







# Content

## Medicover

Medicover in brief	03
2023 in brief	04
CEO statement	06
Business model	08
Strategic direction	12
Financial targets	17
Market	18
Healthcare Services division	24
Diagnostic Services division	32
Medicover's brands	40
Clinical quality framework	42

## Sustainability

Sustainability report 2023	46
2023 at a glance	47
Sustainable value creation	48
Medicover's sustainability framework	51
– Care provision	52
– People and partners	55
– Prevention and education	60
– Care for the environment	64
– Governance and business ethics	68
– Measuring our impact	71
EU Taxonomy	72
Methodology	74

## Financials and reports

Financial information and reports	75
The Medicover share	76
Management report	80
Risks and risk management	86
Corporate governance report	95
Board of directors	104
Executive management	106
Financial reports	108
Board of directors' assurance	153
Auditor's report	154
The auditor's report on the statutory sustainability report	159
5-year financial summary	160
Definitions	162
Glossary	163
Information to shareholders	164

The official version of the Annual Report 2023 is prepared in Swedish in the European Single Electronic Format (ESEF).  
Refer to [medicover.com](https://medicover.com) for Medicover's financial reports.



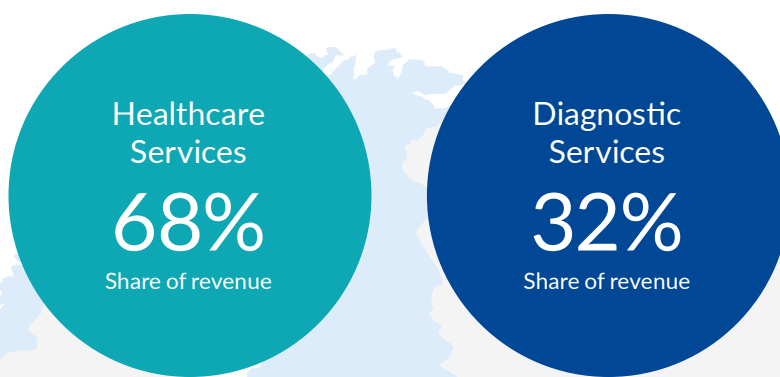
MEDICOVER  
STOMATOLOGIA



# Caring for your health is all we do

Medicover is an international healthcare and diagnostic service provider, founded in 1995 and listed on Nasdaq Stockholm since 2017. Our holistic approach and commitment to quality drive our mission to improve and sustain health and wellbeing.

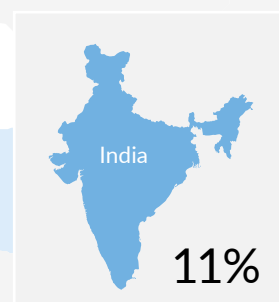
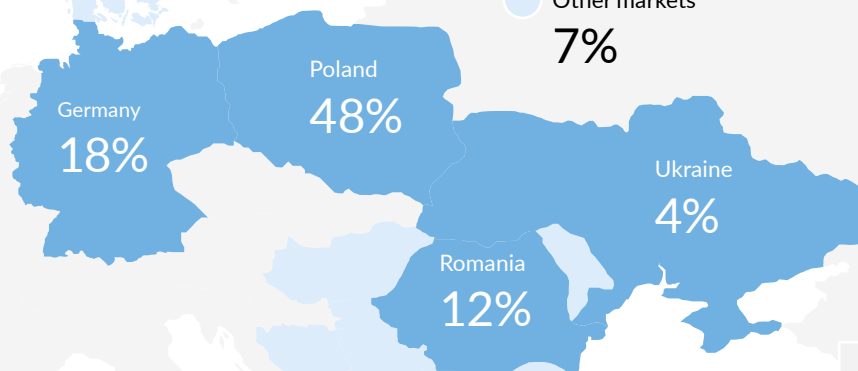
Services are delivered through two divisions



Well-positioned in attractive healthcare markets  
(share of revenue attributed to each market)

● Head office in Stockholm, Sweden

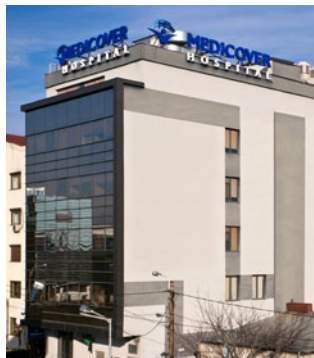
Other markets  
7%



# Events during the year

## Hospital inauguration in Bucharest

A new multidisciplinary hospital, over 17,300m<sup>2</sup>, with the latest medical equipment and technology including 200 beds, seven operating theatres benefitting patients.



