 2 were closed and 7 were sold bringing the total to 570 locations at quarter end.

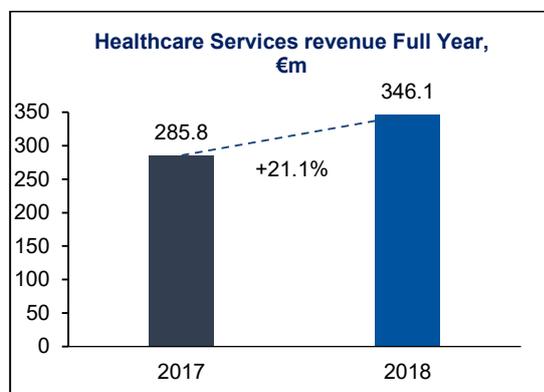
REVENUE FULL YEAR 2018

Consolidated revenue increased by 15.8% to €671.6m (€580.2m) with organic growth at 13.5%. Growth has been weighted to the Healthcare Services segment being 55.1% of the organic growth.



Revenue recognised in 2018 from acquisitions was €22.9m.

Healthcare Services revenue grew by 21.1% to €346.1m (€285.8m) with organic growth of 14.9%. A favourable employment market combined with continued good economic development are driving member and revenue growth in the employer funded business. The Fee-For-Service business in both Poland and Romania grew at a faster rate but from a smaller base. 23 new medical facilities were added in 2018 reaching 174 at the end of the year (151).



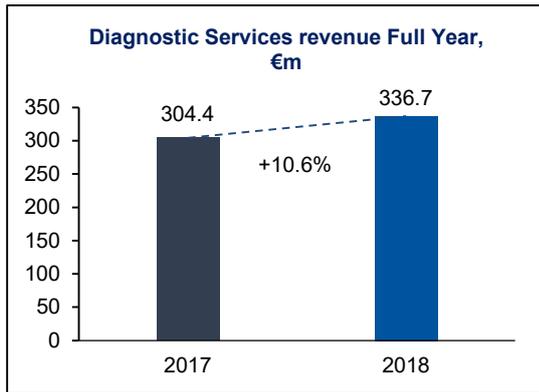
78.5% of OK System, a sports/fitness employee benefit business, was acquired in Poland at the end of the first half for a total price of €7.7m. The

employee benefit sports card market is growing dynamically and complements the existing medical healthcare range of employee benefits. In September 2018, the acquisition of an 80% share of Pelican, a hospital operator located in Oradea, Romania was finalised for a total consideration of €23.3m. This strengthens Medicover's position in the Romanian market. Both acquisitions were consolidated for the first time in the third quarter. In October 2018, the Group has acquired Phoenix Medical Centre, one of the leading private providers of healthcare services in Craiova (Romania), for a total price of €3.6m. The acquisition supports Medicover's expansion strategy by establishing a strong footprint in the South-West region of Romania. Over the year, the Group acquired three Polish dental businesses which are growing well with a focus on combining organic and acquisition growth. Given Medicover's strong membership referral base, the organic growth is well supported by referrals.

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

The MaxCure group, which is an associate and not consolidated, had revenue of €55.1m for 2018 with local currency growth of 11.3%.

Diagnostic Services revenue grew by 10.6% to €336.7m (€304.4m) with organic growth of 11.8%. Strong growth in both Romania and Ukraine laboratory services with good growth in Poland. Despite the reimbursement revision actions impact, the German laboratory business still maintained its revenue levels and overall for the year grew with private paid revenue and growth in referrers mitigating the impact of the revision.



As of the end of 2018, 19 clinics were operating for the German clinical business with revenue of €55.2m (€48.8m), a strong growth of 13.1%.

69 new BDPs were opened, 3 were closed and 7 were sold during 2018 bringing the total to 570.

The laboratory test volume increased by 7.3% to 98.1 million (91.4 million) for the year (restated - refer to note 13 for more information on the lab test restatement), with the increase being predominantly driven from private pay markets and weighted to higher value tests.



€m	FY18	% of total FY18	FY17	% of total FY17	Growth	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Total Healthcare Services revenue	345.5		285.4		21.1%	97.5	86.7	81.1	80.2	76.3	71.4	70.3	67.4
Of which funded:													
Privately	336.0	97.3%	275.3	96.5%	22.0%	94.9	84.9	78.5	77.7	73.6	68.8	67.7	65.2
Publicly	9.5	2.7%	10.1	3.5%	-5.9%	2.6	1.8	2.6	2.5	2.7	2.6	2.6	2.2
Originating from:													
Poland	270.7	78.4%	231.5	81.1%	16.9%	73.3	67.8	64.8	64.8	61.8	57.6	57.4	54.7
Romania	41.1	11.9%	28.8	10.1%	42.7%	14.5	10.6	7.9	8.1	7.5	7.5	7.0	6.8
Other countries	33.7	9.7%	25.1	8.8%	34.3%	9.7	8.3	8.4	7.3	7.0	6.3	5.9	5.9
Total Diagnostic Services revenue	325.8		294.5		10.6%	83.6	80.6	79.9	81.7	76.5	72.4	71.2	74.4
Of which funded:													
Privately	199.0	61.1%	174.5	59.3%	14.0%	51.0	49.4	49.3	49.3	45.2	43.2	42.1	44.0
Publicly	126.8	38.9%	120.0	40.7%	5.7%	32.6	31.2	30.6	32.4	31.3	29.2	29.1	30.4
Originating from:													
Germany	163.3	50.1%	150.7	51.2%	8.4%	41.8	41.3	39.2	41.0	39.4	37.0	35.9	38.4
Romania	52.7	16.2%	45.1	15.3%	16.9%	13.3	13.2	13.1	13.1	11.4	11.5	11.2	11.0
Ukraine	46.5	14.3%	39.1	13.3%	18.9%	12.4	11.9	11.3	10.9	10.1	9.6	9.4	10.0
Poland	31.9	9.8%	28.3	9.6%	12.7%	8.2	7.9	7.8	8.0	7.4	6.8	7.1	7.0
Other countries	31.4	9.6%	31.3	10.6%	0.3%	7.9	6.3	8.5	8.7	8.2	7.5	7.6	8.0

Revenue generated from external customers

PROFIT DEVELOPMENT FOURTH QUARTER 2018

Operating profit (EBIT) amounted to €7.5m (€7.8m) with an operating margin of 4.1% (5.1%). The regulatory actions in Germany have held back the profit development, but the impact has been less pronounced in this quarter than the prior two quarters.

Profit for the period amounted to €3.9m (€9.2m), a margin of 2.2% (6.0%).

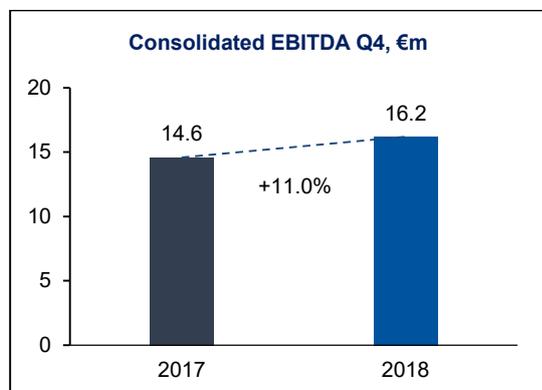
Other income/costs of €0.6m (€2.9m) includes the movement for non-cash fair value changes in puts written and calls held over share interests in MaxCure and other related fair value movements. This item reflects the net movement in valuation of the contractual rights and obligations that Medicover has entered into with the other shareholders of MaxCure which would enable Medicover to acquire over 50% of the equity.

For the quarter, a loss of €2.1m (profit of €0.2m) was recognised for associates. MaxCure moved to a loss for the second part of the year on the investments and opening of its new hospital and development of several extension projects.

Net financial result amounted to €0.0m (€0.9m) with €1.4m of interest charged on the Group's debt, commitment fees and other discounted liabilities balancing against €0.7m interest earned on cash balances and foreign exchange gains of €0.7m.

Basic/diluted earnings per share were €0.025 (€0.067).

Consolidated EBITDA increased by 11.0% to €16.2m (€14.6m) with an EBITDA margin of 8.9% (9.6%). Adjusted EBITDA was €17.6m (€14.8m), growing by 18.9% and with a margin of 9.7% (9.7%).



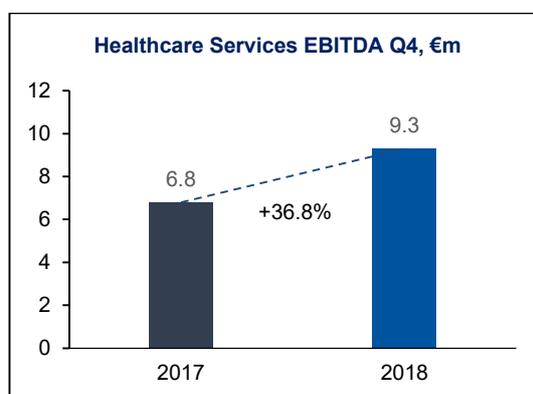
The profitability growth has been impacted less than in the second and third quarters by the reimbursement revision actions in the German

laboratory business with normalisations in certain geographies and types of referrers.

