

## YEAR-END REPORT JANUARY–DECEMBER 2022

### Fourth quarter

- Revenue amounted to €397.7m (€376.3m), an increase of 5.7% with an organic reduction of 2.5%.
- Operating profit (EBIT) was €8.7m (€41.6m), representing an operating margin of 2.2% (11.1%).
- Net profit amounted to €2.2m (€28.4m), which represents a margin of 0.5% (7.6%).
- EBITDA was €53.0m (€75.1m), a decrease by 29.6%. EBITDA margin was 13.3% (20.0%).
- EBITDAaL amounted to €29.9m (€56.9m), corresponding to an EBITDAaL margin of 7.5% (15.1%).
- Net cash flow from operating activities was €41.2m (€53.9m).
- Basic/diluted earnings per share were €0.013 (€0.186).

### Full year

- Revenue amounted to €1,510.2m (€1,377.4m), an increase of 9.6% with an organic growth of 1.9%.
- Operating profit (EBIT) was €55.5m (€159.4m), representing an operating margin of 3.7% (11.6%).
- Net profit amounted to €14.0m (€106.6m), which represents a margin of 0.9% (7.7%).
- EBITDA was €217.4m (€270.4m), a decrease by 19.6%. EBITDA margin was 14.4% (19.6%).
- EBITDAaL amounted to €131.2m (€210.8m), corresponding to an EBITDAaL margin of 8.7% (15.3%).
- Net cash flow from operating activities was €170.2m (€216.7m).
- Basic/diluted earnings per share were €0.081 (€0.686).
- The board of directors proposes a dividend for 2022 of €0.12 (€0.12) per share.

### REVENUE AND EARNINGS

€ millions (€m)	Q4 2022	Q4 2021	Variance	FY 2022	FY 2021	Variance
Revenue	397.7	376.3	6%	1,510.2	1,377.4	10%
Operating profit (EBIT)	8.7	41.6	-79%	55.5	159.4	-65%
Operating profit margin	2.2%	11.1%		3.7%	11.6%	
Net profit	2.2	28.4	-92%	14.0	106.6	-87%
Net profit margin	0.5%	7.6%		0.9%	7.7%	
Basic/diluted earnings per share, €	0.013	0.186	-93%	0.081	0.686	-88%
EBITDA	53.0	75.1	-30%	217.4	270.4	-20%
EBITDA margin	13.3%	20.0%		14.4%	19.6%	
Adjusted EBITDA	57.7	78.8	-27%	234.2	280.5	-17%
Adjusted EBITDA margin	14.5%	20.9%		15.5%	20.4%	
EBITDAaL	29.9	56.9	-48%	131.2	210.8	-38%
EBITDAaL margin	7.5%	15.1%		8.7%	15.3%	
Adjusted EBITDAaL	34.6	60.6	-43%	148.0	220.9	-33%
Adjusted EBITDAaL margin	8.7%	16.1%		9.8%	16.0%	
EBITA	15.2	45.9	-67%	81.2	171.2	-53%
EBITA margin	3.8%	12.2%		5.4%	12.4%	

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

*Medicover is a leading international healthcare and diagnostic services company and was founded in 1995. Medicover operates a large number of ambulatory clinics, hospitals, specialty-care facilities, laboratories and blood-drawing points and the largest markets are Poland, Germany, Romania and India. In 2022, Medicover had revenue of €1,510 million and more than 44,000 employees. For more information, go to [www.medicover.com](http://www.medicover.com)*

## CEO STATEMENT

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We can conclude that 2022 has been a most turbulent and challenging year with several external factors impacting the business – war, cost inflation, swing of Covid-19 services and at the same time as executing a strong organic and inorganic investment programme.

I am proud of the way we have managed to handle and navigate through these challenges in 2022. We have managed pricing in our biggest business line and reported record member growth, our Ukraine staff continue to provide services despite war. Over 2022, we have invested at record levels across the Group driving future growth. 2022 has demonstrated again the resilience of our business model and with solid revenue growth of 9.6% for the year replacing and more the reduction in Covid-19 revenue.

I am also proud that we have met and exceeded our 3-year financial targets during difficult trading conditions, and we are also launching new, even more ambitious growth targets for the three years ahead. For 2020-2022 we have significantly exceeded the organic revenue growth target with compound annual organic growth of 14.6% (target 9-12%). Absolute organic revenue growth for the period was €428m, which is 5/6 the revenue of the entire group in 2016, the year before our listing. On top of this our inorganic activity has added a further €238m of revenue from 40 transactions over that period. Compound annual growth of adjusted EBITDA was 23.3% for the period and a margin of 15.5% for 2022, up from 14.8% in 2019.

Revenue for the final quarter grew by 5.7% to €397.7m (€376.3m), despite the reduction in Covid-19 revenue of €49.9m, with a negative organic growth of 2.5%. Revenue for the year grew 9.6% to €1,510.2m (€1,377.4m) with an organic growth of 1.9%, even with the negative swing of €126.7m in Covid-19 revenue.

Fee-For-Service and other services (FFS) increased by 1.1% during the quarter, now representing 59% of total revenue. Full year FFS revenue growth was 6.3%, representing 59% of total revenue.

EBITDA for the quarter amounted to €53.0m (€75.1m), a margin of 13.3% (20.0%). EBITDA for the full year amounted to €217.4m (€270.4m), a margin of 14.4% (19.6%). The record pace of organic expansion has weighed on margins over the second half of the year, and margins are still pressured in some markets where prices have not yet adapted.

Healthcare Services quarterly revenue grew by 35.0% to €259.0m (€191.9m), with an organic growth of 19.0%. Revenue growth for the year was 28.9%, with an organic growth of 15.8%, reaching €917.1m (€711.6m).

At the end of the year the division had 1.7 million members, growing with 24 thousand members in the quarter and with 177 thousand members for the year. FFS grew 39.2% in the quarter and represented 55% of divisional revenue, full year FFS revenue growth was 33.4%.

Healthcare Services EBITDA grew by 34.8% to €38.2m (€28.4m) in the quarter, an EBITDA margin of 14.8% (14.8%). EBITDA for the year grew by 13.8% to €125.9m (€110.7m) corresponding to a margin of 13.7% (15.6%).

Diagnostic Services quarterly revenue decreased by 24.1% to €143.9m (€189.7m), with a negative organic growth of 24.2%, with the swing in Covid-19 revenue reducing €42.5m impacting the most, followed by the war in Ukraine. Revenue for the year decreased by 10.8%, with a negative organic growth of 12.7%, reaching €612.5m (€686.8m), reflecting the negative swing of Covid-19 of €73.1m and war.

The number of laboratory tests for the quarter amounted to 29.3 million (35.9 million), a decrease of 18.2%. The number of tests for the full year reached 119.3 million (133.4 million). At the end of the year, the number of blood-drawing points (BDPs) amounted to 876 (852). FFS decreased by 28.1% for the quarter and represented 67% of divisional revenue, full year FFS revenue growth was -15.5%.

Diagnostic Services EBITDA amounted to €23.0m (€53.3m) in the quarter, an EBITDA margin of 15.9% (28.1%). EBITDA for the year was €118.7m (€179.7m), an EBITDA margin of 19.4% (26.2%). The swing in contribution from Covid-19 services and the war in Ukraine weighing on the results.



Organic growth is expected to continue at a high rate in 2023, however the year will have its set of challenges, a high inflation backdrop with continuing energy sourcing and price issues for European markets, while interest rates are expected to remain at higher levels. Offsetting this will be a relatively strong employment market and demand being resilient. The war in Ukraine shows no signs of abating. Covid-19 is a problem that seems to have largely passed from a pandemic viewpoint and is lived with as a permanent feature.

The high level of organic and inorganic investment will normalise in 2023 from the high 2022 levels and the investments made in 2022 will continue to mature in 2023 as capacity is filled. The dilutive effect of these openings and new capacity will be visible in the first half of 2023, with additional openings still scheduled for the first half of 2023.

As expressed in our new 3-year financial targets, organic revenue is expected to exceed €2.2 billion in 2025, a CAGR of 13.4%. Inorganic activity will in addition continue, more weighted in the second half of the 3-year period and will boost further the expected outcome.

The fundamental shortfall in infrastructure and health provision in our higher growth markets ensures a continuing opportunity to deploy capital and grow Medicover's capacity and business.

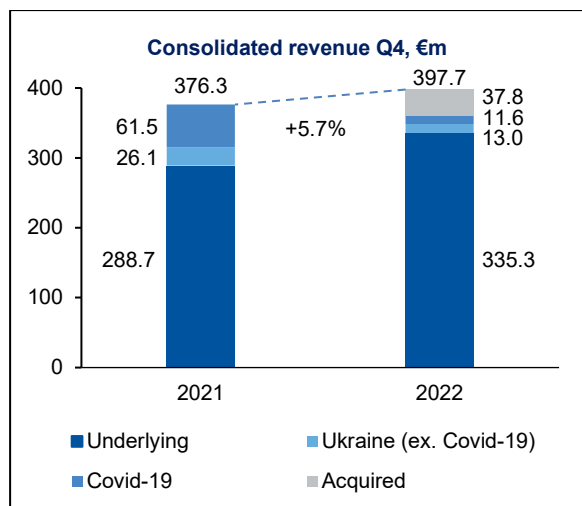
We expect to see a 2025 adjusted organic EBITDA in excess of €350 million, further enhanced by additional inorganic investments. This is despite a very significant facility expansion, adding over 200,000 m<sup>2</sup> of medical space over the last year, and the short-term dilution of these new facilities.

I would like to pass on my thanks to our employees for their tremendous efforts over 2022, caring for our patients' health. This went to extraordinary levels in particular in Ukraine, where we have continued to provide essential services through the conflict over most of unoccupied Ukraine, and thanks to our colleagues and families in the surrounding countries who have been so supportive.

Fredrik Rågmark  
CEO

## REVENUE FOURTH QUARTER 2022

**Consolidated revenue** amounted to €397.7m (€376.3m), up 5.7% with an organic reduction of 2.5%. Revenue from Covid-19 services amounted to €11.6m (€61.5m), 1/5<sup>th</sup> of the Q4 21 levels.



In addition to Covid-19, the business continued to be disrupted by the ongoing war in Ukraine. Taking these two aspects into account, the underlying organic business growth has been strong and further boosted by acquisition growth. To illustrate this, organic growth excluding Ukraine and Covid-19 revenue amounted to a strong 17.5%.

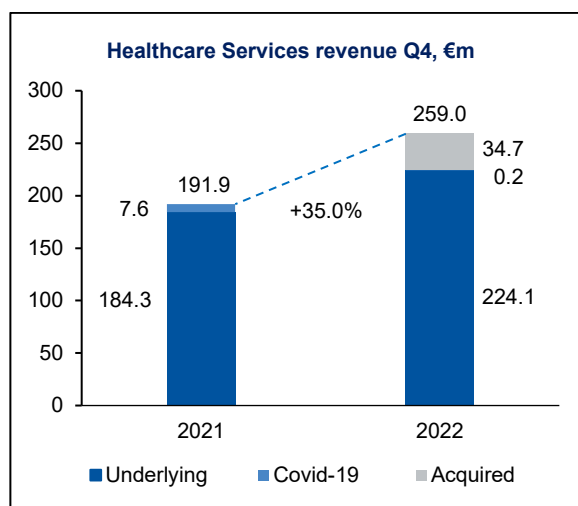
Inflation is very apparent, with headline inflation measures reaching 16.6% annualised for Poland in December 2022, down slightly from prior quarter and core inflation (net of food and energy prices) at 11.5%. Inflation has been experienced in all sectors of the economy and is evident in strong wage growth. Price indexations in the larger employer paid Polish business occurred over the quarter.