## New laboratory in Frankfurt (Oder)

A 4,000m<sup>2</sup> state-of-the-art laboratory with the latest technology and infrastructure. For example IMD Labor Oderland hosts the first automated laboratory line for microbiology "BD Kiestra" in Germany.



## MRgFUS treatment

Medicover Hospital is the first private medical facility in Poland which offers the MRgFUS treatment which allows for the treatment of essential tremors and Parkinson's disease.



## Introducing AI in fertility

Klinikk Hausken introduces the AI Chloe technology in all its clinics and is the first IVF network in Norway to introduce the technology.



## The first BDP for kids

In Warsaw the first BDP for kids opened, offering a modern, safe and playful interior with a dedicated medical team trained in working with kids.



## New openings in India

In August a woman and child hospital opened in HITEC City, Hyderabad. The facility offers 24/7 emergency services, cardiac theatre, intensive care unit, a neonatal radiology team etc. Two multidisciplinary hospitals were also inaugurated in Pune and in Navi-Mumbai, Maharashtra in the beginning of the year.



**First capital markets day took place in Stockholm**

**Listed social sustainable commercial paper at Nasdaq Stockholm**

**Launched MySynevo app**

**Tech Transfer to Japan**



45,316  
co-workers

119.2 million  
laboratory tests

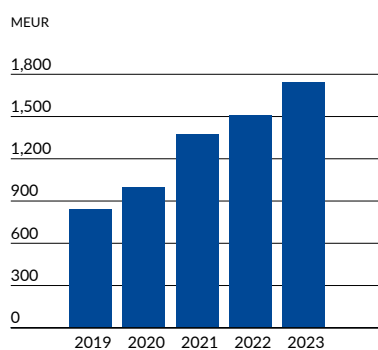
1.8 million  
members

15.7 million  
medical visits



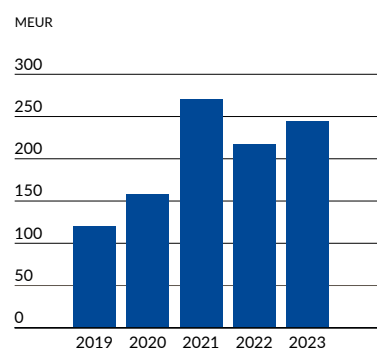
Revenue, EURm

1,746.4



EBITDA, EURm

243.8



#### Key figures

	2023	2022	2021	2020	2019
Revenue, EURm	1,746.4	1,510.2	1,377.4	997.8	844.4
EBITDA, EURm	243.8	217.1	270.4	157.5	120.7
Earnings per share, EUR	0.118	0.079	0.686	0.182	0.168
Revenue growth, %	15.6	9.6	38.0	18.2	25.7
EBITDA growth, %	12.3	-19.7	71.7	30.6	33.0

# Medicover continues to grow

Medicover has made clear progress towards our 3-year financial targets during the year. The combination of high employee engagement, growth investments and a strong business model has resulted in significant growth and higher earnings in 2023.

In February 2023, we announced new, even more ambitious growth targets for the next three-year period. The targets are to achieve organic revenue of at least EUR 2.2 billion and adjusted organic EBITDA of at least EUR 350 million by the end of 2025.

I am therefore pleased to be able to look back on another year of strong growth. Organic revenue growth was 11.6 per cent and the adjusted EBITDA margin was 14.5 per cent. In the last two quarters of the year, we saw an increase in our main profit measures compared with the same quarters in the previous year.

So far, we have delivered on our plan to meet the new targets. This is a measure of our strength in a time of continuing challenges such as Russia's war of aggression on Ukraine, high-cost inflation and the winding-down of the profitable Covid-19-related operations.

## Investments for continued growth

Medicover has always been characterised by a high organic growth rate. The single most important reason is that we benefit from a presence in attractive markets with strong underlying growth in health financing and a structural need for continuing investments in medical infrastructure.

We achieve growth in these markets by investing in existing operations. The main investments are in clinics and hospitals, and diagnostic labs which contribute to increased revenue and improved profitability as these mature. We now have two years behind us, 2021–2022, where organic investments have been significantly above historical levels, approximately 10 per cent of revenue compared with the historical average of approximately 6 per cent. Investments are back to normal levels this year. Our high rate of expansion is having a short-term negative impact on the profit margin. However, the trend will reverse as the businesses mature, which we saw signs of in the last two quarters of the year. With the investments we have made, we have created good conditions for continued revenue and earnings growth in the coming years. This is an important part of the plan to achieve the financial targets.