Items affecting comparability

The MaxCure equity stake along with certain rights to call shares and obligations to fulfil put options over MaxCure shares was acquired in the fourth quarter 2017. These options are required to be valued using valuation models. Other costs of €0.3m (other income €2.7m) was recognised in the quarter relating to these revaluations.

EBITDA for **Healthcare Services** increased by 36.8% to €9.3m (€6.8m), an EBITDA margin of 9.5% (8.9%). Organic growth was 22.1% for the quarter.



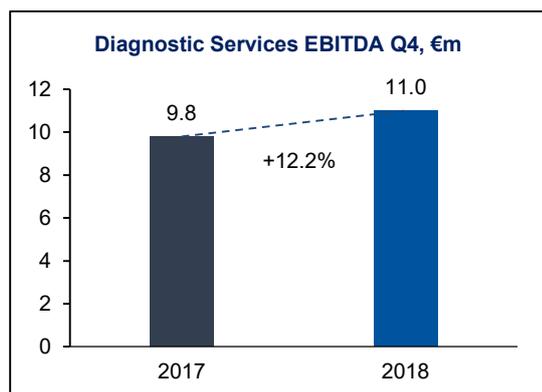
Operating profit increased by 28.1% to €4.1m (€3.2m), a margin of 4.2% (4.2%).

Medical costs have been consistent within the employer funded businesses compared to the prior year with the overall increase for the division of 20bp being driven by higher medical costs within new businesses acquired than the overall average. Indexation to certain employer funded contracts was applied in the quarter which helped offset some of the cost increases of staffing. Given the strong growth in members the ability to service those additional members is a continuous focus area for the business.

The segment result were driven by the increase in employer funded members, good growth of the Fee-For-Service business areas such as fertility and dental, as well as the acquisitions. The greenfield Indian fertility business developed well with a reduction of the EBITDA loss to €0.4m (€-0.9m). The major business lines grew well except for the Polish hospital which replaced public funding with private pay such as robotic prostate and other surgery. The Romanian business was assisted by new acquisitions.

The announced reimbursement changes in Poland have so far not had any significant impact on earnings. These changes did not have a significant financial impact in 2018 but held back any profit growth in the hospitals for 2018 as the contract work was replaced with Fee-For-Service patients.

EBITDA for **Diagnostic Services** increased by 12.2% to €11.0m (€9.8m), an EBITDA margin of 12.7% (12.4%). Operating profit grew to €7.6m (€6.7m), a margin of 8.8% (8.5%).



Within the quarter, normalisation of some referrer's patterns reduced the impact of the German

reimbursement revision actions as discussed above. This has been supportive of the segment results.

The Romanian and Ukrainian markets both performed very strongly for the quarter on the back of strong volume growth. The other major market, Poland, had a more subdued development with inflation weighing on profitability. The strongest growth line in all markets was private out of pocket paid testing.

The German clinical business continues to develop with an EBITDA of €1.0m (€0.7m) and a margin of 6.7% (5.5%). Revenue was €14.9m (€12.7m) up 17.3%. The additional doctors within the existing infrastructure are starting to feed through to profitability. We continue to add doctors and also see existing doctors improving productivity as patients get to know the Medcover clinics and services. The reimbursement revision actions had a more limited impact on this business area in Germany as patients have more complex conditions and the doctors are higher level specialists. As expected, the overall price reduction has been more than offset by the growth in the business.

PROFIT DEVELOPMENT FULL YEAR 2018

Operating profit (EBIT) grew by 2.1% to €29.4m (€28.8m) with an operating margin of 4.4% (5.0%) and including a loss of €3.0m (€0.9m) for the greenfield Indian fertility business and in the prior year €1.5m of IPO costs. Adjusting for these items, the operating profit increased by 3.8% to €32.4m, a margin of 4.8% (€31.2m, a margin of 5.4%).

Profit for the period was €26.5m (€20.2m), a margin of 3.9% (3.5%). Adjusting for the loss of €3.0m (€-0.9m) for the greenfield Indian fertility business, other income/costs of €8.6m (€2.9m) and in the prior year €1.5m of IPO costs, the net profit amounted to €20.9m, a margin of 3.1% (€19.7m, a margin of 3.4%), representing an increase of 6.1%.

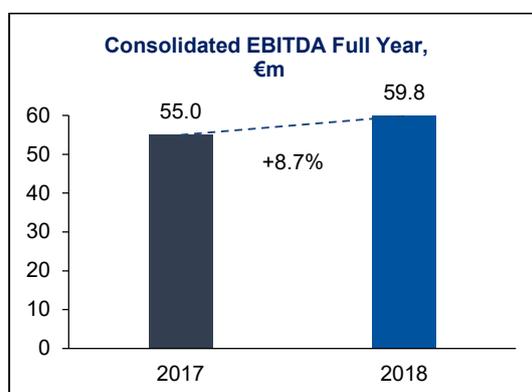
Other income/costs mainly representing fair value movements on financial instruments was net €8.6m (€2.9m). It also included a €1.8m non-cash loss on disposal of the UK fertility business and a cash profit of €1.5m on a real estate development project in Poland, realising and extracting the value of surplus land.

For the year, a loss of €1.8m (profit of €0.2m) was recognised for associates. MaxCure moved to a loss for the year on the back of a launch of a major new hospital and other development projects.

Net financial result for 2018 amounted to €-1.8m (€-3.9m). €4.0m (€4.9m) of interest was charged on the Group's debt. This was offset by foreign exchange gains of €0.8m and interest income of €1.4m earned on cash balances.

Basic/diluted earnings per share were €0.185 (€0.157).

Consolidated EBITDA increased by 8.7% to €59.8m (€55.0m), an EBITDA margin of 8.9% (9.5%). Adjusted EBITDA was €63.2m (€57.7m), a growth of 9.5% with a margin of 9.4%.



Within this is a loss of €2.5m (€-0.9m) related to the greenfield Indian fertility business. The adjusted

EBITDA removing the impact of acquisitions and the greenfield Indian fertility business loss for the first nine months for comparability, grew 12.2% organically for the year, at the top end of the earlier revised range for 2018, communicated in quarter two.

The increase in EBITDA was slightly weighted to the Healthcare Services driven by the increase in employer funded members. Diagnostic Services was supported by Romania, Ukraine and overall held back by the German reimbursement revision actions.

Items affecting comparability

The MaxCure group equity stake along with certain rights to call shares and obligations to fulfil put options over MaxCure shares was acquired in the fourth quarter 2017. These options are required to be valued using valuation models. Other income of €7.5m (€2.7m) was recognised in 2018 relating to these revaluations and release of the initially deferred net profit on these positions.

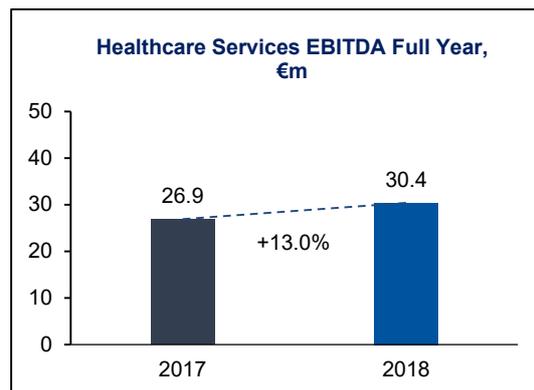
In May 2017, the Company's class B shares were listed on the Nasdaq Stockholm exchange and new capital was raised. Costs incurred in 2017 in respect of this were €9.8m with €1.5m expensed and €8.3m offset against capital raised.

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

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

Certain businesses were acquired during the year, from which €1.7m of EBITDA was recognised.

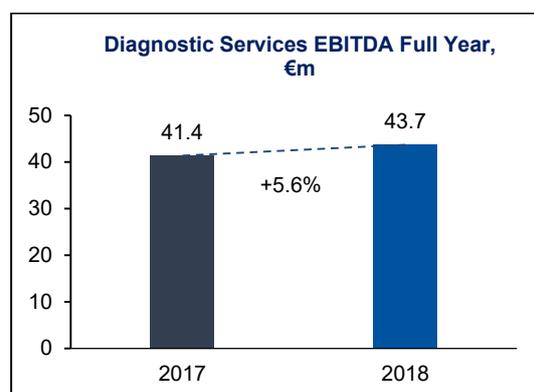
EBITDA for **Healthcare Services** increased by 13.0% to €30.4m (€26.9m), an EBITDA margin of 8.8% (9.4%). Included in the segment result is a loss of €2.5m (€-0.9m) for the greenfield Indian fertility business. Excluding this, EBITDA was €32.9m (€27.8m), a growth of 18.3% and an EBITDA margin of 9.6% (9.8%).



Operating profit amounted to €13.4m (€13.2m), an increase of 1.5% with an operating margin of 3.9% (4.6%). Excluding the €3.0m (€-0.9m) loss for the greenfield India fertility business, operating profit grew by 16.3% to €16.4m (€14.1m), a margin of 4.8% (4.9%).

Given the strong background of increasing membership, facilities and medical staff have been expanded to enable to meet the service requirements. This has been against a backdrop of increasing general inflation and demand for medical staff. As a ratio to revenue, medical costs have increased slightly in 2018 with an increase of 10bp for the main business in Poland compared to 2017. Indexation of contract prices has offset the inflation increases.