Acquired revenue amounted to €37.8m. The Group continued to invest in greenfield infrastructure and acquisitions. Medicover expanded the dental network into Germany with two acquisitions (MeinDentist and DDent). In addition a gym network and a separate gym club were acquired in Poland. Refer to note 4 for more information about acquisitions.

Foreign exchange fluctuations had a negative impact of 1.8% with weakness for the Polish zloty and the Ukrainian hryvna.

€m	Q4 2022	Q4 2021
<b>Covid-19 revenue</b>		
Healthcare Services	0.2	7.6
Diagnostic Services	11.4	53.9
<b>Total</b>	<b>11.6</b>	<b>61.5</b>

**Healthcare Services** revenue reached €259.0m (€191.9m), up 35.0% with an impressive organic growth of 19.0%. Revenue from Covid-19 services was negligible at €0.2m (€7.6m). Organic growth excluding Covid-19 revenue was an even more impressive 23.8%, with price representing approximately 9.5pp of this growth.



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 11.8% to 1,672K (1,495K), with 24K new members added in this quarter.

FFS activities have performed well with good demand levels. In Poland, the number of dental chairs rose to 456 (an increase of 33 since previous quarter) and in Germany over 200 new chairs were added. Further dental greenfield openings are scheduled in 2023.

The division operated 5,805 commissioned hospital beds, an increase of 1,777 beds since prior year, with the largest additions in India (1,404). At the end of Q3 22, a new greenfield hospital opened in Navi Mumbai, initially at 150 operational beds, now at 186, with capacity for 124 additional beds to be operationalised as utilisation increases. A hospital located in the Begumpet district of Hyderabad was taken over, renovated and reopened with 155

operational beds. A third hospital in Pune, a greenfield facility, was launched in December with 112 operational beds and capacity for 115 additional beds.

	31 Dec 2022	31 Dec 2021
Clinics	175	129
Hospitals	41	32
Beds (commissioned)	5,805	4,028
Fertility clinics	28	26
Dental clinics	107	64
Dental chairs	669	359
Gyms	126	77
Other facilities	112	65
Members (thousands)	1,672	1,495

Acquired revenue amounted to €34.7m. The rate of expansion of both organic and acquired revenue is strong, following the high growth in capital investments over the year and previously.

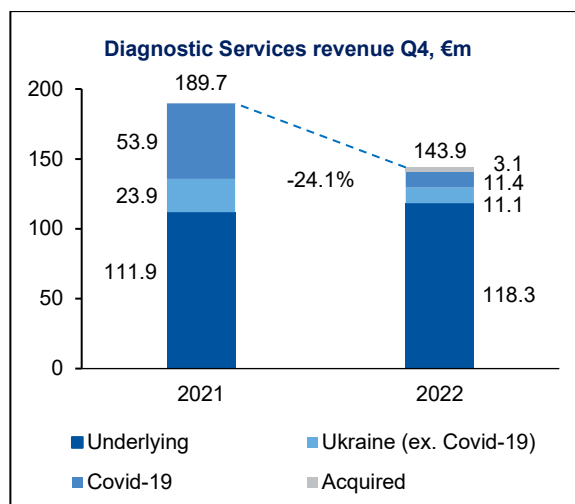
Foreign exchange fluctuations had a negative impact of 2.1% with weakness for the Polish zloty.

**Diagnostic Services** revenue amounted to €143.9m (€189.7m), a decrease of 24.1%, with an organic reduction of 24.2%. Ukraine and a sharp reduction in Covid-19 services impacted the quarter. Revenue from Covid-19 services amounted to €11.4m (€53.9m), a 79% reduction. Currently, there are continued lower levels of Covid-19 testing. Revenue in Ukraine amounted to €11.6m (€32.4m), revenue of approximately 1/3<sup>rd</sup> of prior year levels.

Organic growth excluding Ukraine and Covid-19 revenue amounted to 5.8%, with a mixture of market performances, Germany had lower volume, with good performances for Romania and Poland. Poland offset the lost outsourced contract in Q1 and reduced Covid-19 revenue with FFS volume. The smaller markets have generally replaced the reduced Covid-19 volume with FFS. The price component represented approximately 2.4pp of this 5.8% growth.

The activity levels in Ukraine are higher than expected. Revenue for December was approximately 60-65% of the normal levels excluding Covid-19 revenue, with volume around 45-50% (excluding Covid-19). On average prices in Ukraine have been increased by 8% in September

2022 and subsequently by 7% in January 2023, reflecting inflation/devaluation.



Indexation has been applied to FFS prices and some commercial contracts over the year. Public pricing has not been indexed in any market yet despite increasing inflation. Besides a decrease in Covid-19 test prices, German prices have not changed and no price indexation has been indicated in the near term.

The laboratory test volume decreased by 18.2% to 29.3 million (35.9 million). Covid-19 tests were 0.7 million (2.6 million), consisting of a larger proportion of higher quality PCR tests which are more expensive. This reflects the demand profile such as hospital admissions screening and commercial contracts. Excluding Ukraine and Covid-19 testing, volume was 24.8 million (25.1 million), a 1.3% decrease.

	31 Dec 2022	31 Dec 2021
Labs	104	99
BDPs	876	852
Clinics	27	24
Lab tests (million), Q4	29.3	35.9

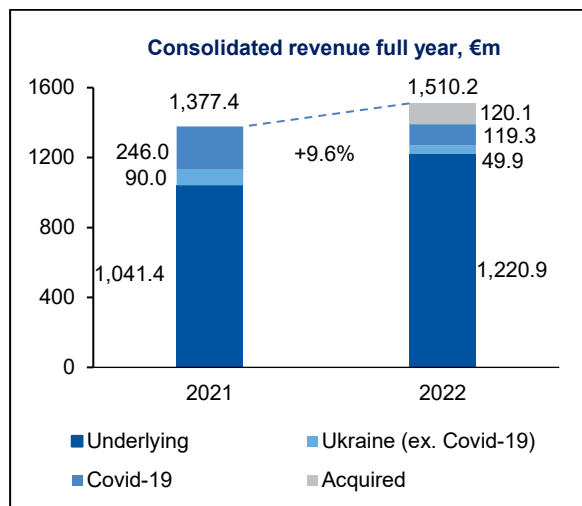
The table above includes operational facilities. In addition, 2 labs and 34 BDPs in Ukraine were non-operational as at 31 December 2022.

Acquired revenue amounted to €3.1m.

Foreign exchange fluctuations had a negative impact of 1.5% with weakness for the Ukrainian hryvna.

## REVENUE FULL YEAR 2022

**Consolidated revenue** increased to €1,510.2m (€1,377.4m), up 9.6% with an organic growth of 1.9%. Revenue from Covid-19 services amounted to €119.3m (€246.0m).



The Group continued to invest in greenfield infrastructure and acquisitions, the main acquisitions included NIPD Genetics - a specialised genetics company in Cyprus -, CDT Medicus - a leading regional provider of medical services in the south-west of Poland – as well as several gym chains in Poland. Other acquisitions included hospitals, medical clinics, dental clinics, gyms, vision care, mental health, clinical trials and laboratories, refer to note 4.

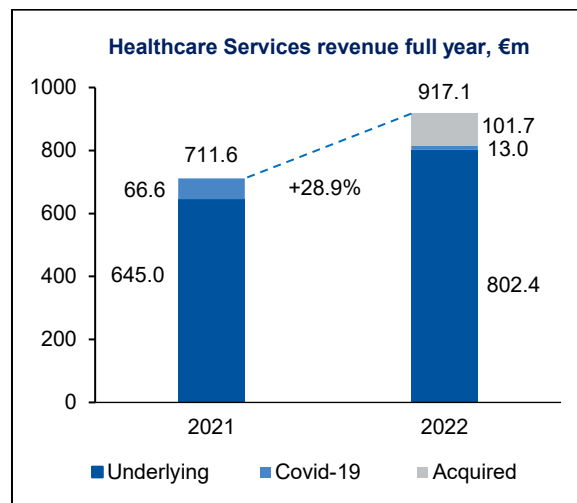
Organic growth excluding Ukraine and Covid-19 revenue amounted to a strong 18.3%.

Acquired revenue amounted to €120.1m.

Foreign exchange fluctuations had a negative impact of 1.0% with weakness mainly for the Polish zloty and the Ukrainian hryvna offsetting the strengthening of the Indian rupee.

€m	FY 2022	FY 2021
<b>Covid-19 revenue</b>		
Healthcare Services	13.0	66.6
Diagnostic Services	106.3	179.4
<b>Total</b>	<b>119.3</b>	<b>246.0</b>

**Healthcare Services** revenue reached €917.1m (€711.6m), up 28.9% with an organic growth of 15.8%. Revenue from Covid-19 services amounted to €13.0m (€66.6m). Organic growth excluding Covid-19 revenue was up a very strong 25.7% boosted 5.6pp by the fast growth in Medicover Hospitals India.



	31 Dec 2022	31 Dec 2021
Clinics	175	129
Hospitals	41	32
Beds (commissioned)	5,805	4,028
Fertility clinics	28	26
Dental clinics	107	64
Dental chairs	669	359
Gyms	126	77
Other facilities	112	65
Members (thousands)	1,672	1,495

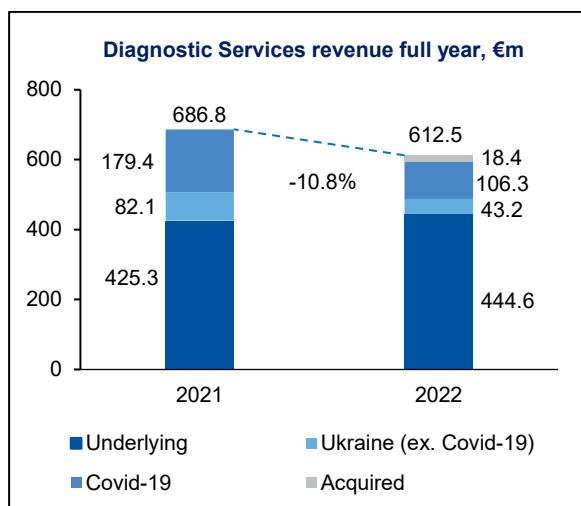
Acquired revenue amounted to €101.7m.

Foreign exchange fluctuations had a negative impact of 1.2% with weakness for the Polish zloty offsetting the strengthening of the Indian rupee.

**Diagnostic Services** revenue amounted to €612.5m (€686.8m), down 10.8% with an organic reduction of 12.7%. Revenue from Covid-19 services amounted to €106.3m (€179.4m). Revenue in Ukraine amounted to €48.4m (€109.5m). Organic growth excluding Ukraine and Covid-19 revenue was 5.2%.

The laboratory test volume was 119.3 million (133.4 million) of which Covid-19 tests were 5.2 million (7.0 million). Excluding Ukraine and Covid-19 testing, volume was 99.3 million (97.1 million), a 2.3% increase.





	31 Dec 2022	31 Dec 2021
Total labs	104	99
BDPs	876	852
Clinics	27	24
Lab tests (million), FY	119.3	133.4

The table above includes operational facilities. In addition, 2 labs and 34 BDPs in Ukraine were non-operational as at 31 December 2022.

Acquired revenue amounted to €18.4m.

Foreign exchange fluctuations had a negative impact of 0.8% with weakness mainly for the Polish zloty and the Ukrainian hryvna.

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

€m	Q4 2022	Q4 2021	Variance	FY 2022	FY 2021	Variance
<b>Healthcare Services</b>						
Revenue	259.0	191.9		917.1	711.6	
Inter-segment revenue	-0.5	-0.5		-1.1	-1.1	
<b>Revenue from external customers</b>	<b>258.5</b>	<b>191.4</b>	<b>35.0%</b>	<b>916.0</b>	<b>710.5</b>	<b>28.9%</b>
By payer:						
Public	35.7	21.1	69.1%	115.1	74.8	53.8%
Private	222.8	170.3	30.8%	800.9	635.7	26.0%
Funded	80.6	68.3	18.1%	301.3	261.5	15.3%
Fee-For-Service (FFS)	111.5	85.5	30.4%	405.3	336.5	20.5%
Other services	30.7	16.5	85.7%	94.3	37.7	149.9%
By country:						
Poland	164.6	124.8	31.8%	592.7	450.0	31.7%
India	44.0	32.2	36.3%	166.0	134.9	23.0%
Romania	25.8	22.1	17.2%	95.2	83.8	13.6%
Other countries	24.1	12.3	96.0%	62.1	41.8	48.6%
<b>Diagnostic Services</b>						
Revenue	143.9	189.7		612.5	686.8	
Inter-segment revenue	-4.7	-4.9		-18.5	-20.2	
<b>Revenue from external customers</b>	<b>139.2</b>	<b>184.8</b>	<b>-24.7%</b>	<b>594.0</b>	<b>666.6</b>	<b>-10.9%</b>
By payer:						
Public	47.5	55.5	-14.5%	208.0	207.9	0.0%
Private	91.7	129.3	-29.0%	386.0	458.7	-15.8%
Fee-For-Service (FFS)	81.7	114.9	-28.8%	335.9	415.4	-19.1%
Other services	10.0	14.4	-30.6%	50.1	43.3	15.7%
By country:						
Germany	73.1	86.0	-14.9%	313.4	316.4	-1.0%
Romania	20.4	23.0	-11.5%	82.3	87.8	-6.3%
Poland	12.5	15.5	-19.5%	51.7	60.1	-14.0%
Ukraine	11.6	32.4	-64.1%	48.4	109.5	-55.7%
Other countries	21.6	27.9	-22.6%	98.2	92.8	5.8%

The following table presents Covid-19 related metrics.

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
<b>Revenue (€m)</b>										
Healthcare Services	0.2	0.3	1.0	11.5	13.0	7.6	10.9	37.9	10.2	66.6
Diagnostic Services	11.4	13.9	27.0	54.0	106.3	53.9	38.9	43.9	42.7	179.4
<b>Total</b>	<b>11.6</b>	<b>14.2</b>	<b>28.0</b>	<b>65.5</b>	<b>119.3</b>	<b>61.5</b>	<b>49.8</b>	<b>81.8</b>	<b>52.9</b>	<b>246.0</b>
<b>Admissions<sup>1)</sup></b>										
Healthcare Services	0	0	6	1,339	1,345	821	1,385	11,767	2,362	16,335
<b>Lab tests<sup>2)</sup> (million)</b>										
Diagnostic Services	0.7	0.5	1.6	2.4	5.2	2.6	2.2	1.1	1.1	7.0

<sup>1)</sup> Include hospitalisations

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



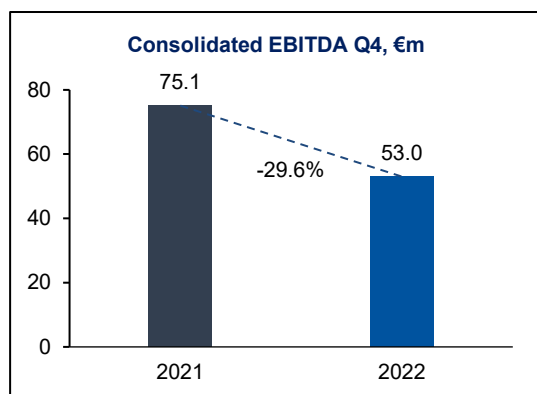
## PROFIT DEVELOPMENT FOURTH QUARTER 2022

**Operating profit (EBIT)** was €8.7m (€41.6m), an operating margin of 2.2% (11.1%), impacted by the war in Ukraine, increased medical costs, lower contribution from Covid-19 services and several projects in early stages and new launches.

**Net profit** amounted to €2.2m (€28.4m), which represented a margin of 0.5% (7.6%). Total financial result amounted to €-5.6m (€-4.1m) of which €-10.4m (€-6.3m) was related to interest expense and commitment fees on the Group's debt and other discounted liabilities. Within the interest expense €-6.1m (€-4.4m) was related to lease liabilities. As the Group has expanded its capacity and facilities significantly, including its leased premises, the cost of interest allocated to lease liabilities has increased. Foreign exchange gains were €4.0m (€1.7m) of which €4.7m (€1.0m) was related to euro denominated lease liabilities mainly in Poland as the zloty strengthened over the quarter.

Basic/diluted earnings per share amounted to €0.013 (€0.186).

**Consolidated EBITDA** was €53.0m (€75.1m), an EBITDA margin of 13.3% (20.0%). Adjusted EBITDA amounted to €57.7m (€78.8m) a margin of 14.5% (20.9%).



EBITDAaL was €29.9m (€56.9m), a margin of 7.5% (15.1%). Adjusted EBITDAaL was €34.6m (€60.6m), a margin of 8.7% (16.1%).

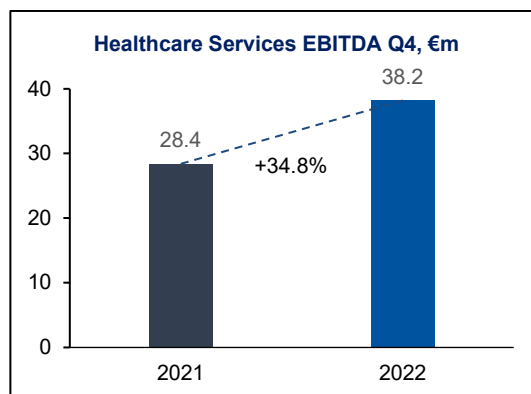
### Items affecting comparability

Acquisition related expenses were €-2.0m (€-1.5m).

Equity settled share-based payments charges relating to long-term performance-based share programmes were €-2.7m (€-2.2m).

The war in Ukraine has impacted the contribution of that market significantly with a reduction of EBITDA to €2.6m (€9.6m), in addition the war had a negative impact on other business units resulting in an additional estimated EBITDA reduction of €0.3m.

EBITDA for **Healthcare Services** was €38.2m (€28.4m), an EBITDA margin of 14.8% (14.8%).



The factors having the largest negative impact on profit for the segment are the swing in Covid-19 activity, the new expansion activities (new unit losses and pre-opening costs) and inflation impacts on the cost base. This has been offset by acquisitions made in the last 12 months and an increase in volume/price improving contribution. The war in Ukraine has had an impact however relatively minor for the segment.

The medical cost ratio (MCR) to revenue was 81.1% (77.1%), an increase of 4.0pp, with new project-related property costs representing half of the increase. The remaining increase is due to staffing and staff cost inflation. The reduction in contribution from Covid-19 services is offset with slightly lower utilisation levels within corporate prepaid contracts over the quarter.

EBITDAaL was €21.7m (€16.4m), a margin of 8.4% (8.5%). Adjusted EBITDAaL was €22.5m (€17.0m), a margin of 8.7% (8.9%).

The EBITDAaL margin on a like for like basis increased to 10.0% (8.1%), demonstrating the indexation impact and the pick up on performance of prior investments.

EBITDAaL	€m	Margin
<b>Q4 2021 as reported</b>	<b>16.4</b>	<b>8.5%</b>
Covid-19 swing	-1.4	
<b>Q4 2021 like for like comparative</b>	<b>15.0</b>	<b>8.1%</b>
<b>Q4 2022 as reported</b>	<b>21.7</b>	<b>8.4%</b>
New unit losses	3.5	
Pre-opening costs	0.5	
Acquisitions <sup>1)</sup>	-2.6	
<b>Q4 2022 like for like comparative</b>	<b>23.1</b>	<b>10.0%</b>

<sup>1)</sup>Acquisitions made during the last 12 months, excluding the new hospital in Cluj, Romania included under "New unit losses".

Covid-19 represented approximately 0.7pp in the comparative EBITDAaL margin of which the large majority was relating to Poland.

The segment 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 200-bed general hospital which performed +600 procedures over the quarter with an EBITDAaL of €-1.2m. 4 new units in India were opened over the last 12 months and incurred an EBITDAaL of €-2.3m. Total losses on these new units represent approximately an EBITDAaL of €-3.5m or -1.4pp of EBITDAaL margin for the quarter.

Additionally, pre-opening costs were expensed for a 200-bed hospital under construction in Bucharest and the new hospitals which were commissioned in India (Pune, Navi Mumbai and Hyderabad). These incurred an EBITDAaL of €-0.5m, or -0.2pp 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 ramp up in gyms (21 locations in Q4) is still slightly dilutive to margin overall but has improved considerably. Most of the 49 gyms added over 2022 were acquired, with only 5 new greenfield gyms launched. 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 coming periods and be supportive to margin improvement.

Indexation of corporate prepaid contracts occurred during Q4 with increased revenue offsetting cost increases incurred in 2022. The full positive impact

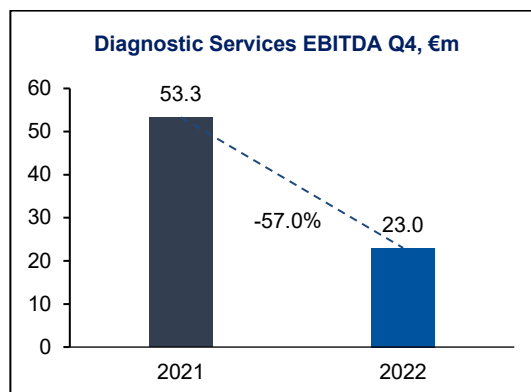
will be perceived from Q1 2023. Government actions on managing energy costs have helped moderate the inflation impacts to some degree. The supply of new medical staff will continue to put pressure on medical salary cost over the coming years. Utilisation levels in the employer paid business has been lower compared to the comparative quarter with a pick up towards the end of the quarter.

Several other units have performed well, the Polish dental business being notable. During the year 3 dental clinics were acquired and 9 new greenfield locations were launched in Poland. 1 new greenfield fertility unit was launched in Norway and 1 in Poland.

The existing inpatient facilities in Poland and Romania have performed well.

Operating profit amounted to €9.4m (€8.1m), a margin of 3.6% (4.2%).

EBITDA for **Diagnostic Services** was €23.0m (€53.3m), an EBITDA margin of 15.9% (28.1%).