EBITDA for **Diagnostic Services** increased by 5.6% to €43.7m (€41.4m), an EBITDA margin of 13.0% (13.6%). Except for the German laboratory business unit and Poland, the established businesses grew well and gross profit has been the main driver for the increased profitability. The German laboratory business reduced EBITDA for the period impacted by the reimbursement revision actions constraining price and volume. The Polish business continued to develop but with contract prices being more constrained were less able to compensate for inflation with price adjustments holding back profit development.



The German clinical business continued to develop contributing €3.4m to EBITDA with a margin of 6.2%.

Operating profit for the segment followed a similar trend with 5.2% growth to €30.6m (€29.1m), a margin of 9.1% (9.6%). Good economic activity in

Romania, Ukraine and Poland continues to support out of pocket private pay demand. The Diagnostic Services segment continues to invest in accessibility to services and has increased its number of blood collection points and distribution in all geographies, with the addition of 69 blood drawing locations.

Digitalisation

Information systems, technologies and data are critical to Medcover's ability to serve patients effectively. Medcover focuses on these areas that impact:

- Customer and patient engagement
- Novel medical and diagnostic services
- Costs effective access and care
- Patient safety and outcomes
- Validated reliable health information

Anticipating social and technological trends drives growth in reaching existing and potential customers

Medcover's existing customers, as world wide trends, are increasingly using mobile devices to manage their health. The same behaviour has been identified in the case of potential customers searching for healthcare providers and specific health service consultations and treatments. During this quarter, Medcover continued to anticipate and react to such trends and to improve engagement across key touchpoints in the digital patient journey.

By increasing Medcover's service offering during the patient's search for healthcare service providers, during this quarter, the Group achieved increases in intent-based traffic to Medcover's websites and reached the level of approximately 5.1 million sessions monthly. Meanwhile visibility of Healthcare Services centres and Diagnostics Services locations exceeded 4.1 million counts monthly on healthcare related internet searches such as Google, including Google maps.

In Romania, Diagnostic Services reached an audience of 7 million in the quarter through a combination of social media and other communication channels during the digital campaign "Only Science no Fiction", aimed at drawing attention to the high quality of Medcover's clinical diagnostic services.

Continued digital innovation in clinical and diagnostic services

During this quarter, Medcover further enhanced digital health solutions through the deployment of a number of innovative healthcare initiatives, examples of which include:

- In Poland, Healthcare Services was amongst the first healthcare organisations to connect to the Polish government's recently introduced national eServices through which Medcover is now able to leverage its e-prescriptions and electronic sick-notes capabilities.
- The extensive and well established "Medcover Online" portal through which patients access and control their own Electronic Medical Records, can communicate with doctors, request repeat prescriptions, book clinical appointments - amongst many other features was further enhanced with the introduction of chat-bot capabilities to assist members enhancing their experience.
- The deployment of the Polish language enabled speech-to-text dictation tool assists doctors in Poland in capturing the digital record of their patient consultations. By reducing doctors' time and effort inputting data to the computer, this system improves efficiency and allows the doctor to give maximum attention to their patient.

Robotics assisted surgery system Implemented in Warsaw's Wilanow Hospital

Bringing the 2018 digital agenda to a close, in the fourth quarter, Medcover launched robotic assisted surgical systems at the Wilanow Hospital in Warsaw (Poland). The robotic system when used with experienced surgeons facilitates complex surgery via minimally invasive techniques. The benefits for patient safety and outcomes is significant with unparcellled precision, reduction of side effects such as incontinence in prostate surgery and faster recovery.

KEY FINANCIAL DATA

Medicover, €m	Oct-Dec 2018	Oct-Dec 2017	Growth	FY 2018	FY 2017	Growth
Revenue	181.2	152.7	19%	671.6	580.2	16%
Operating profit	7.5	7.8	-4%	29.4	28.8	2%
Operating profit margin, %	4.1%	5.1%		4.4%	5.0%	
Net profit	3.9	9.2	-58%	26.5	20.2	31%
Net profit margin, %	2.2%	6.0%		3.9%	3.5%	
Earnings per share, €	0.025	0.067	-63%	0.185	0.157	18%
Diluted earnings per share, €	0.025	0.067	-63%	0.185	0.157	18%
EBITDA	16.2	14.6	11%	59.8	55.0	9%
EBITDA margin, %	8.9%	9.6%		8.9%	9.5%	
Adjusted EBITDA	17.6	14.8	19%	63.2	57.7	10%
Adjusted EBITDA margin, %	9.7%	9.7%		9.4%	9.9%	
EBITA	8.9	8.5	5%	32.7	31.4	4%
EBITA margin, %	4.9%	5.6%		4.9%	5.4%	
Healthcare Services, €m	Oct-Dec 2018	Oct-Dec 2017	Growth	FY 2018	FY 2017	Growth
Revenue	97.7	76.5	28%	346.1	285.8	21%
Operating profit	4.1	3.2	28%	13.4	13.2	2%
Operating profit margin, %	4.2%	4.2%		3.9%	4.6%	
EBITDA	9.3	6.8	37%	30.4	26.9	13%
EBITDA margin, %	9.5%	8.9%		8.8%	9.4%	
Members (period end) (000's)	1,209	1,024	18%	1,209	1,024	18%
Diagnostic Services, €m	Oct-Dec 2018	Oct-Dec 2017	Growth	FY 2018	FY 2017	Growth
Revenue	86.6	79.0	10%	336.7	304.4	11%
Operating profit	7.6	6.7	13%	30.6	29.1	5%
Operating profit margin, %	8.8%	8.5%		9.1%	9.6%	
EBITDA	11.0	9.8	12%	43.7	41.4	6%
EBITDA margin, %	12.7%	12.4%		13.0%	13.6%	
Lab tests (period volume) (m) ¹	24.8	23.3	6%	98.1	91.4	7%

For definition and reconciliation of alternative performance measures, refer to note 13.

¹ Restated – refer to note 13 for more information on the lab test restatement

CASH FLOW

Fourth quarter

Cash generated from operations before working capital changes and taxes paid amounted to €17.1m (€15.7m), being 105.6% of EBITDA (107.5%). Net working capital increased by €5.8m (decrease of €3.2m). Cash paid tax was €2.6m (€1.6m). Cash generated from operations was €8.7m (€17.3m).

Investments in tangible and intangible assets amounted to €13.4m (€13.2m) with a focus on Poland with continuing growth of members, fertility in India and Ukraine, dental in Poland as well as laboratory and clinical services in Germany. Investments for acquisitions of subsidiaries and associates amounted to €4.3m (€23.5m) with the largest payment being for the acquisition of a Romanian medical business.

Net loans drawn were €0.8m (net loans drawn €12.0m) to fund acquisition payments. Interest paid amounted to €0.7m (€0.5m) being the payment of commitment fees on the undrawn portion of the €200.0m facility and payment of interest on the remaining drawn debt.

Interest received was €0.7m (nil) earned on cash investments in liquid instruments.

Cash and cash equivalents decreased by €36.5m to €38.4m.

Full Year

Cash generated from operations before working capital changes and taxes paid amounted to €63.9m (€57.0m), being 106.9% of EBITDA (103.6%). Net working capital increased by €7.6m (decrease of €0.4m) with a decrease in stock and an increase in receivables and payables. Cash

paid tax was €11.9m (€7.1m). Cash generated from operations was €44.4m (€50.3m).

Investments in tangible and intangible assets amounted to €41.0m (€29.4m) with approximately 57% being growth capital investment and 43% being maintenance investment.

Investments for acquisitions of subsidiaries and associates amounted to €49.8m (€24.4m). €15.3m was paid to acquire an additional 22.1% stake in the MaxCure group during the year to bring Medicover's holding in MaxCure to an effective holding of 45.1%. Of the €15.3m some €12.1m was injected into MaxCure as new equity to grow the business and €3.2m was for purchase of existing shares. €5.8m was paid for the acquisition of OK System, a sports/fitness employee benefit business in Poland. Three dental businesses were also acquired in Poland for €3.8m. €20.7m was paid for the acquisition of Pelican, a hospital operator in the third quarter and €2.0m for a medical centre in the fourth quarter, both in Romania.

Net loans drawn were €70.5m (net loans repaid €158.8m) to pre fund into escrow €24.7m relating to the acquisition of a genetics business in Germany finalised at the beginning of January 2019, presented as a financial asset at amortised cost (refer to note 7). Interest paid reduced to €3.9m (€5.0m) being the payment of commitment fees on the undrawn portion of the €200.0m facility and payment of interest on the remaining drawn debt. After the year end, the Group's debt facilities were increased by €100m to €300m on the same terms and lenders. The increase is to provide funding capability for acquisitions and general corporate purposes.

Cash and cash equivalents decreased by €7.1m to €38.4m.

FINANCIAL POSITION

Consolidated equity as at 31 December 2018 amounted to €323.9m (€304.0m). The increase in the levels of equity is resulting from profit for the period and movements on non-controlling interests in relation to acquisitions and disposals. Consolidated loans payable amounted to €131.8m (€57.2m).