EBITDAaL was €16.5m (€47.2m), a margin of 11.4% (24.9%). Adjusted EBITDAaL was €17.2m (€47.8m), a margin of 11.9% (25.2%).

The factors having the largest impact on profit for the segment are the swing in Covid-19 activity, the Ukraine war and inflation impacts on the cost base.

EBITDAaL	€m	Margin
<b>Q4 2021 as reported</b>	<b>47.2</b>	<b>24.9%</b>
Covid-19 swing	-23.0	
Ukraine war	-3.3	
<b>Q4 2021 like for like comparative</b>	<b>20.9</b>	<b>15.5%</b>
<b>Q4 2022 as reported</b>	<b>16.5</b>	<b>11.4%</b>
Lab site move	0.2	
<b>Q4 2022 like for like comparative</b>	<b>16.7</b>	<b>11.9%</b>

The sharp reduction in Covid-19 testing has had a

corresponding reduction in margin, representing a swing of approximately -11.8pp of the EBITDAaL margin.

The war in Ukraine had a direct negative impact on EBITDAaL of €3.0m and additionally a negative impact on other business units resulting in an estimated EBITDAaL reduction of €0.3m, a total of €-3.3m and with an estimated impact of -1.5pp swing in margin.

Additional lease costs to move a lab site in Germany amount to €-0.2m of EBITDAaL or -0.1pp of margin.

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. The overall negative

impact of these items has been offset to a degree with volume increases, however the like for like EBITDAaL margin reduced to 11.9% (15.5%). During the year several BDPs were added (+20 in Romania), which in addition increased distribution in the segment's smaller markets. Inflation in most markets has been apparent with increasing staff costs (including legislation increasing staff remuneration) and operational costs such as heat, lighting and other services. Indexation of prices occurred in some markets at the beginning of the year for FFS business. 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.

Operating profit was €8.0m (€40.4m), a margin of 5.5% (21.3%).

## PROFIT DEVELOPMENT FULL YEAR 2022

**Operating profit** (EBIT) was €55.5m (€159.4m) with an operating margin of 3.7% (11.6%), impacted by the war in Ukraine, a related €-4.9m impairment, increased medical costs, lower contribution from Covid-19 services and several projects in early stages and new launches.

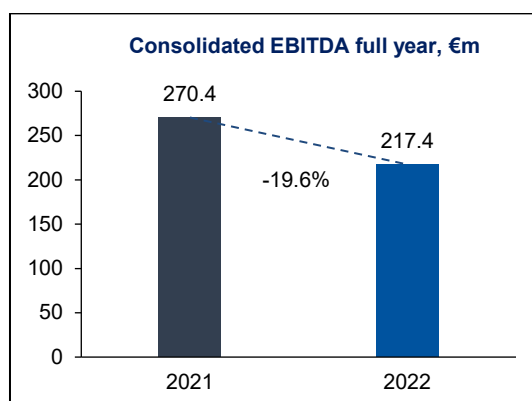
**Net profit** amounted to €14.0m (€106.6m), a margin of 0.9% (7.7%). Other income/(costs) of €-3.2m mainly include a gain of €4.4m relating to the revaluation of the NIPD investment which is offset against a loss on bond funds of €-6.3m. Total financial result amounted to €-32.7m (€-17.3m) of which €-34.5m (€-20.1m) was related to interest expense. Within the interest expense €-22.1m (€-14.0m) was related to lease liabilities. Foreign exchange losses were €-3.3m (€1.8m) of which €-2.3m (€0.2m) was related to euro denominated lease liabilities mainly in Poland as the zloty weakened. In addition, other financial income/(expense) includes a gain on early repayment of debt obligations of €2.4m (-).

The Group has recognised an income tax charge of €-5.8m (€-37.2m) which corresponds to an effective tax rate for the year of 29.3% (25.8%). The effective tax rate has increased due to a larger proportion of development/early stage projects and non-recognition of deferred tax on the related losses.

Basic/diluted earnings per share amounted to €0.081 (€0.686).

**Consolidated EBITDA** was €217.4m (€270.4m), an EBITDA margin of 14.4% (19.6%). Adjusted

EBITDA was €234.2m (€280.5m), a margin of 15.5% (20.4%).



EBITDAaL was €131.2m (€210.8m), a margin of 8.7% (15.3%). Adjusted EBITDAaL amounted to €148.0m (€220.9m), a margin of 9.8% (16.0%).

### Items affecting comparability

The Group has recognised an impairment of €-4.9m relating to damaged and destroyed assets as well as assets not under its control in occupied regions of Ukraine, of which €-3.8m 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).

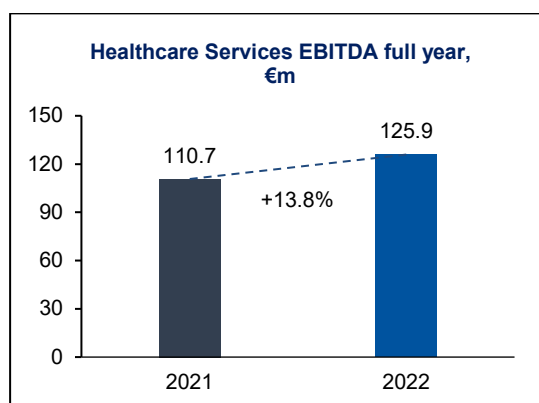
A gain of €2.4m was recognised on the early repayment of €40m nominal of debt obligations at a discount, presented within other financial income/(expense).

Acquisition related expenses were €-7.2m (€-3.2m).

Equity settled share-based payments charges relating to long-term performance-based share programmes were €-9.6m (€-6.9m).

The war in Ukraine has impacted the contribution of that market significantly with an EBITDA of €8.0m (€28.4m), in addition the war had a negative impact on other business units resulting in an estimated EBITDA reduction of €1.2m.

EBITDA for **Healthcare Services** was €125.9m (€110.7m), an EBITDA margin of 13.7% (15.6%).



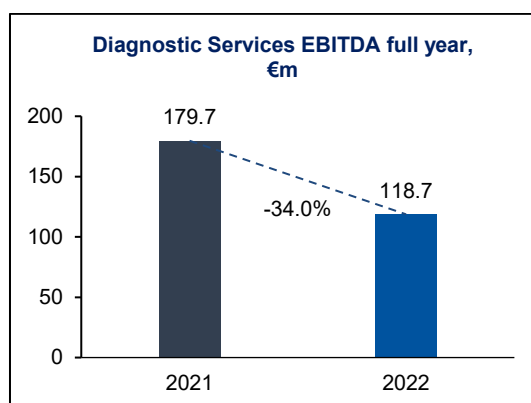
EBITDAaL was €65.8m (€74.0m), a margin of 7.2% (10.4%).

Adjusted EBITDAaL was €68.7m (€76.0m), a margin of 7.5% (10.7%).

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

Operating profit amounted to €25.7m (€45.4m), a margin of 2.8% (6.4%).

EBITDA for **Diagnostic Services** was €118.7m (€179.7m), an EBITDA margin of 19.4% (26.2%).



EBITDAaL was €92.9m (€157.1m), a margin of 15.2% (22.9%). Lower contribution from Covid-19 has decreased margins by approximately 4.1pp. The war in Ukraine diluted margins as well with a negative swing of approximately 1.9pp. The balance of 1.7pp relates to the net impact of increased cost of inputs (labour, transport, energy) through the year offset with growth. Within this is the dilution effect of 38 new greenfield BDPs launched over the year.

Adjusted EBITDAaL was €95.3m (€158.9m), a margin of 15.6% (23.1%).

Operating profit amounted to €58.9m (€135.5m), a margin of 9.6% (19.7%).

#### Ukraine key data:

€m	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	13.5	34.6	55.1	117.4
Healthcare Services	1.9	2.2	6.7	7.9
Diagnostic Services	11.6	32.4	48.4	109.5
EBITDA	2.6	9.6	8.0	28.4
EBITDAaL	1.4	8.0	2.4	22.8
Net profit/(loss)	0.3	4.5	-9.1	11.6
Total assets	42.5	61.9	42.5	61.9
Net assets	27.2	40.7	27.2	40.7

## KEY FINANCIAL DATA

Medicover, €m	Oct-Dec 2022	Oct-Dec 2021	Variance	Jan-Dec 2022	Jan-Dec 2021	Variance
Revenue	397.7	376.3	6%	1,510.2	1,377.4	10%
Operating profit (EBIT)	8.7	41.6	-79%	55.5	159.4	-65%
Operating profit margin	2.2%	11.1%		3.7%	11.6%	
Net profit	2.2	28.4	-92%	14.0	106.6	-87%
Net profit margin	0.5%	7.6%		0.9%	7.7%	
Basic/diluted earnings per share, €	0.013	0.186	-93%	0.081	0.686	-88%
EBITDA	53.0	75.1	-30%	217.4	270.4	-20%
EBITDA margin	13.3%	20.0%		14.4%	19.6%	
Adjusted EBITDA	57.7	78.8	-27%	234.2	280.5	-17%
Adjusted EBITDA margin	14.5%	20.9%		15.5%	20.4%	
EBITDAaL	29.9	56.9	-48%	131.2	210.8	-38%
EBITDAaL margin	7.5%	15.1%		8.7%	15.3%	
Adjusted EBITDAaL	34.6	60.6	-43%	148.0	220.9	-33%
Adjusted EBITDAaL margin	8.7%	16.1%		9.8%	16.0%	
EBITA	15.2	45.9	-67%	81.2	171.2	-53%
EBITA margin	3.8%	12.2%		5.4%	12.4%	
Adjusted EBITA	19.9	49.6	-60%	98.0	181.3	-46%
Adjusted EBITA margin	5.0%	13.2%		6.5%	13.2%	
EBITAaL	9.1	41.5	-78%	59.1	157.2	-62%
EBITAaL margin	2.3%	11.0%		3.9%	11.4%	
Adjusted EBITAaL	13.8	45.2	-69%	75.9	167.3	-55%
Adjusted EBITAaL margin	3.5%	12.0%		5.0%	12.1%	
<b>Healthcare Services, €m</b>						
Revenue	259.0	191.9	35%	917.1	711.6	29%
Operating profit (EBIT)	9.4	8.1	17%	25.7	45.4	-43%
Operating profit margin	3.6%	4.2%		2.8%	6.4%	
EBITDA	38.2	28.4	35%	125.9	110.7	14%
EBITDA margin	14.8%	14.8%		13.7%	15.6%	
EBITDAaL	21.7	16.4	32%	65.8	74.0	-11%
EBITDAaL margin	8.4%	8.5%		7.2%	10.4%	
Adjusted EBITDAaL	22.5	17.0	32%	68.7	76.0	-10%
Adjusted EBITDAaL margin	8.7%	8.9%		7.5%	10.7%	
EBITA	14.1	11.6	21%	42.1	54.6	-23%
EBITA margin	5.4%	6.0%		4.6%	7.7%	
Members (period end) (000's)	1,672	1,495	12%	1,672	1,495	12%
<b>Diagnostic Services, €m</b>						
Revenue	143.9	189.7	-24%	612.5	686.8	-11%
Operating profit (EBIT)	8.0	40.4	-80%	58.9	135.5	-57%
Operating profit margin	5.5%	21.3%		9.6%	19.7%	
EBITDA	23.0	53.3	-57%	118.7	179.7	-34%
EBITDA margin	15.9%	28.1%		19.4%	26.2%	
EBITDAaL	16.5	47.2	-65%	92.9	157.1	-41%
EBITDAaL margin	11.4%	24.9%		15.2%	22.9%	
Adjusted EBITDAaL	17.2	47.8	-64%	95.3	158.9	-40%
Adjusted EBITDAaL margin	11.9%	25.2%		15.6%	23.1%	
EBITA	9.8	41.4	-76%	68.2	138.2	-51%
EBITA margin	6.9%	21.8%		11.1%	20.1%	
Lab tests (period volume) (m)	29.3	35.9	-18%	119.3	133.4	-11%



## CASH FLOW

### Fourth quarter

Cash generated from operations before working capital changes amounted to €51.3m (€71.4m), being 97.1% of EBITDA (95.1%). Net working capital increased by €10.1m (increased by €17.5m). Income tax paid was €5.0m (€5.5m). Net cash from operating activities was €41.2m (€53.9m).

Investments in property, plant and equipment and intangible assets continued at a very strong pace and amounted to €40.8m (€37.2m) with approximately 67% being growth capital investment and 33% being maintenance investment. €25.7m (€23.1m) was invested in Healthcare Services and €15.1m (€14.0m) in Diagnostic Services. Cash flow for acquisitions of subsidiaries amounted to €41.4m (€10.6m) relating to acquisitions closed in the quarter and payments for earlier closed transactions.

Net loans drawn amounted to €31.8m (net loans drawn €201.8m). Lease liabilities repaid were €13.9m (€11.4m). Interest paid amounted to €10.5m (€7.5m), of which €6.1m (€4.4m) related to lease liabilities.

Cash and cash equivalents decreased by €37.2m.

### Full year

Cash generated from operations before working capital changes amounted to €210.1m (€257.6m), being 96.7% of EBITDA (95.3%). Net working capital increased by €39.9m (increased by €40.9m). Income tax paid was €19.1m (€18.3m). Net cash from operating activities was €170.2m (€216.7m).

Investments in property, plant and equipment and intangible assets amounted to €140.6m (€102.2m) with approximately 74% being growth capital investment and 26% being maintenance investment. €94.6m (€61.7m) was invested in Healthcare Services and €46.0m (€40.4m) in Diagnostic Services. Cash flow for acquisitions of subsidiaries amounted to €229.1m (€87.5m) relating to acquisitions closed in the year and payments for earlier closed transactions. Proceeds for short-term investments amounted to €186.4m (€40.3m).

Acquisition of non-controlling interests amounted to €7.7m and mainly related to a hospital in India and a Serbian laboratory business. Net loans drawn amounted to €89.4m (net loans drawn €239.0m). Lease liabilities repaid were €50.6m (€38.5m). Interest paid amounted to €32.4m (€19.7m), of which €22.1m (€14.0m) related to lease liabilities. A dividend of €17.8m (€10.4m) was distributed to shareholders.

Cash and cash equivalents decreased by €38.9m to €40.4m.

## FINANCIAL POSITION

Consolidated equity as at 31 December 2022 amounted to €510.8m (€562.1m). The decrease in equity includes a negative movement of €19.9m on translation reserves mainly relating to the weakness of the Polish zloty, the Indian rupee and the Ukrainian hryvna. In addition, total equity attributable to owners of the parent includes a negative movement of €18.1m relating to fair value changes of put option liquidity obligations with non-controlling interests and €11.9m relating to acquisition of non-controlling interests mainly 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 €58.2m (€72.0m).

Short-term investments were €8.7m (€192.9m), the investment in the euro-denominated bond funds has been disposed during the year.

Loans payable amounted to €515.7m (€418.2m). Debt at fixed interest rates was €235.5m (€135.5m), €36.0m (€26.6m) was non-interest bearing (deferred/contingent consideration payable) and the balance being at floating interest rates.

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 and €61m in 2022. €69m of

the schuldschein loans carried out in the first schuldschein issue in 2020 has been repaid.

In June 2022, the Group revolving credit facility was renewed and increased from €220m to €300m with a duration of 3 years with the possibility to extend for two further years. Loans payable net of cash and liquid short-term investments amounted to €466.6m (€143.4m) reflecting the operating cash flows as well as the investments in 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 3.2x (0.6x level at year-end 2021).

The Group has utilised €13.4m (€19.5m) under its 2bn SEK commercial paper programme. At year-end, the Group has undrawn committed credit facility of €214.2m, liquid short-term investments and cash and cash equivalents of €49.1m, in total €263.3m (€504.8m).

Lease liabilities amounted to €424.3m (€345.9m), an increase by €78.4m of which 74.7% related to acquisitions mainly in Poland, Romania, Germany and India. The remaining increase reflected the expansion of facilities leased in the same markets.

The total financial debt was €940.0m (€764.1m).

## PARENT COMPANY

There was no significant revenue. The profit/(loss) for the year amounted to €-4.2m (€2.0m) impacted by income from participation in group companies of €10.8m (€13.0m). At the end of the year €13.4m (€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 31 December 2022 was €596.9m (€609.9m).

## FINANCIAL TARGETS

The board of directors has approved new medium-term financial targets for the three-year period 2023-2025.

The new medium-term targets confirm the continued expectation to maintain robust organic revenue growth alongside sustainable profitability.

	2022 basis	Target 2025
Organic revenue	€1,510.2m	>€2.2bn
Adjusted EBITDA (organic)	€234.2m	>€350m
<b>The following targets remain unchanged</b>		
Loans payable net of cash and liquid short-term investments / adjusted EBITDAaL	3.2x	≤3.5x
Dividend payout ratio		up to 50% of net profit

## DIVIDEND

The board of directors proposes to the annual general meeting that a dividend of €0.12 (€0.12) per share is distributed for the financial year 2022. The decision is subject to the shareholders' approval at the annual general meeting on 27 April 2023.

The proposed dividend is 148% of the net profit, and in excess of the stated dividend policy,

corresponding to a total of €17.9m. The board of directors are of the opinion the company's financial position and future development will be able to sustain same dividend payout as last year. If the proposal is accepted, the expected record date for the dividend will be 2 May and the dividend is expected to be paid out by Euroclear on 9 May.



## RISK FACTORS

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The Group's business is exposed to risks that could impact its operations, performance or financial position. These comprise *operational risks* 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. The outlook is uncertain. Ukraine represented 4% (9%) of the Group's revenue during 2022 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.

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 year-end report for January-December 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 17 February 2023

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 (CET) on 17 February 2023. This year-end report and other information about Medicover is available at [medicover.com](https://www.medicover.com).

#### **Financial calendar**

Capital Markets Day	17 February 2023
Annual report	week 13 2023
Interim report January-March	27 April 2023
Annual general meeting	27 April 2023
Interim report April-June	26 July 2023
Interim report July-September	3 November 2023

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

Hanna Bjellquist, Head of Investor Relations  
Phone: +46 70 303 32 72  
E-mail: [hanna.bjellquist@medicover.com](mailto:hanna.bjellquist@medicover.com)

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

**Capital Markets Day:** Will be held today at 11.30 CET. For further information and live stream link, see the [website](#).

#### **Address**

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



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

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

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

## CONDENSED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

€m	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Revenue</b>	<b>397.7</b>	<b>376.3</b>	<b>1,510.2</b>	<b>1,377.4</b>
<b>Operating expenses</b>				
Medical provision costs	-315.4	-267.1	-1,174.6	-982.4
<b>Gross profit</b>	<b>82.3</b>	<b>109.2</b>	<b>335.6</b>	<b>395.0</b>
Distribution, selling and marketing costs	-18.2	-16.3	-66.5	-58.1
Administrative costs	-55.4	-51.3	-213.6	-177.5
<b>Operating profit (EBIT)</b>	<b>8.7</b>	<b>41.6</b>	<b>55.5</b>	<b>159.4</b>
<b>Other income/(costs)</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-3.2</b>	<b>0.7</b>
Interest income	0.8	0.5	2.7	1.0
Interest expense	-10.4	-6.3	-34.5	-20.1
Other financial income/(expense)	4.0	1.7	-0.9	1.8
<b>Total financial result</b>	<b>-5.6</b>	<b>-4.1</b>	<b>-32.7</b>	<b>-17.3</b>
Share of profit of associates	0.1	0.1	0.2	1.0
<b>Profit before income tax</b>	<b>2.9</b>	<b>37.5</b>	<b>19.8</b>	<b>143.8</b>
Income tax	-0.7	-9.1	-5.8	-37.2
<b>Profit for the period</b>	<b>2.2</b>	<b>28.4</b>	<b>14.0</b>	<b>106.6</b>
<b>Profit attributable to:</b>				
Owners of the parent	1.9	27.5	12.1	101.8
Non-controlling interests	0.3	0.9	1.9	4.8
<b>Profit for the period</b>	<b>2.2</b>	<b>28.4</b>	<b>14.0</b>	<b>106.6</b>
<b>Earnings per share attributable to owners of the parent:</b>				
Basic/diluted, €	0.013	0.186	0.081	0.686