Medicover repaid in early 2018 €30.3m of debt secured on its real estate in Poland and refinanced with debt advanced under its revolving credit facility. During the year, Medicover drew on the facility to fund acquisitions. Consolidated loans payable net of cash were €93.4m (€11.8m) with the increase being used to fund investments.

TAX

The Group's effective tax rate for the year was 23.0% (27.9%), with a yearly tax charge of €7.9m

(€7.8m) being provided.

PARENT COMPANY

Income for the year was boosted by dividends received of €30.5m from subsidiaries resulting in a profit after tax of €28.4m in the fourth quarter. The parent company's assets consist of investments in subsidiaries. The business is financed with equity contributed by the owners. Equity of the parent company as at 31 December was €457.0m.

The annual general meeting held on 26 April 2018 decided to adopt a long term performance-based share program. The long term performance-based share program is proposed to include key

employees within Medicover. The participants in the program are required to invest in the Group by acquiring class B shares in Medicover AB. The participants will thereafter be granted the opportunity to receive class B shares free of charge in accordance with the program. For more information about the program refer to the Corporate governance/Remuneration section under investors at www.medicover.com. 2,400,000 class C shares were issued in the quarter and reacquired by the Group for the purpose of fulfilling the current and future long term incentive share issues.

DIVIDEND

In line with dividend policy, no dividend is proposed for 2018. From 2019 onwards, the Board will consider an annual dividend of up to 30% of net

profits taking into account Medicover's long term development opportunities and its financial position.

RISK FACTORS

Operating risks faced by the Medicover Group include risk relating to access to sufficient qualified employees and the related payroll expense to fulfil growth and customer service expectations, risk relating to medical quality or service deficiencies and medical malpractice. External risks include risk relating to the regulatory environment and the general economy, political risk and change in public government funding policies.

Apart from the risks described in the 'Risk and risk management' section of the Management Report in the Annual Report 2017 (pages 46-48), no other significant new risks are deemed to have emerged.

Medicover Group is exposed to various financial risks, such as credit risk, interest rate risk, liquidity risk and foreign currency risk. Financial risks are managed by the central finance department.

For further information on risk management and financial instruments, see the consolidated financial statements of the Group as at and for the year ended 31 December 2017: note 24 on pages 82-83

BASIS & AUDIT

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read together with the consolidated financial statements of the Group for the year ended 31 December 2017.

The interim information on page 1-14 is an integral part of this interim report. This report has not been reviewed by the Company's auditor.



The Board of Directors and Chief Executive Officer declare that the interim report for the period January-December 2018 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 15 February 2019

Fredrik Stenmo
Chairman of the board

Jonas af Jochnick
Vice chairman

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
Board member and CEO

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 8.00 (CET) on 15 February 2019. This interim report and other information about Medicover, is available at medicover.com.

Financial Calendar

Annual report	week 14
Interim report January-March 2019	3 May 2019
Annual General Meeting	3 May 2019
Interim report April-June 2019	26 July 2019
Interim report July-September 2019	6 November 2019

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CONDENSED FINANCIAL STATEMENTS

Condensed consolidated income statement

Note	€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
2	Revenue	181.2	152.7	671.6	580.2
	Operating expenses				
	Medical provision costs	-138.1	-116.4	-510.9	-438.2
	Gross profit	43.1	36.3	160.7	142.0
	Distribution, selling and marketing costs	-9.6	-7.8	-35.3	-28.5
	Administrative costs	-26.0	-20.7	-96.0	-84.7
	Operating profit	7.5	7.8	29.4	28.8
3	Other income/(costs)	0.6	2.9	8.6	2.9
	Interest income	0.7	0.1	1.4	0.2
	Interest expense	-1.4	-0.5	-4.0	-4.9
	Other financial income/(expense)	0.7	1.3	0.8	0.8
	Total financial result	0.0	0.9	-1.8	-3.9
5	Share of profit/(loss) of associates	-2.1	0.2	-1.8	0.2
	Profit before income tax	6.0	11.8	34.4	28.0
	Income tax	-2.1	-2.6	-7.9	-7.8
	Profit for the period	3.9	9.2	26.5	20.2
	Profit attributable to:				
	Owners of the parent	3.4	9.0	24.6	18.7
	Non-controlling interests	0.5	0.2	1.9	1.5
	Profit for the period	3.9	9.2	26.5	20.2
	Earnings per share (EPS) attributable to parent:				
	Basic, €	0.025	0.067	0.185	0.157
	Diluted, €	0.025	0.067	0.185	0.157

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
	Profit for the period	3.9	9.2	26.5	20.2
	Other comprehensive income:				
	Items that may be reclassified subsequently to income statement:				
	Exchange differences on translating foreign operations	-2.1	-3.3	-6.2	-1.0
	Income tax relating to these items	0.3	-	0.5	-0.2
	Other comprehensive income for the period, net of tax	-1.8	-3.3	-5.7	-1.2
	Total comprehensive income for the period	2.1	5.9	20.8	19.0
	Total comprehensive income attributable to:				
	Owners of the parent	1.8	5.6	18.9	17.2
	Non-controlling interests	0.3	0.3	1.9	1.8
		2.1	5.9	20.8	19.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	€m	31 Dec 2018	31 Dec 2017
	ASSETS		
	Non-current assets		
	Goodwill	150.1	126.8
	Other intangible fixed assets	50.8	36.4
	Tangible fixed assets	165.0	148.9
	Total fixed assets	365.9	312.1
	Deferred tax assets	2.9	3.7
5	Investment in associates	43.8	22.1
7	Other financial assets	9.3	5.2
	Total non-current assets	421.9	343.1
	Current assets		
	Inventories	30.3	30.7
7	Other financial assets	27.8	2.1
7	Trade and other receivables	92.8	82.5
7, 11	Cash and cash equivalents	38.4	45.4
	Total current assets	189.3	160.7
	Total assets	611.2	503.8
	SHAREHOLDERS' EQUITY		
	Issued capital and reserves attributable to owners of the parent	319.4	300.3
	Non-controlling interests	4.5	3.7
	Total shareholders' equity	323.9	304.0
	LIABILITIES		
	Non-current liabilities		
7, 10, 11	Loans payable	126.6	52.9
	Deferred tax liabilities	23.7	22.8
	Provisions	0.3	0.4
5, 7, 11	Other financial liabilities	28.6	23.6
	Other liabilities	5.6	4.7
	Total non-current liabilities	184.8	104.4
	Current liabilities		
7, 10, 11	Loans payable	5.2	4.3
	Provision for unearned premiums/deferred revenue	10.3	12.3
	Corporate tax payable	4.2	6.8
7	Other financial liabilities	3.6	4.9
7	Trade and other payables	79.2	67.1
	Total current liabilities	102.5	95.4
	Total liabilities	287.3	199.8
	Total shareholders' equity and liabilities	611.2	503.8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Note	€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
	Profit before income tax	6.0	11.8	34.4	28.0
	Adjustments for:				
	Depreciation and amortisation	8.7	6.8	30.4	26.2
	(Gain)/loss on disposal of fixed assets	0.0	-	-0.1	-0.1
3	Other income	-0.7	-2.9	-7.2	-2.9
	Net interest expense	0.7	0.4	2.6	4.7
	Employee share-based compensation costs	0.5	0.5	1.6	1.1
	Other non-cash charges	2.7	0.6	3.3	1.4
	Unrealised foreign exchange gain	-0.8	-1.5	-1.1	-1.4
	Cash generated from operations before working capital changes and tax payments	17.1	15.7	63.9	57.0
	Changes in operating assets and liabilities:				
	(Increase)/decrease in receivables & inventories	-12.1	1.8	-13.3	-10.1
	Increase in payables	6.3	1.4	5.7	10.5
	Cash generated from operations before tax payments	11.3	18.9	56.3	57.4
	Income tax paid	-2.6	-1.6	-11.9	-7.1
	Net cash from operating activities	8.7	17.3	44.4	50.3
	Investing activities:				
6	Payment for acquisition of fixed assets	-13.4	-13.2	-41.0	-29.4
6	Proceeds from disposal of fixed assets	0.0	0.1	0.1	0.2
5	Payment for acquiring interest in associates	-	-13.8	-15.3	-13.8
	Dividends received from associates	-	-	0.1	-
4	Payment for acquisition of subsidiaries, net of cash acquired	-4.3	-9.7	-34.5	-10.6
	Proceeds from disposal of subsidiaries, net of cash sold	0.5	-	0.5	-
	Payment into escrow for acquisitions	-24.7	-	-24.7	-
	Loans granted	-2.1	-	-2.7	-
	Interest received	0.7	0.0	1.4	0.1
	Net cash used in investing activities	-43.3	-36.6	-116.1	-53.5
	Financing activities:				
	Proceeds from issue of shares	0.4	0.3	0.4	199.3
	Acquisition of treasury shares	-0.4	-	-0.4	-
	Acquisition of non-controlling interests	-	-	-	-3.1
11	Loans repaid	-2.7	-3.0	-35.6	-174.8
11	Loans received	3.5	15.0	106.1	16.0
	Interest paid	-0.7	-0.5	-3.9	-5.0
11	Distribution to non-controlling interests	-2.0	-1.1	-2.0	-1.1
	Net cash from/(used in) financing activities	-1.9	10.7	64.6	31.3
	Total cash flow	-36.5	-8.6	-7.1	28.1
	Cash and cash equivalents				
	Cash balance as at beginning of the period	74.2	54.4	45.4	18.4
	Net effects of exchange gain/(loss) on cash balances	0.7	-0.4	0.1	-1.1
	Total cash balance as at end of the period	38.4	45.4	38.4	45.4
	Increase/(decrease) in cash and cash equivalents	-36.5	-8.6	-7.1	28.1