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Profit for the period</b>	<b>2.2</b>	<b>28.4</b>	<b>14.0</b>	<b>106.6</b>
<b>Other comprehensive income/(loss):</b>				
Items that may be reclassified subsequently to income statement:				
Exchange differences on translating foreign operations	-5.8	4.0	-19.9	9.1
Cash flow hedge	1.1	-	1.3	-
Income tax relating to these items	0.3	0.0	0.3	-0.5
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-4.4</b>	<b>4.0</b>	<b>-18.3</b>	<b>8.6</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-2.2</b>	<b>32.4</b>	<b>-4.3</b>	<b>115.2</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	1.4	30.3	-4.1	107.7
Non-controlling interests	-3.6	2.1	-0.2	7.5
<b>Total comprehensive income/(loss) for the period</b>	<b>-2.2</b>	<b>32.4</b>	<b>-4.3</b>	<b>115.2</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	495.9	371.7
Other intangible assets	126.0	75.1
Property, plant and equipment	445.0	319.3
Right-of-use assets	395.6	327.4
Deferred tax assets	15.7	11.9
Investments in associates	0.8	8.5
Other financial assets	17.5	18.8
<b>Total non-current assets</b>	<b>1,496.5</b>	<b>1,132.7</b>
<b>Current assets</b>		
Inventories	58.2	72.0
Other financial assets	0.0	3.1
Trade and other receivables	227.9	201.7
Short-term investments	8.7	192.9
Cash and cash equivalents	40.4	81.9
<b>Total current assets</b>	<b>335.2</b>	<b>551.6</b>
<b>Total assets</b>	<b>1,831.7</b>	<b>1,684.3</b>
<b>EQUITY</b>		
Equity attributable to owners of the parent	474.7	517.6
Non-controlling interests	36.1	44.5
<b>Total equity</b>	<b>510.8</b>	<b>562.1</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans payable	473.4	375.3
Lease liabilities	364.7	299.8
Deferred tax liabilities	42.0	35.3
Provisions	1.9	2.8
Other financial liabilities	82.4	78.3
Other liabilities	2.9	5.7
<b>Total non-current liabilities</b>	<b>967.3</b>	<b>797.2</b>
<b>Current liabilities</b>		
Loans payable	42.3	42.9
Lease liabilities	59.6	46.1
Unearned premiums/ deferred revenue	23.1	20.2
Corporate tax payable	25.5	28.8
Other financial liabilities	20.5	4.6
Trade and other payables	182.6	182.4
<b>Total current liabilities</b>	<b>353.6</b>	<b>325.0</b>
<b>Total liabilities</b>	<b>1,320.9</b>	<b>1,122.2</b>
<b>Total equity and liabilities</b>	<b>1,831.7</b>	<b>1,684.3</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€m	Share capital	Treasury shares	Share premium	Retained earnings	Non-controlling interests put option reserve	Translation reserve	Hedging reserve	Other reserves	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Opening balance as at 1 January 2021</b>	<b>30.1</b>	<b>-0.4</b>	<b>458.7</b>	<b>50.9</b>	<b>-45.1</b>	<b>-55.1</b>	<b>-</b>	<b>8.9</b>	<b>448.0</b>	<b>35.5</b>	<b>483.5</b>
Profit for the period	-	-	-	101.8	-	-	-	-	101.8	4.8	106.6
Other comprehensive income/(loss)	-	-	-	-	-	5.9	-	-	5.9	2.7	8.6
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.8</b>	<b>-</b>	<b>5.9</b>	<b>-</b>	<b>-</b>	<b>107.7</b>	<b>7.5</b>	<b>115.2</b>
<b>Transactions with owners in their capacity as owners:</b>											
Issue of shares	0.3	-	-	-	-	-	-	-	0.3	-	0.3
Acquisition of treasury shares	-	-0.3	-	-	-	-	-	-	-0.3	-	-0.3
Business combinations	-	-	-	-	-	-	-	-	-	3.8	3.8
Changes in interest in subsidiaries	-	-	-	-1.0	-	-	-	-	-1.0	-0.4	-1.4
Share capital increase in non-controlling interests	-	-	-	-	-	-	-	-	-	1.8	1.8
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-33.1	-	-	-	-33.1	-3.7	-36.8
Dividend	-	-	-	-10.4	-	-	-	-	-10.4	-	-10.4
Share-based payments	-	-	-	-	-	-	-	6.4	6.4	-	6.4
<b>Total transactions with owners in their capacity as owners</b>	<b>0.3</b>	<b>-0.3</b>	<b>-</b>	<b>-11.4</b>	<b>-33.1</b>	<b>-</b>	<b>-</b>	<b>6.4</b>	<b>-38.1</b>	<b>1.5</b>	<b>-36.6</b>
<b>Closing balance as at 31 December 2021</b>	<b>30.4</b>	<b>-0.7</b>	<b>458.7</b>	<b>141.3</b>	<b>-78.2</b>	<b>-49.2</b>	<b>-</b>	<b>15.3</b>	<b>517.6</b>	<b>44.5</b>	<b>562.1</b>
<b>Opening balance as at 1 January 2022</b>	<b>30.4</b>	<b>-0.7</b>	<b>458.7</b>	<b>141.3</b>	<b>-78.2</b>	<b>-49.2</b>	<b>-</b>	<b>15.3</b>	<b>517.6</b>	<b>44.5</b>	<b>562.1</b>
Profit for the period	-	-	-	12.1	-	-	-	-	12.1	1.9	14.0
Other comprehensive income/(loss)	-	-	-	-	-	-17.5	1.3	-	-16.2	-2.1	-18.3
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.1</b>	<b>-</b>	<b>-17.5</b>	<b>1.3</b>	<b>-</b>	<b>-4.1</b>	<b>-0.2</b>	<b>-4.3</b>
<b>Transactions with owners in their capacity as owners:</b>											
Business combinations	-	-	-	-	-	-	-	-	-	3.5	3.5
Changes in interest in subsidiaries	-	-	-	-11.9	-	-	-	-	-11.9	-5.4	-17.3
Share capital increase/distribution of dividend in non-controlling interests	-	-	-	-	-	-	-	-	-	-0.9	-0.9
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-18.1	-	-	-	-18.1	-5.4	-23.5
Dividend	-	-	-	-17.8	-	-	-	-	-17.8	-	-17.8
Distribution of performance shares to employees	-	0.1	-0.1	3.5	-	-	-	-3.5	-	-	-
Share-based payments	-	-	-	-	-	-	-	9.0	9.0	-	9.0
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>0.1</b>	<b>-0.1</b>	<b>-26.2</b>	<b>-18.1</b>	<b>-</b>	<b>-</b>	<b>5.5</b>	<b>-38.8</b>	<b>-8.2</b>	<b>-47.0</b>
<b>Closing balance as at 31 December 2022</b>	<b>30.4</b>	<b>-0.6</b>	<b>458.6</b>	<b>127.2</b>	<b>-96.3</b>	<b>-66.7</b>	<b>1.3</b>	<b>20.8</b>	<b>474.7</b>	<b>36.1</b>	<b>510.8</b>

## CONSOLIDATED CASH FLOW STATEMENT

€m	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Profit before income tax</b>	<b>2.9</b>	<b>37.5</b>	<b>19.8</b>	<b>143.8</b>
Adjustments for:				
Depreciation, amortisation and impairment	44.3	33.5	161.9	111.0
Share-based payments	2.7	2.0	9.6	6.4
Net interest expense	9.6	5.8	31.8	19.1
Unrealised foreign exchange (gain)/loss	-4.7	-2.0	3.9	-2.6
Other non-cash transactions	1.5	0.1	2.2	-1.8
Income tax paid	-5.0	-5.5	-19.1	-18.3
<b>Cash generated from operations before working capital changes</b>	<b>51.3</b>	<b>71.4</b>	<b>210.1</b>	<b>257.6</b>
<b>Changes in operating assets and liabilities:</b>				
(Increase)/decrease in inventories	3.4	-11.5	12.7	-17.1
Increase in trade and other receivables	-12.9	-20.6	-13.8	-49.5
Increase/(decrease) in trade and other payables	-0.6	14.6	-38.8	25.7
<b>Net cash from operating activities</b>	<b>41.2</b>	<b>53.9</b>	<b>170.2</b>	<b>216.7</b>
<b>Investing activities:</b>				
Payment for acquisition of intangible assets and property, plant and equipment	-40.8	-37.2	-140.6	-102.2
Proceeds from disposal of intangible assets and property, plant and equipment	0.3	0.3	3.0	2.1
Dividends received from associates	0.0	0.0	0.1	0.1
Payment for other financial assets	0.0	-2.0	-0.5	-2.0
Proceeds from other financial assets	0.5	-	0.5	-
Payment for acquisition of subsidiaries, net of cash acquired	-41.4	-10.6	-229.1	-87.5
Payment of loans granted	0.0	-0.2	0.0	-2.8
Payment for short-term investments	-5.2	-182.5	-6.3	-182.5
Proceeds from short-term investments	2.0	-	186.4	40.3
Interest received	0.3	0.4	1.7	0.9
<b>Net cash used in investing activities</b>	<b>-84.3</b>	<b>-231.8</b>	<b>-184.8</b>	<b>-333.6</b>
<b>Financing activities:</b>				
Issue of shares, net of transaction cost	-	0.3	-	0.3
Acquisition of treasury shares	-	-0.3	-	-0.3
Acquisition of non-controlling interests	0.0	0.0	-7.7	-1.5
Repayment of loans	-58.1	-21.0	-434.7	-54.7
Proceeds from loans received	89.9	222.8	524.1	293.7
Repayment of leases	-13.9	-11.4	-50.6	-38.5
Interest paid	-10.5	-7.5	-32.4	-19.7
Dividend paid	-	-	-17.8	-10.4
Distribution to non-controlling interests	-1.5	-2.8	-6.0	-6.7
Proceeds from non-controlling interests	0.0	0.1	0.8	1.9
<b>Net cash from/(used in) financing activities</b>	<b>5.9</b>	<b>180.2</b>	<b>-24.3</b>	<b>164.1</b>
<b>Total cash flow</b>	<b>-37.2</b>	<b>2.3</b>	<b>-38.9</b>	<b>47.2</b>
<b>Cash and cash equivalents</b>				
Cash balance as at beginning of the period	77.3	92.6	81.9	46.7
Net effects of exchange gain/(loss) on cash balances	0.3	-13.0	-2.6	-12.0
Cash balance as at end of the period	40.4	81.9	40.4	81.9
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>-37.2</b>	<b>2.3</b>	<b>-38.9</b>	<b>47.2</b>



## PARENT COMPANY INCOME STATEMENT

€m	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Revenue</b>	<b>0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.7</b>
Operating expenses	-4.9	-3.6	-15.5	-11.6
<b>Operating loss</b>	<b>-4.6</b>	<b>-3.2</b>	<b>-14.8</b>	<b>-10.9</b>
Income from participation in group companies	1.1	13.0	10.8	13.0
Interest income/(expense) from group companies	-0.9	0.0	0.1	0.0
Interest expense	0.0	-0.1	-0.3	-0.1
<b>Profit/(loss) before income tax</b>	<b>-4.4</b>	<b>9.7</b>	<b>-4.2</b>	<b>2.0</b>
Income tax	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>-4.4</b>	<b>9.7</b>	<b>-4.2</b>	<b>2.0</b>

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

## PARENT COMPANY BALANCE SHEET

€m	31 Dec 2022	31 Dec 2021
Property, plant and equipment	0.0	0.1
Investments in subsidiaries	584.8	434.8
<b>Total non-current assets</b>	<b>584.8</b>	<b>434.9</b>
Current receivables	28.5	196.5
Cash and bank	0.0	0.0
<b>Total current assets</b>	<b>28.5</b>	<b>196.5</b>
<b>Total assets</b>	<b>613.3</b>	<b>631.4</b>
Restricted equity	30.4	30.4
Non-restricted equity	566.5	579.5
<b>Total equity</b>	<b>596.9</b>	<b>609.9</b>
Current liabilities	16.4	21.5
<b>Total liabilities</b>	<b>16.4</b>	<b>21.5</b>
<b>Total equity and liabilities</b>	<b>613.3</b>	<b>631.4</b>

## NOTES

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### 1. Basis of preparation and accounting policies

#### *Basis of preparation*

Medicover AB (publ) ("the Company") together with its subsidiaries are referred to as "the Group". Medicover AB (publ) is a company domiciled in Sweden, with its head office in Stockholm. The reporting and functional currency of the Company is the Euro.

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read together with the Group's consolidated financial statements 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 apart from a new accounting principle for hedge accounting as described in section "Hedging of interest rate exposure". 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.

#### *Hedging of interest rate exposure – cash flow hedge*

Medicover has entered into an interest rate swap to control the exposure to variability in cash flows of future interest rate fluctuations. The hedging strategy is to fix interest rates on a proportion of the floating rate loan portfolio in issue for a period of its duration, this is achieved by swapping from floating to fixed rates. The objective is to exclude the risk of higher rates than the fixed rate impacting the Group's cash flows over a three-year period. In the consolidated statement of financial position, interest swaps are valued at fair value. The interest rate coupon is recognised on an on-going basis in the consolidated income statement as a component of interest expense. Unrealised changes to the fair

value of interest swaps are recognised in other comprehensive income and are included as a component of the hedging reserve in equity until the hedged item has an effect on the income statement and as long as the criteria for hedge accounting and effectiveness are met.

#### *New and amendments to IFRS standards applied from 1 January 2023*

IFRS 17 *Insurance Contracts* (including the June 2020 and December 2021 amendments to IFRS 17) establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*. The standard is effective for annual reporting periods beginning on or after 1 January 2023. As the Group's insurance contracts are short-term contracts and the criteria for applying the premium allocation approach is met, there are no material changes to the amounts recognised. The transition impact on the opening balance for 2022 will be recognised as a decrease in equity and amounts to approximately €2.0m, the adjustment relates to the measurement of the liability for incurred claims due to recognition of the risk margin relating to non-financial risks. IFRS 17 will also lead to some classification adjustments in the Group's statement of financial position and increased disclosures. No amendments to standards that are effective as from 1 January 2023 are expected to have a material impact on the consolidated financial statements when applied for the first time.

The preparation of interim reports requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Refer to the Group's consolidated financial statements 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](http://www.medicover.com/financial-information).

## 2. Segment information

	Oct-Dec 2022				Oct-Dec 2021			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	259.0	143.9	0.5		191.9	189.7	0.0	
Inter-segment revenue	-0.5	-4.7	-0.5		-0.5	-4.9	0.1	
<b>Revenue from external customers</b>	<b>258.5</b>	<b>139.2</b>	<b>0.0</b>	<b>397.7</b>	<b>191.4</b>	<b>184.8</b>	<b>0.1</b>	<b>376.3</b>
By payer:								
Private	222.8	91.7	0.0	314.5	170.3	129.3	0.1	299.7
Public	35.7	47.5	-	83.2	21.1	55.5	-	76.6
By country:								
Poland	164.6	12.5	0.0	177.1	124.8	15.5	0.0	140.3
Germany	10.8	73.1	-	83.9	-	86.0	-	86.0
Romania	25.8	20.4	-	46.2	22.1	23.0	0.0	45.1
India	44.0	-	-	44.0	32.2	-	-	32.2
Ukraine	1.9	11.6	-	13.5	2.2	32.4	-	34.6
Other countries	11.4	21.6	0.0	33.0	10.1	27.9	0.1	38.1
<b>Operating profit</b>	<b>9.4</b>	<b>8.0</b>	<b>-8.7</b>	<b>8.7</b>	<b>8.1</b>	<b>40.4</b>	<b>-6.9</b>	<b>41.6</b>
<i>Margin</i>	3.6%	5.5%		2.2%	4.2%	21.3%		11.1%
Depreciation, amortisation and impairment	28.8	15.0	0.5	44.3	20.3	12.9	0.3	33.5
<b>EBITDA</b>	<b>38.2</b>	<b>23.0</b>	<b>-8.2</b>	<b>53.0</b>	<b>28.4</b>	<b>53.3</b>	<b>-6.6</b>	<b>75.1</b>
<i>Margin</i>	14.8%	15.9%		13.3%	14.8%	28.1%		20.0%
Right-of-use depreciation/impairment	-11.4	-5.5	-0.1	-17.0	-8.4	-5.3	-0.1	-13.8
Interest on lease liabilities	-5.1	-1.0	0.0	-6.1	-3.6	-0.8	0.0	-4.4
<b>Segment result: EBITDAaL</b>	<b>21.7</b>	<b>16.5</b>	<b>-8.3</b>	<b>29.9</b>	<b>16.4</b>	<b>47.2</b>	<b>-6.7</b>	<b>56.9</b>
<i>Margin</i>	8.4%	11.4%		7.5%	8.5%	24.9%		15.1%
Other income/(costs)				-0.3				-0.1
Net interest expense				-9.6				-5.8
Other financial income/(expense)				4.0				1.7
Share of profit of associates				0.1				0.1
Income tax				-0.7				-9.1
<b>Profit for the period</b>				<b>2.2</b>				<b>28.4</b>

	Jan-Dec 2022				Jan-Dec 2021			
€m	Healthcare Services	Diagnostic Services	Central/ other	Group total	Healthcare Services	Diagnostic Services	Central/ other	Group total
Revenue	917.1	612.5	0.8		711.6	686.8	0.3	
Inter-segment revenue	-1.1	-18.5	-0.6		-1.1	-20.2	0.0	
<b>Revenue from external customers</b>	<b>916.0</b>	<b>594.0</b>	<b>0.2</b>	<b>1,510.2</b>	<b>710.5</b>	<b>666.6</b>	<b>0.3</b>	<b>1,377.4</b>
By payer:								
Private	800.9	386.0	0.2	1,187.1	635.7	458.7	0.3	1,094.7
Public	115.1	208.0	-	323.1	74.8	207.9	-	282.7
By country:								
Poland	592.7	51.7	0.0	644.4	450.0	60.1	0.0	510.1
Germany	10.8	313.4	-	324.2	-	316.4	-	316.4
Romania	95.2	82.3	-	177.5	83.8	87.8	0.0	171.6
India	166.0	-	-	166.0	134.9	-	-	134.9
Ukraine	6.7	48.4	-	55.1	7.9	109.5	-	117.4
Other countries	44.6	98.2	0.2	143.0	33.9	92.8	0.3	127.0
<b>Operating profit</b>	<b>25.7</b>	<b>58.9</b>	<b>-29.1</b>	<b>55.5</b>	<b>45.4</b>	<b>135.5</b>	<b>-21.5</b>	<b>159.4</b>
<i>Margin</i>	2.8%	9.6%		3.7%	6.4%	19.7%		11.6%
Depreciation, amortisation and impairment	100.2	59.8	1.9	161.9	65.3	44.2	1.5	111.0
<b>EBITDA</b>	<b>125.9</b>	<b>118.7</b>	<b>-27.2</b>	<b>217.4</b>	<b>110.7</b>	<b>179.7</b>	<b>-20.0</b>	<b>270.4</b>
<i>Margin</i>	13.7%	19.4%		14.4%	15.6%	26.2%		19.6%
Right-of-use depreciation/impairment	-41.8	-22.0	-0.3	-64.1	-25.9	-19.4	-0.3	-45.6
Interest on lease liabilities	-18.3	-3.8	0.0	-22.1	-10.8	-3.2	0.0	-14.0
<b>Segment result: EBITDAaL</b>	<b>65.8</b>	<b>92.9</b>	<b>-27.5</b>	<b>131.2</b>	<b>74.0</b>	<b>157.1</b>	<b>-20.3</b>	<b>210.8</b>
<i>Margin</i>	7.2%	15.2%		8.7%	10.4%	22.9%		15.3%
Other income/(costs)				-3.2				0.7
Net interest expense				-31.8				-19.1
Other financial income/(expense)				-0.9				1.8
Share of profit of associates				0.2				1.0
Income tax				-5.8				-37.2
<b>Profit for the period</b>				<b>14.0</b>				<b>106.6</b>

### 3. Share capital

Share capital as at 31 December 2022 was €30.4m (€30.4m) and corresponded to the following shares:

	<b>Class A shares</b>	<b>Class B shares</b>	<b>Class C* shares</b>	<b>Total</b>
<b>1 January 2021</b>	<b>78,551,881</b>	<b>69,798,670</b>	<b>2,384,644</b>	<b>150,735,195</b>
Issue of shares			1,200,000	1,200,000
Conversion of class A to class B shares	-982,605	982,605		
<b>31 December 2021</b>	<b>77,569,276</b>	<b>70,781,275</b>	<b>3,584,644</b>	<b>151,935,195</b>
<b>1 January 2022</b>	<b>77,569,276</b>	<b>70,781,275</b>	<b>3,584,644</b>	<b>151,935,195</b>
Conversion of class A to class B shares	-194,400	194,400		
Conversion of class C to class B shares		603,016	-603,016	
<b>31 December 2022</b>	<b>77,374,876</b>	<b>71,578,691</b>	<b>2,981,628</b>	<b>151,935,195</b>

\* 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 148,953,567 (148,350,551) for the quarter and 148,761,924 (148,350,551) for the year.

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	Medicover Public Co Ltd (former NIPD Genetics Public Company Ltd) ("NIPD")	Cyprus	Laboratory	DS	68.3
e)	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
e)	31 Jan	Premium Fitness & Gym sp. z o.o.	Poland	Gym	HS	100
e)	11 Feb	Sahrudaya Health Care (Vizianagaram) Private Limited	India	Hospital	HS	60
e)	28 Feb	Bellevue Polska sp. z o.o.	Poland	Vision care	HS	100
e)	11 Mar	"Medicover Diagnostics" d.o.o. Banja Luka (former "Konzilijum" d.o.o. Banja Luka)	Bosnia-Herzegovina	Laboratory	DS	80
e)	1 Apr	Czar-Dent	Poland	Dental	HS	-
e)	4 Apr	Clinical trial business of Nasz Lekarz	Poland	Clinical Trial	DS	-
e)	8 Apr	Dialab	Poland	Laboratory	DS	-
e)	25 Apr	Ostoya Holding sp. z o.o., Propsyche Allenort sp. z o.o., Psychiatria Allenort Bialystok sp. z o.o., Psychomedica Allenort sp. z o.o.	Poland	Mental health/ hospital	HS	100
d)	5 May	McFit Polska sp. z o.o.	Poland	Gym	HS	100
e)	14 Jul	Intergenetics Private Polyclinic Single Member SA	Greece	Laboratory	DS	100
e)	1 Aug	Ambasada Uśmiechu	Poland	Dental	HS	-
e)	13 Sep	Nasz Lekarz Przychodnie Medyczne sp. z o.o.	Poland	Medical	HS	100
e)	14 Sep	Laurus Medical S.R.L.	Romania	Medical	HS	100
e)	1 Oct	MeinDentist Zentrum GmbH, MeinDentist Berlin GmbH, MeinDentist Brandenburg GmbH	Germany	Dental	HS	100
e)	5 Oct	DDent MVZ GmbH, DDent Labor GmbH	Germany	Dental	HS	80
e)	8 Dec	Centrum Sportowego Kiko Plus sp. z o.o.	Poland	Gym	HS	100
c)	12 Dec	Smart Platinum sp. z o.o., Just Fit sp. z o.o. ("SP/JF")	Poland	Gym	HS	100

\* DS: Diagnostic Services, HS: Healthcare Services

Preliminary purchase price allocations are as follows.