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€m	Share capital	Treasury shares	Additional paid in capital	Accumulated profit & loss reserve	Non-controlling interests put-option reserve	Other reserves	Translation reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 January 2017	109.0	-	46.4	-29.3	-13.0	0.4	-20.8	92.7	6.1	98.8
Profit for the period	-	-	-	18.7	-	-	-	18.7	1.5	20.2
Other comprehensive income	-	-	-	-	-	-	-1.5	-1.5	0.3	-1.2
Total comprehensive income for the period	-	-	-	18.7	-	-	-1.5	17.2	1.8	19.0
Transactions with owners in their capacity as owners:										
De-recognition of previous parent company	-109.0	-	-125.1	-	-	-	-	-234.1	-	-234.1
Issuance of Medcover AB shares for in kind contribution	19.4	-	214.7	-	-	-	-	234.1	-	234.1
Contribution of equity, net of transaction costs	7.3	-	192.0	-	-	-	-	199.3	-	199.3
Acquisition of an additional interest in a subsidiary	-	-	-	-0.8	-	-	-	-0.8	-2.2	-3.0
Business combination under common control	-	-	-8.3	-	-	-	-	-8.3	-	-8.3
Non-controlling interests put-option reserve	-	-	-	-	-0.8	-	-	-0.8	-2.1	-2.9
Non-controlling interests on business combinations	-	-	-	-0.1	-	-	-	-0.1	0.1	0.0
Employee share-based compensation costs	-	-	-	-	-	1.1	-	1.1	-	1.1
Reclassification on issuance of shares to employees	-	-	-	0.2	-	-0.2	0.0	-	-	-
Total transactions with owners in their capacity as owners	-82.3	-	273.3	-0.7	-0.8	0.9	-	190.4	-4.2	186.2
Closing balance as at 31 December 2017	26.7	-	319.7	-11.3	-13.8	1.3	-22.3	300.3	3.7	304.0
Profit for the period	-	-	-	24.6	-	-	-	24.6	1.9	26.5
Other comprehensive income	-	-	-	-	-	-	-5.7	-5.7	-	-5.7
Total comprehensive income for the period	-	-	-	24.6	-	-	-5.7	18.9	1.9	20.8
Transactions with owners in their capacity as owners:										
Share issue	0.4	-	-	-	-	-	-	0.4	-	0.4
Acquisition of treasury shares	-	-0.4	-	-	-	-	-	-0.4	-	-0.4
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-1.5	-1.5
Non-controlling interests put-option reserve	-	-	-	-	-1.1	-	-	-1.1	-2.2	-3.3
Non-controlling interests on business combinations	-	-	-	-	-	-	-	-	2.6	2.6
Employee share-based compensation costs	-	-	-	-	-	1.3	-	1.3	-	1.3
Total transactions with owners in their capacity as owners	0.4	-0.4	-	-	-1.1	1.3	-	0.2	-1.1	-0.9
Closing balance as at 31 December 2018	27.1	-0.4	319.7	13.3	-14.9	2.6	-28.0	319.4	4.5	323.9

CONDENSED PARENT COMPANY INCOME STATEMENT

Note	€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
	Revenue	0.2	0.1	0.6	0.1
	Operating expenses	-2.3	-2.9	-6.3	-4.0
	Operating loss	-2.1	-2.8	-5.7	-3.9
	Other income/(costs)	30.5	-	30.5	-
	Interest income from Group companies	0.0	0.3	0.1	0.2
	Profit/(loss) before income tax	28.4	-2.5	24.9	-3.7
	Income tax	-	-	-	0.0
	Profit/(loss) for the period	28.4	-2.5	24.9	-3.7

As the profit for the period corresponds with the amount in total comprehensive income, no separate statement is presented. Other income/costs includes dividend income of €30.5m received from subsidiaries.

CONDENSED PARENT COMPANY BALANCE SHEET

Note	€m	31 Dec 2018	31 Dec 2017
	Tangible fixed assets	0.0	0.1
	Investments in subsidiaries	434.8	434.8
	Other non-current assets	28.0	-
	Total fixed assets	462.8	434.9
	Current receivables	0.9	0.7
	Cash and cash equivalents	0.0	0.5
	Total current assets	0.9	1.2
	Total assets	463.7	436.1
	Restricted equity	27.1	26.7
	Non-restricted equity	429.9	403.8
	Total equity	457.0	430.5
	Non-current liabilities	3.3	3.3
	Current liabilities	3.4	2.3
	Total equity and liabilities	463.7	436.1

SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and principal accounting policies

Basis of preparation

Medicover AB (publ) (“the Company”) together with its subsidiaries are referred to as “the Group”. Medicover AB (publ) is a company domiciled in

Sweden, with its head office in Stockholm. The reporting and functional currency of the Company is the Euro.

Statement of compliance

This interim report has been prepared in accordance with IAS 34: Interim Financial Reporting and should be read together with the consolidated financial statements of the Group as at and for the year ended 31 December 2017. The interim financial statements do not include all

disclosures that would otherwise be required in a complete set of financial statements.

The condensed interim financial information on pages 1-14 is an integral part of this interim report.

Significant accounting policies, use of judgements and estimates

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

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

Details of the impact these two standards have had are given below. Other new and amended standards as well as interpretations issued by the IASB that will apply for the first time in the 2018 annual financial statements are not expected to impact the Group as they are either not relevant to the Group’s activities or require accounting which is consistent with the Group’s current accounting policies.

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

in the current reporting period and is not expected to have any material impact in future reporting periods.

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

Impact of accounting standards to be applied in future periods

There is a number of standards and interpretations which have been issued by the IASB that will be effective for 2019 that the Group has decided not to adopt early. The most significant of these is IFRS 16 *Leases* (mandatorily effective for periods beginning on or after 1 January 2019). This standard replaces the existing standard IAS17 and will be applied as of 1 January 2019 under the full retrospective approach.

The new standard introduces a single lessee accounting model which requires recognition of assets representing the future right to use the leased objects and of liabilities representing obligations to make future lease payments. The use of these assets is recognised over time by an amortisation charge to the income statement and the reduction of the liability is recognised through the payment of the lease obligations and an

imputed interest charge through the income statement. All things being equal the operating profit would be expected to increase, due to the replacement of the operating lease charge with a smaller amortisation of the lease asset. This operating profit increase would be partially or fully offset by higher interest charges due to the imputed interest charged in relation to the future lease obligations. The net change to the income statement is not expected to be significant. Restated financial statements for 2018 showing the impact of IFRS 16 will be issued in mid-April 2019.

The preparation of interim condensed financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in applying the Group's accounting policies. Refer to the Group's consolidated financial statements as at and for the year ended 31 December 2017 for further information on the use of estimates and judgements.

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

2. Segment information

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

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

€m	Oct-Dec 2018				Oct-Dec 2017			
	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue								
Total revenue	97.7	86.6	0.1		76.5	79.0	-0.1	
Inter-segment revenue	-0.2	-3.0	0.0		-0.2	-2.5	0.0	
Total revenue from external customers	97.5	83.6	0.1	181.2	76.3	76.5	-0.1	152.7
Of which funded:								
Privately	94.9	51.0	0.1	146.0	73.6	45.2	-0.1	118.7
Publicly	2.6	32.6	-	35.2	2.7	31.3	-	34.0
Originating from:								
Poland	73.3	8.2	-	81.5	61.8	7.4	-	69.2
Germany	-	41.8	-	41.8	-	39.4	-	39.4
Romania	14.5	13.3	-	27.8	7.5	11.4	-	18.9
Ukraine	1.7	12.4	-	14.1	1.4	10.1	-	11.5
Other countries	8.0	7.9	0.1	16.0	5.6	8.2	-0.1	13.7
Segment result: EBITDA	9.3	11.0	-4.1	16.2	6.8	9.8	-2.0	14.6
Margin, %	9.5%	12.7%		8.9%	8.9%	12.4%		9.6%
Depreciation & amortisation	-5.2	-3.4	-0.1	-8.7	-3.6	-3.1	-0.1	-6.8
Other income/(costs)	0.4	0.2	-	0.6	2.9	-	0.0	2.9
Share of profit/(loss) associates	-2.3	0.2	-	-2.1	0.1	0.1	-	0.2
Segment result	2.2	8.0	-4.2	6.0	6.2	6.8	-2.1	10.9
Other financial income/(expense)				0.7				1.3
Net interest expense				-0.7				-0.4
Tax				-2.1				-2.6
Group profit after tax				3.9				9.2
Additions to non-current assets:								
Tangible fixed assets, other than land & buildings	5.8	5.5	-	11.3	6.7	3.8	1.6	12.1
Land & buildings	0.3	0.1	-	0.4	-	0.1	-	0.1
Intangible assets	3.8	1.9	0.7	6.4	2.0	1.7	0.1	3.8
Goodwill	5.6	0.8	-	6.4	-	1.1	-	1.1
Investments in associates	-2.3	-	-	-2.3	21.4	-	-	21.4
Total	13.2	8.3	0.7	22.2	30.1	6.7	1.7	38.5

€m	Jan-Dec 2018				Jan-Dec 2017			
	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue								
Total revenue	346.1	336.7	0.3		285.8	304.4	0.3	
Inter-segment revenue	-0.6	-10.9	0.0		-0.4	-9.9	0.0	
Total revenue from external customers	345.5	325.8	0.3	671.6	285.4	294.5	0.3	580.2
Of which funded:								
Privately	336.0	199.0	0.3	535.3	275.3	174.5	0.3	450.1
Publicly	9.5	126.8	-	136.3	10.1	120.0	-	130.1
Originating from:								
Poland	270.7	31.9	-	302.6	231.5	28.3	-	259.8
Germany	-	163.3	-	163.3	-	150.7	-	150.7
Romania	41.1	52.7	-	93.8	28.8	45.0	-	73.8
Ukraine	6.2	46.5	-	52.7	4.8	39.2	-	44.0
Other countries	27.5	31.4	0.3	59.2	20.3	31.3	0.3	51.9
Segment result: EBITDA	30.4	43.7	-14.3	59.8	26.9	41.4	-13.3	55.0
Margin, %	8.8%	13.0%		8.9%	9.4%	13.6%		9.5%
Depreciation & amortisation	-17.0	-13.1	-0.3	-30.4	-13.7	-12.3	-0.2	-26.2
Other income/(costs)	8.5	0.2	-0.1	8.6	2.9	-	0.0	2.9
Share of profit/(loss) associates	-2.0	0.2	-	-1.8	0.1	0.1	-	0.2
Segment result	19.9	31.0	-14.7	36.2	16.2	29.2	-13.5	31.9
Other financial income/(expense)				0.8				0.8
Net interest expense				-2.6				-4.7
Tax				-7.9				-7.8
Group profit after tax				26.5				20.2
Additions to non-current assets:								
Tangible fixed assets, other than land & buildings	18.6	16.3	-	34.9	12.0	11.1	1.7	24.8
Land & buildings	6.0	0.1	-	6.1	-	0.1	-	0.1
Intangible assets	15.1	8.2	1.0	24.3	3.7	6.3	-	10.0
Goodwill	26.2	-0.5	-	25.7	2.1	5.5	-	7.6
Investments in associates	24.2	-	-	24.2	21.4	-	-	21.4
Total	90.1	24.1	1.0	115.2	39.2	23.0	1.7	63.9

As almost all sales in each geography are denominated in the countries' respective currency the above table shows the exposure of the Group to foreign currency risks for revenue. Within the Healthcare Services segment, revenue for

insurance contracts for 2018 was €204.7m (€177.5m). For further information on insurance contracts, see the consolidated financial statements as at and for the year ended 31 December 2017: note 4 on page 71.

€m equivalent	31 Dec 2018	31 Dec 2017
Non-current assets by location of assets		
Poland (PLN)	137.6	125.5
Germany (EUR)	138.5	137.6
Romania (RON)	65.7	30.7
India (INR)	50.3	25.5
Ukraine (UAH)	11.7	7.7
Other (various)	15.2	12.4
Total non-current assets by location of assets	419.0	339.4

Non-current assets by geography include land and buildings, equipment, intangible assets including goodwill, other financial assets and investments in

associates. Deferred tax assets of €2.9m (€3.7m) are excluded.

3. Other income/(costs)

€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Other income/(costs)				
Change in fair value of MaxCure financial assets and liabilities	0.5	2.8	8.6	2.8
Change in fair value of other non-current liabilities	-	0.1	0.2	0.1
Gain/(loss) on disposal of interest in subsidiaries	0.2	-	-1.6	-
Profit on real estate development project	-	-	1.5	-
Other	-0.1	-	-0.1	-
Total other income/(costs)	0.6	2.9	8.6	2.9

4. Significant business combinations

The Group acquired 80% of the shares in Pelican, a hospital operator in the North-western part of Romania, on 12 September 2018 for a payment net of cash acquired of €20.7m. Preliminary purchase price allocation has been performed, subject to change in the next twelve months from the acquisition date, and is presented below. €7.5m of intangibles were recognised as brand value with an estimated life of 7 years. The income-based brand valuation method has been applied and is based on how much the brand owner would have to pay to use its brand if it licensed the brand from a third party. It uses discounted cash flows to capitalise future branded cash flows. €1.7m customer

relations and €0.4m intangible assets relating to hospital operating licenses and authorisation were acquired with an estimated life of 5 years. €12.8m goodwill was recognised on this acquisition, unallocated to specific intangibles representing expected synergies with existing operations. This acquisition will turn Medcover into a leading private provider in the region.

In 2018, the following cash flows (net of cash acquired) were paid in relation of business combinations. Non-controlling interests (NCI) have been measured at the NCI's proportionate share of the identified net assets of the acquiree.

€m	Pelican	Other	Total
Cash	2.1	1.3	3.4
Accounts receivable and inventory	3.0	1.4	4.4
Tangible fixed assets	6.1	1.5	7.6
Goodwill	12.8	12.9	25.7
Other intangible fixed assets:	9.8	4.5	14.3
Brand	7.5	1.1	8.6
Customer relations	1.7	-0.2	1.5
Licenses	0.4	-	0.4
Set up costs	-	3.5	3.5
Other	0.2	0.1	0.3
Deferred tax asset	-	0.2	0.2
Deferred tax liability	-1.3	-0.7	-2.0
Corporate tax payable	-0.2	0.0	-0.2
Accounts payable	-3.4	-2.5	-5.9
Third party loans	-3.4	-0.8	-4.2
Non-controlling interests	-2.2	-0.4	-2.6
Total purchase price	23.3	17.4	40.7
Less: cash acquired	-2.1	-1.3	-3.4
Deferred and contingent consideration payable	-0.5	-1.5	-2.0
Other	-	-0.8	-0.8
Total cash flow for acquisitions net of cash acquired	20.7	13.8	34.5

5. Investment in associate

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

Note	€m	31 Dec 2017	Additions	Translation Movement	31 Dec 2018
	Investment in MaxCure				
a)	Cash paid for issued new shares	9.5	12.1	-2.0	19.6
a)	Cash paid for existing shares	4.3	3.2	-0.2	7.3
b)	Recognition of liability (economic interest)	7.6	4.8	-0.2	12.2
c)	Options exercised	-	6.1	-0.1	6.0
d)	Share of loss of associate	-	-2.0	0.0	-2.0
	Closing carrying value of investment in MaxCure	21.4	24.2	-2.5	43.1
	Ownership, %	23.0%			45.1%

a) The funds were used to acquire MaxCure's 11th unit, bringing total beds to 1,750, to acquire a minority in one of the existing units and to fund the launch of an additional greenfield unit opened during the fourth quarter.

b) The financial liability is a virtual participation interest in the Group's MaxCure investment remunerating work conducted on sourcing and negotiating the initial investment and assistance in managing the investment to be settled in cash. It was measured at fair value at the acquisition date

and further accrues in line with the increase in the effective interest of the Group in MaxCure to an amount of up to 5.1% of the value of equity of MaxCure.

c) This represents the value of call options recognised on exercise. Refer to note 7 for more details.

d) A loss of €2.0m was recognised for the period since ownership.

6. Investments in fixed assets – cash flow impact

€m	Jan-Dec 2018	Jan-Dec 2017
Investments in fixed assets		
Investments in intangible assets	10.0	6.1
Investments in tangible assets	31.0	23.3
Disposals of tangible and intangible assets	-0.1	-0.2
Total net investments in fixed assets	40.9	29.2

7. Financial assets and liabilities

The following table shows the Group's significant financial assets and liabilities. All financial assets and liabilities are carried at amortised cost with the exception of:

- derivative financial instruments being reported at fair value through profit or loss;
- a put option liability over non-controlling interests in one of the Group's subsidiaries being reported at fair value with the changes in fair value being reported to equity as a transaction between shareholders;
- contingent consideration payable in relation to acquisitions;
- a financial liability arising from an agreement with a third party that entitles the other party to

receive cash based on the value of equity instruments of an associate, carried at fair value through profit or loss;

- certain call and put options written over shares of an associate, carried at fair value less deferred day one profit or loss, with the fair value re-measurement at each reporting date being reflected in the income statement along with the release of the initial deferral; and
- non-associate equity stake.