€m	NIPD	CDT	SP/JF	McFit	Other	Total
Other intangible assets:	25.8	13.3	3.8	0.4	16.2	59.5
Brand	-	12.9	2.9	-	10.5	26.3
Customer relations	-	-	0.9	0.4	5.6	6.9
Product development costs	9.4	-	-	-	-	9.4
Patents	16.3	-	-	-	-	16.3
Other	0.1	0.4	0.0	0.0	0.1	0.6
Property, plant and equipment	1.6	23.8	8.3	6.8	35.0	75.5
Right-of-use assets	1.3	0.4	11.4	9.4	43.4	65.9
Accounts receivable and inventories	6.8	3.0	2.1	13.9	5.7	31.5
Corporate tax receivable	0.1	-	-	-	0.1	0.2
Cash and cash equivalents	7.8	3.6	2.2	1.7	3.4	18.7
Loans payable	-	-3.4	-	-	-0.4	-3.8
Lease liabilities	-1.3	-0.4	-11.4	-9.4	-41.9	-64.4
Deferred tax (net)	-2.0	-4.1	-0.7	2.1	-2.5	-7.2
Corporate tax payable	-0.2	0.0	-	-	-0.3	-0.5
Accounts payable	-6.2	-3.2	-1.3	-13.9	-9.5	-34.1
Other payable	-	-	-	-	-1.4	-1.4
<b>Net identifiable assets</b>	<b>33.7</b>	<b>33.0</b>	<b>14.4</b>	<b>11.0</b>	<b>47.8</b>	<b>139.9</b>
Non-controlling interests	-4.3	-0.2	-	-	0.8	-3.7
Goodwill	27.4	23.3	10.8	10.5	58.6	130.6
<b>Total consideration</b>	<b>56.8</b>	<b>56.1</b>	<b>25.2</b>	<b>21.5</b>	<b>107.2</b>	<b>266.8</b>
Cash and cash equivalents acquired	-7.8	-3.6	-2.2	-1.7	-3.4	-18.7
Contingent consideration payable	-	-	-	-0.6	-7.7	-8.3
Deferred consideration payable	-	-	-	-	-2.6	-2.6
Previous held interest in NIPD	-12.3	-	-	-	-	-12.3
Non-cash movements	-	-	-	0.1	-3.2	-3.1
<b>Net cash flow outflow, acquisitions in current year</b>	<b>36.7</b>	<b>52.5</b>	<b>23.0</b>	<b>19.3</b>	<b>90.3</b>	<b>221.8</b>
Payment related to acquisitions in prior years	-	-	-	-	-	7.3
<b>Net cash flow outflow</b>	<b>36.7</b>	<b>52.5</b>	<b>23.0</b>	<b>19.3</b>	<b>90.3</b>	<b>229.1</b>

Included in the consolidated income statement 2022 was revenue of €92.8m and a net loss of €-5.8m related to business combinations in the year. If these acquisitions had occurred on 1 January 2022, revenue would have been €47.5m higher and net profit would have been €0.6m higher.

Acquisition related expenses (included in administrative expenses) amounted to €-7.2m for 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 €27.4m 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 fair value to €5.9m at year-end 2022, refer to note 6.

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) Medicover strengthened its sport portfolio with the acquisition of fitness clubs in Cracow and

Upper Silesia in Poland in December through the acquisition of Smart Platinum and Just Fit ("SP/JF"). The consideration was €25.2m. Goodwill of €10.8m was recognised and represented expected synergies with existing operations. Goodwill is not expected to be deductible for tax purposes.

d) McFit is a network of state-of-the-art fitness clubs present in 10 major cities in Poland offering unique training experience, acquired in May for a total consideration of €21.5m. Goodwill of €10.5m was recognised and represented expected synergies with existing operations. Goodwill is not expected to be deductible for tax purposes.

e) Goodwill within other acquisitions amounted to €58.6m, including €25.6m (dental), €10.3m (medical), €8.1m (clinical trial), €6.6m (vision care), €4.3m (gyms) and €3.4m (laboratory). Lease liabilities amounted to €41.9m, including €14.6m (hospital), €13.4m (dental), €5.5m (vision care), €5.0m (gyms) and €2.8m (medical). Non-controlling interests have been measured at the proportionate share of the acquiree's net assets. None of these acquisitions were individually significant.

## 5. Related party transactions

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

quarter and to €-33.9m (€-28.8m) for the year. Trade payables were €6.2m (€7.7m) as at 31 December 2022.

## 6. Financial assets and liabilities

Note	€m	31 Dec 2022			31 Dec 2021		
		Non-current	Current	Total	Non-current	Current	Total
	<b>Financial assets at fair value through profit or loss</b>						
	Short-term investments	-	8.7	8.7	-	192.9	192.9
	Foreign currency swaps	-	-	-	-	0.5	0.5
a)	Other financial assets	2.2	-	2.2	5.8	-	5.8
	<b>Total</b>	<b>2.2</b>	<b>8.7</b>	<b>10.9</b>	<b>5.8</b>	<b>193.4</b>	<b>199.2</b>
	Interest rate swaps used for hedging	-	1.0	1.0	-	-	-
	<b>Total financial assets at fair value</b>	<b>2.2</b>	<b>9.7</b>	<b>11.9</b>	<b>5.8</b>	<b>193.4</b>	<b>199.2</b>
	<b>Financial assets at amortised cost</b>						
	Other financial assets	15.3	0.0	15.3	13.0	3.1	16.1
	Trade and other receivables <sup>1)</sup>	-	186.4	186.4	-	171.2	171.2
	<b>Total</b>	<b>15.3</b>	<b>186.4</b>	<b>201.7</b>	<b>13.0</b>	<b>174.3</b>	<b>187.3</b>
	Cash and cash equivalents	-	40.4	40.4	-	81.9	81.9
	<b>Total financial assets</b>	<b>17.5</b>	<b>236.5</b>	<b>254.0</b>	<b>18.8</b>	<b>449.6</b>	<b>468.4</b>
	<b>Financial liabilities at fair value through profit or loss</b>						
	Foreign currency swaps	-	0.2	0.2	-	-	-
b)	Contingent consideration payable <sup>2)</sup>	18.5	6.7	25.2	17.2	7.5	24.7
	<b>Total</b>	<b>18.5</b>	<b>6.9</b>	<b>25.4</b>	<b>17.2</b>	<b>7.5</b>	<b>24.7</b>
c)	Put option liquidity obligations with non-controlling interests (with movement through equity) <sup>3)</sup>	81.7	15.0	96.7	78.3	0.7	79.0
	<b>Total financial liabilities at fair value</b>	<b>100.2</b>	<b>21.9</b>	<b>122.1</b>	<b>95.5</b>	<b>8.2</b>	<b>103.7</b>
	<b>Financial liabilities at amortised cost</b>						
	Borrowings <sup>2)</sup>	447.7	32.0	479.7	356.7	34.9	391.6
	Lease liabilities	364.7	59.6	424.3	299.8	46.1	345.9
	Other financial liabilities	0.7	5.5	6.2	-	3.9	3.9
	Trade and other payables <sup>1)</sup>	-	64.4	64.4	-	65.1	65.1
	Deferred consideration payable <sup>2)</sup>	7.2	3.6	10.8	1.4	0.5	1.9
	<b>Total</b>	<b>820.3</b>	<b>165.1</b>	<b>985.4</b>	<b>657.9</b>	<b>150.5</b>	<b>808.4</b>
	<b>Total financial liabilities</b>	<b>920.5</b>	<b>187.0</b>	<b>1,107.5</b>	<b>753.4</b>	<b>158.7</b>	<b>912.1</b>

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

<sup>2)</sup> Presented as loans payable in the statement of financial position.

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

Financial assets and liabilities carried at amortised cost are considered to have carrying values that materially correspond to fair value, with the exception for the long-term schuldschein debt at

fixed interest rates where the carrying value amounted to €235.0m and fair value to €214.2m.

### 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 of €8.7m include government bonds. At year-end 2021, short-term investments of €192.9m mainly included euro-denominated bond funds which have been sold during 2022. Fair value hierarchy level 1 is used when the valuation is based on quoted prices in active markets.

**Level 2:** The Group has foreign currency- and interest rate swaps where the valuation is based on level 2. Fair value hierarchy level 2 is used when inputs, other than the quoted prices included in level 1, are observable.

**Level 3:** The Group has the following financial assets and liabilities measured using level 3, where fair value is not based on observable market data:

- a) Other financial assets include €2.2m (€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 mainly 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 €25.8m (€22.6m). 60% of the put-options can be exercised from 1 November 2023 and the remaining 40% (which corresponds to €10.8m) from 1 November 2024.

- A put option liquidity obligation with non-controlling interests in Medicover Hospitals India ("MHI") of €54.4m (€43.1m). Half of the put options can be exercised in June 2024 at the earliest and the remaining half (which corresponds to €39.6m) from June 2027.
- Put option liquidity obligations with non-controlling interests in subsidiaries in Norway, Cyprus and Bosnia-Herzegovina of €16.5m (€13.3m), estimated to be exercised in 2026 and 2027. During 2022, 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
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	Relationship of unobservable inputs to fair value (FV)
Put option (liquidity obligation with non-controlling interests in a German subsidiary)	25.8	22.6	Earnings growth factor  Risk adjusted discount rate	2.0%  1.5%	5.5%  0.9%	Increase of 1% point in profit growth = increase in FV liability of €0.3m  Decrease of 1% point in discount rate = increase in FV liability of €0.3m
Put option (liability obligation with non-controlling interests in MHI)	54.4	43.1	6-year projected CAGR EBITDA  Risk adjusted discount rate	47.6%  13.8%	34.8%  11.8%	Increase of 10% in CAGR EBITDA = increase in FV liability of €6.1m  Decrease of 1% point in discount rate = increase in FV liability of €1.8m
Put option (liability obligation with non-controlling interests in a Norwegian subsidiary)	10.2	12.6	4-year projected CAGR EBITDA  Risk adjusted discount rate	29.7%  7.6%	28.8%  6.3%	Increase of 10% in CAGR EBITDA = increase in FV liability of €1.0m  Decrease of 1% point in discount rate = increase in FV liability of €0.3m
Put option (liability obligation with non-controlling interests in a Cypriot subsidiary)	5.9	-	5-year projected revenue  Risk adjusted discount rate	12.9%  13.7%	-  -	Increase of 10% in revenue = no change in FV liability  Decrease of 1% point in discount rate = increase in FV liability of €0.2m
Put option (liability obligation with non-controlling interests in a Bosnia-Herzegovina subsidiary)	0.4	0.7	Risk adjusted discount rate	22.3%	-	Decrease of 1% point in discount rate = increase in FV liability of €0.0m
Contingent consideration payable	25.2	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 €0.4m

The projections used to measure liabilities at fair values have been updated, there are however no other additional significant changes 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	31 Dec 2022	31 Dec 2021
Non-current loans payable	473.4	375.3
Current loans payable	42.3	42.9
<b>Total loans payable</b>	<b>515.7</b>	<b>418.2</b>
Less: short-term investments	-8.7	-192.9
Less: cash and cash equivalents	-40.4	-81.9
<b>Loans payable net of cash and liquid short-term investments</b>	<b>466.6</b>	<b>143.4</b>
Non-current lease liabilities	364.7	299.8
Current lease liabilities	59.6	46.1
<b>Total lease liabilities</b>	<b>424.3</b>	<b>345.9</b>
<b>Financial debt</b>	<b>940.0</b>	<b>764.1</b>
Less: short-term investments	-8.7	-192.9
Less: cash and cash equivalents	-40.4	-81.9
<b>Net financial debt</b>	<b>890.9</b>	<b>489.3</b>

€m	31 Dec 2022	31 Dec 2021
<b>Other financial liabilities</b>		
Non-current	82.4	78.3
Current	20.5	4.6
<b>Total</b>	<b>102.9</b>	<b>82.9</b>

## 8. Subsequent events

The sale transaction related to the Group's business in Belarus was closed in February 2023. The transaction price for Medicover's holdings in Synevo LLC and Nedvizhimost Vostok LLC amounts to €14.6m net of transaction costs. The Group's revenue in Belarus was €20.5m for the year 2022. The net assets of €-3.1m in Synevo LLC and Nedvizhimost Vostok LLC have not been recognised as assets classified as held for sale as of 31 December 2022 based on materiality.