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

Note	€m	31 Dec 2018			31 Dec 2017		
		Non-current	Current	Total	Non-current	Current	Total
	Financial assets at fair value through profit or loss						
b)	Call options on associate's shares	1.6	3.1	4.7	2.1	2.1	4.2
	Other financial assets	2.8	-	2.8	-	-	-
	Subtotal financial assets at fair value through profit or loss	4.4	3.1	7.5	2.1	2.1	4.2
	Financial assets at amortised cost						
	Other financial assets	4.9	24.7 ¹	29.6	3.1	-	3.1
	Trade and other receivables, gross	-	98.9	98.9	-	87.3	87.3
	Provision for expected credit losses	-	-6.1	-6.1	-	-4.8	-4.8
	Subtotal financial assets at amortised cost	4.9	117.5	122.4	3.1	82.5	85.6
	Cash and cash equivalents	-	38.4	38.4	-	45.4	45.4
	Total financial assets	9.3	159.0	168.3	5.2	130.0	135.2
	Financial liabilities at fair value through profit or loss						
b)	Put options on associate's shares	1.7	-1.1	0.6	1.5	-	1.5
c)	Other financial liabilities	11.2	-	11.2	7.5	-	7.5
d)	Contingent acquisition consideration payable	5.6	0.6	6.2	5.8	0.5	6.3
	Derivatives (interest rate swap)	-	-	-	-	0.4	0.4
	Subtotal financial liabilities at fair value through profit or loss	18.5	-0.5	18.0	14.8	0.9	15.7
a)	Put option liquidity obligation with non-controlling shareholder (with movement through equity)	15.7	-	15.7	14.6	-	14.6
	Subtotal financial liabilities at fair value	34.2	-0.5	33.7	29.4	0.9	30.3
	Financial liabilities at amortised cost						
	Borrowings	117.5	2.0	119.5	44.1	2.3	46.4
	Other liabilities	-	4.7	4.7	-	4.5	4.5
	Trade and other payables	-	79.2	79.2	-	67.1	67.1
	Deferred consideration payable	3.5	2.6	6.1	3.0	1.5	4.5
	Subtotal financial liabilities at amortised cost	121.0	88.5	209.5	47.1	75.4	122.5
	Total financial liabilities	155.2	88.0	243.2	76.5	76.3	152.8

¹ €24.7m payment into escrow relating to the acquisition of a German genetics business closed in January 2019.

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

€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Change in fair value of financial assets/liabilities				
Release of deferred profit upon initial call option recognition	0.3	1.7	4.9	1.7
Release of deferred loss upon initial put option recognition	-0.2	-0.2	-1.1	-0.2
Change in fair value of call/put options on associate's shares	-0.4	1.2	3.7	1.2
Change in fair value of other financial liabilities	0.8	0.1	1.1	0.1
Total fair value recognised in other income/(costs)	0.5	2.8	8.6	2.8

Recognised fair value measurements - valuation technique and principal inputs

A breakdown of how fair value is determined is indicated in the following three levels:

Level 1: Medcover presently has no financial assets or liabilities where the valuation is based on level 1.

Level 2: The fair value of interest rate swaps is determined by discounting the estimated cash flows. Discounting is based on quoted market rates on comparable instruments at the balance sheet date.

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

a) The Group is contractually obliged to acquire at a future date a non-controlling interest at a market price determined at that future time. This put option relates to one of the Group's German subsidiaries. The valuation is based on management's estimate of the exercise date and the expected valuation of the put option at that time. Due to contracted terms disadvantaging the holder, it is estimated that the put option will be exercised in 2023 at the earliest. In determining the fair value of the obligation, estimations of key variables are made, of which the most significant are the growth rate of the business to determine its profitability at the future date of exercise (compound rate of 5.5% at the end of 2018 and in 2017) and the discount rate applied to the nominal value (1.70% at the end of 2018 and 1.44% in 2017). This is a level 3 fair value technique with subsequent changes in fair value of the future obligation recognised as a movement within equity.

b) The Group has rights to invest in an associate to inject new capital and to acquire a set number of existing shares at a price per share-based upon a formula linked to a profit measure. In addition, the Group has written put option agreements to certain investors to acquire the shareholding in the future,

these can be exercised anytime between March 2020 and March 2023 and between March 2024 and March 2027 or until they cease to be shareholders. The model used for fair valuing these financial instruments is a Monte Carlo simulation model that takes into account the exercise price, the term of the options, the underlying equity value at grant date and expected volatility, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies. Each option was valued individually. Market observable input for share price volatility was based on a group of listed Indian hospital stocks, matched to the duration of the options being valued. Volatility input ranged from 36.6%-38.2% (34.6%-38.4%). Market observable growth rates of profitability were used for the same group of stocks also matched to duration of the options. Observable growth rate amounted to 9.2% (9.5%) and volatility to 18.1%(19.3%).

c) The Group has a contractual obligation to an unrelated third party in relation to the investment in the associate for services rendered in sourcing and negotiating the transaction and ongoing assistance in mergers and acquisitions as well as corporate governance of the associate. This is remunerated through a contract that grants the advisor a simulated participation in the Group's investment. The liability has been measured at the purchase date using a model relying upon observable and unobservable inputs related to the associate specifically projected growth of underlying profits and estimates of the likely date of exercise and payment of the obligation. The observable inputs relate to discount rates for the equity risks for the listed Indian hospital sector, represented by some 9 listed entities. The rate used at acquisition date was 12.1% and at the year end revalued to 12.9% (12.8%). Management felt that this was a more appropriate model than one weighted to market based information. The expectations for growth are higher than market rates given the infusion of funds

that Medcover is likely to make over 2019 and the resulting boost to growth and profitability above the hospital sector averages in India. This gives a more prudent and more reliable estimation of the eventual liability likely to be realised. As the contractual obligation is payable regardless of subsequent assistance in areas identified above, the total liability is recognised on acquisition at each tranche and therefore increases in line with the increase in ownership with subsequent changes in fair value at each reporting date recorded in the income statement.

d) The fair value of contingent considerations payable is based on an estimated outcome of the conditional purchase price/contingent payments arising from contractual obligations. This is initially recognised as part of the purchase price and subsequently fair valued with changes recorded in the income statement. An increase of €2.0m has been recognised during the quarter relating to dental acquisitions closed in Poland, a Romanian medical acquisition and a German genetic acquisition.

No financial assets or financial liabilities have been reclassified between the valuation categories in 2018.

Unobservable valuation differences on initial recognition

As described in section c) above, the Group has entered into certain call and put option agreements over shares of an associate. The strike price of these acquisitions/ subscriptions is to be determined based upon formulas linked to profitability with price caps in some cases. The fair value of these options was determined using valuation techniques which rely on some observable inputs, including volatility of share prices of listed entities in the same field and market profit growth rates of similar listed entities, but also

rely on unobservable inputs particularly in respect of inputs specific to the associate. The Group views these fair value calculations as reasonable given comparable observable price metrics that are considerably higher even when adjusted for liquidity and size. The accounting policy of the Group is that upon initial recognition of the financial instruments the Group recognises the fair value and will account for the difference between cost and fair value as an adjustment to bring the carrying amount in line with the transaction price. The net profit will be deferred by reducing the initial carrying amount of the net asset. This reduction will then be reversed in the income statement over the life of the options until exercised or lapsed. Management has judged that this gives assurance of the underlying value of the shares covered by the options as the associate increases its profitability. Subsequent fair value re-measurement of the options at each reporting date is reflected in the income statement along with the release of the initial deferral.

The exercise price of the call options to increase the investment is based on a surrogate for the fair value of the shares at the date of exercise. A valuation of the four call options and two put options has been performed using a Monte Carlo simulation model at inception and subsequently at each reporting period with a defined set of variables and volatility. The fair value of the call and put options amounted to €7.6m (€11.7m) and €6.0m (€7.8m) respectively at the end of the year. Any subsequent change in fair value will be recognised in the income statement.

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

€m	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Call Options				
Opening balance	4.5	-	4.2	-
Increase due to options acquired / recognised	0.2	9.2	0.4	9.2
Deferral of profit of options acquired	-0.2	-9.2	-0.4	-9.2
Decrease due to options exercised and transfer to cost of investment	-0.1	-	-6.1	-
Release of profit deferral	0.3	1.7	4.9	1.7
Revaluation of options	0.0	2.5	1.7	2.5
Closing balance	4.7	4.2	4.7	4.2
Put Options				
Opening balance	0.0	-	-1.5	-
Increase due to options acquired / recognised	0.0	-6.5	-0.3	-6.5
Deferral of loss of options acquired	0.0	6.5	0.3	6.5
Release of loss deferral	-0.2	-0.2	-1.1	-0.2
Revaluation of options	-0.4	-1.3	2.0	-1.3
Closing balance	-0.6	-1.5	-0.6	-1.5

Valuation inputs and relationships to fair value

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

Description	Fair Value at		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value (FV)
	31 Dec 2018	31 Dec 2017		31 Dec 2018	31 Dec 2017	
Put option (Liquidity obligation with non-controlling shareholder)	15.7	14.6	Earnings growth factor	5.5%	5.5%	Increase of 1% point in profit growth = increase in FV liability of €0.6m
			Risk adjusted discount rate	1.70%	1.44%	Reduction of 1% point in discount rate = increase in FV liability of €0.8m
Call option ¹ (Asset to acquire additional associate's shares)	7.6	11.7	Risk free rate	7.2%-7.5%	6.1%-7.6%	Reduction of 1% point in risk free rate = decrease in FV asset of €0.3m
			EBITDA growth rate	9.2%	9.5%	Increase of 1% point in EBITDA growth rate = decrease in FV asset of €0.2m
Put option ² (Liability to acquire associate's shares held by other investors)	6.0	7.8	Risk free rate	7.2%-8.1%	7.2%-7.6%	Reduction of 1% point in risk free rate = increase in FV liability of €0.7m
			EBITDA growth rate	9.2%	9.5%	Increase of 1% point in the EBITDA growth rate = increase in FV liability of €0.7m
Economic interest option (Other non-current liability)	11.2	7.5	4 year projected CAGR EBITDA	33.6%	43.3%	Increase of 10% in CAGR EBITDA = increase in FV liability of €1.2m
			Risk adjusted discount rate	12.9%	12.9%	Reduction of 1% point in discount rate = increase in FV liability of €0.4m
Contingent acquisition consideration payable	6.2	6.3	Risk adjusted discount rate	5.5%-8.5%	5.5%	Reduction of 1% point in discount rate = increase in FV liability of €0.1m

8. Share capital

Share capital as at 31 December 2018 was €27.1m represented by 135,735,195 shares divided into 79,204,796 class A shares, 54,130,399 class B shares and 2,400,000 class C shares. The quota value is €0.2 per share. Celox Holding AB owns 47,157,365 shares with 55.6% of the voting rights.

In this quarter, 2,400,000 class C shares were issued and immediately repurchased for a price of

€0.2 per share totaling €480,000 to ensure delivery of shares to employees in accordance with the long-term performance-based share programs for 2017 and 2018.

The number of shares used to calculate the EPS is 133,335,195.

¹ Fair value of the call option includes the unamortised deferral of day one profit

² Fair value of the put option includes the unamortised deferral of day one loss

9. Related party transactions

The Group's financial position as at 31 December 2018 and 31 December 2017 as well as profit for 2018 were not significantly affected by the existence of balances and transactions with related parties, other than two transactions finalised on 4 October 2017 for a total cost of €31.4m, in respect

of investments in India (see consolidated financial statements of the Group as at and for the year ended 31 December 2017: notes 11 and 12 on pages 77-78).

10. Loans payable

€m	31 Dec 2018	31 Dec 2017
Non-current loans payable		
Loans	117.3	43.4
Finance lease liabilities	0.2	0.5
Acquisition vendor notes and other	9.1	9.0
Total non-current loans payable	126.6	52.9
Current loans payable		
Loans	0.9	1.6
Finance lease liabilities	0.4	0.6
Acquisition vendor notes and other	3.9	2.1
Total current loans payable	5.2	4.3

11. Liabilities arising from financing activities

€m	31 Dec 2018	31 Dec 2017
Gross debt		
Non-current loans payable	126.6	52.9
Current loans payable	5.2	4.3
Total gross debt	131.8	57.2
Other financial liabilities		
Non-current	28.6	23.6
Current	3.6	4.9
Total other financial liabilities	32.2	28.5

A reconciliation of movements of debt and other financial liabilities is presented below:

€m	Jan-Dec Debt		Jan-Dec Other financial liabilities	
	2018	2017	2018	2017
Opening balance	57.2	210.7	28.5	17.9
Cash movements				
Loans repaid	-35.6	-174.8	-0.4	-
Loans received	106.1	16.0	0.0	-
Distribution to non-controlling interests	-	-	-2.0	-1.1
Non-cash movements				
Net foreign exchange movements	-1.5	0.1	-	-
Debt assumed upon business combinations and acquisition of assets	5.4	5.3	-	-
Liquidity obligation to non-controlling interests	-	-	2.2	2.1
Economic interest liability for associate recognised	-	-	4.8	7.6
Other non-cash transactions	0.2	-0.1	0.0	-0.2
Fair value changes recognised through equity	-	-	1.1	0.8
Fair value through profit and loss:				
Fair value changes	-	-	-3.1	1.2
Recognition of deferred inception losses	-	-	1.1	0.2
Closing balance	131.8	57.2	32.2	28.5
Less: cash balance	-38.4	-45.4		
Debt net of cash	93.4	11.8		

12. Events after balance sheet date

Medicover has signed an agreement to acquire Neomedic, a leading neonatology and obstetrics hospital group in southern Poland, for €70.5m. The transaction is subject to customary merger control approvals and is expected to be consolidated during the 2nd quarter of 2019.

The acquisition of the centre for genetic diagnostics of Dr. Klein, Dr. Rost and colleagues ('Klein') located near Munich in Germany was completed in January 2019 for a total consideration of €25.6m. €20.9m was released

from money deposited in an escrow account in 2018. A preliminary purchase price allocation is presented below. It resulted in a total cash settlement of €21.5m million with a contingent consideration payable totaling €4.5m recognised and capped as part of the purchase price based on future performance targets. €2.2m has been allocated to other intangibles. €20.1m goodwill was recognised on these acquisitions, unallocated to specific intangibles representing expected synergies with existing operations.

€m	Klein
Cash	-
Accounts receivable and inventories	0.6
Tangible fixed assets	2.8
Goodwill	20.1
Other intangible fixed assets:	2.2
Customer relations	2.0
Other	0.2
Other payable	-0.1
Total purchase price	25.6
Less: cash acquired	-
Deferred and contingent consideration payable (discounted)	-4.1
Total cash flow for acquisitions net of cash acquired	21.5

13. Definition and reconciliation of alternative performance measures (APM)

In its decision making, the Group uses some alternative performance measures that are not defined in IFRS, because they provide information useful to assess the Group's development, financial and operational performance. These measures should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS. These APMs may not be comparable to similar measures presented by other companies. The main alternative performance measures used by the Group are explained and reconciled below.

Acquired revenue

Represents revenue recognised from acquired businesses in the first 12 months from the acquisition. This represents non-organic growth. If there is significant expansion of the acquired business post-acquisition due to investments made post-acquisition and such revenue can be readily identified then this additional revenue is excluded from acquired revenue.

Organic revenue

Organic revenue combines real internally generated growth and also comprises price changes. This represents the growth of the business after removing the impact of acquisitions and disposals or other scope changes and exchange rate movements. This provides a "like for like" comparison with the previous year or period in constant scope and constant currency enabling a deeper understanding of the business and evolution of revenue.

The revenue of an acquired business is generally excluded for the 12 months following the business combination, but revenue generated by post-acquisition expansion of the business due to investments made subsequent to acquisition, if significant, is included. Revenue of disposed businesses are removed from the comparatives for the 12 months prior to the disposal. The effects of changes in foreign exchange rates are calculated as the current year's revenue less the current year's revenue converted at the prior year's rates.

Organic growth is the comparison of organic revenue for the current year to the comparable prior year revenue, expressed as a percentage or absolute figure.

EBITA

Earnings before interest, other financial income/(expense), tax, amortisation and impairment, other income/(costs) and share of profit/(loss) of associates.

EBITA margin

EBITA as a percentage of revenue.

EBITDA

Earnings before interest, other financial income/(expense), tax, amortisation, depreciation and impairment, other income/(costs) and share of profit/(loss) of associates.

Adjusted EBITDA

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

EBITDA margin

EBITDA as a percentage of revenue.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of revenue.

Operating profit margin

Operating profit as a percentage of revenue.

Gross profit margin

Gross profit as a percentage of revenue.

Profit margin

Profit for the period as a percentage of revenue.

Net financial debt

Net financial debt represents the net level of financial debt contracted by the Group with external parties (banks, bonds) upon which interest is charged after deducting cash and cash equivalents. Refer to note 20 of the consolidated financial statements as at and for the year ended 31 December 2017 for the composition of debt and a reconciliation of movements for the year.

Members

Number of individuals covered under a pre-paid subscription or insurance plan within the Healthcare Services segment at the end of the relevant period.

Laboratory tests

Number of laboratory tests performed within the Diagnostic Services segment for the period referenced. The basis of counting tests has been restated such that certain test parameters are

grouped together, sold as a single item and are counted as a single test. This provides a more consistent information with the revenue

development to activity. The restated and previously reported amounts are as follows:

m	FY18	FY17	Growth	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Lab test volume											
As reported	132.6	123.8	7.1%	33.3	31.9	32.5	34.9	30.9	29.7	31.2	32.0
Restated	98.1	91.4	7.3%	24.8	23.8	24.0	25.5	23.3	22.3	22.2	23.6

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Reconciliation to EBITDA, €m				
Operating profit	7.5	7.8	29.4	28.8
Amortisation	1.4	0.7	3.3	2.6
EBITA	8.9	8.5	32.7	31.4
Depreciation	7.3	6.1	27.1	23.6
EBITDA	16.2	14.6	59.8	55.0
Non-cash equity settled share-based payments	0.5	0.3	1.6	0.8
Merger and acquisition related expenses	0.9	0.2	1.8	0.4
Initial public offering (IPO) related expenses	-	-0.3	-	1.5
Adjusted EBITDA	17.6	14.8	63.2	57.7
Revenue	181.2	152.7	671.6	580.2
Operating profit margin, %	4.1%	5.1%	4.4%	5.0%
EBITDA margin, %	8.9%	9.6%	8.9%	9.5%
Adjusted EBITDA margin, %	9.7%	9.7%	9.4%	9.9%
Profit margin, %	2.2%	6.0%	3.9%	3.5%

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Reconciliation to organic revenue, €m				
Revenue	181.2	152.7	671.6	580.2
Less acquired revenue impact	-10.2	-3.1	-22.9	-9.4
Revenue excluding acquisitions	171.0	149.6	648.7	570.8
Currency effect	2.5	-0.4	9.2	-1.4
Organic revenue	173.5	149.2	657.9	569.4