## Healthcare Services showing strong growth

We have experienced high demand for Healthcare Services, both in the private pay and employer-funded business. Organic revenue growth was an impressive 21.0 per cent and the number of members in the employer-funded business rose by 6.2 per cent,



despite our price increases. By supplementing our healthcare services with an attractive sport and wellness offering, we have further strengthened our competitiveness in the corporate market.

The investments we have made are a strong contributing factor to the revenue growth. We have expanded our footprint in Poland with the opening of new medical and sports facilities and we have built new capacity in Romania – both hospitals and ambulatory clinics. Similarly, we have continued to expand in India. We currently operate 21 hospitals in three selected states, which are characterised by high growth in privately paid healthcare. We have a strong



brand, both as a healthcare provider and an employer. The latter is particularly important, as there is intense competition for qualified healthcare staff.

The EBITDA margin for Healthcare Services increased to 14.3 per cent despite the fact that newly opened units, notably the large hospital in Bucharest, Romania and new hospital units in India, continued to have an adverse effect on earnings. It is particularly pleasing – although not unexpected now that the businesses are starting to mature – to see our Indian hospitals contributing to the stronger margin in the last two quarters of the year.

### **Diagnostic Services back to normal growth**

2023 marked the start of a return to normality for the diagnostics industry in general, which had spent a few years focused on dealing with the massive need for Covid-19 testing in the world. The transition back to normal operations has presented challenges. It is therefore pleasing that organic growth, excluding Covid-19 related revenue, returned to high levels in the last two quarters of the year. For the full year, organic growth for ordinary operations amounted to 16.6 per cent. The EBITDA margin was 15.4 per cent, a decline compared to the previous year due to the absence of Covid-19-related contributions. However, excluding Covid-19 impacts, the margin remained stable. This is positive, considering that approximately half of divisional revenue comes from Germany, where significant cost inflation has not been offset by price indexation for many years.

We continue to make exciting progress in advanced genetic testing, an area that is attracting keen interest and much research across the world. Through the subsidiary Medcover Genetics, we conduct research and development on new genetic testing. During the year, we have also carried out a number of tech transfers, which means that we have licensed our technology platform to large contract research laboratories. In genetics, we have also entered the UK market through a partner agreement with a number of NHS (National Health Service) Trusts, whereby Medcover will analyse certain genetic tests for the NHS. This is an excellent seal of approval for our business – and with good business potential.

### **Digital healthcare strengthens customer relationships**

Medcover has been a digital company for a long time and has seen a huge change in attitude towards digital healthcare after the pandemic. This is currently an increasingly important part of our delivery, which has also helped us build stronger customer relationships. Approximately one-third of the corporate paid medical visits in Poland are digital, resulting in significant time and convenience savings for both patients and staff, while also reducing the environmental impact.

Technology continues to develop at an incredible pace, particularly in our industry, where artificial intelligence (AI) is becoming high profile. Although it is difficult to predict its full potential and

future impact, AI has already started to make its mark in healthcare. For example, we use it as an AI chatbot in our customer service, and for interpretation of digital pathology, freeing up scarce specialist doctors' time for the more complicated cases.

As the amount of data increases, so do the requirements for data security. This is an area in which we have invested heavily over many years in order to be at the forefront of development and safely take advantage of the opportunities created by digitalisation.

### **Growth is created by employees**

Our success as a healthcare company is mainly based on all the amazing employees who work every day to provide high-quality patient-centred healthcare with a personal approach. This is crucial in enabling us to continue to grow and take market share in a competitive private healthcare market.

Competition for the best healthcare staff is intense in most of our markets. With this in mind, we work constantly to strengthen our overall offering to employees. This includes creating attractive development opportunities and maintaining a values-driven and inclusive culture that welcomes new approaches, takes advantage of digitalisation and follows clear leadership principles.

I would like to take this opportunity to thank all employees for their commitment and for the energy they have injected into our company during the year. At the time of writing, Russia's war of aggression in Ukraine has entered its third year and I want to give a special mention to our employees in that country. It is with admiration that I see them continuing to work in difficult conditions and provide important public services to the people of Ukraine.

### **Sustainable value creation continues**

We are proud of how our healthcare services and our focus on prevention contribute to a better quality of life for people and provide economic benefits for communities and companies. This is by far our biggest contribution from a sustainability perspective and is the reason why we are highly ranked in Upright Project's AI model to assess the net impact of companies. We continue to support the UN Global Compact where UN SDG 3 is our most important goal. According to the Upright Project more than 90 per cent of revenue is aligned with SDG 3. As we build new medical infrastructure to reach even more people, we are aware of the climate impact and are actively working to minimise it.

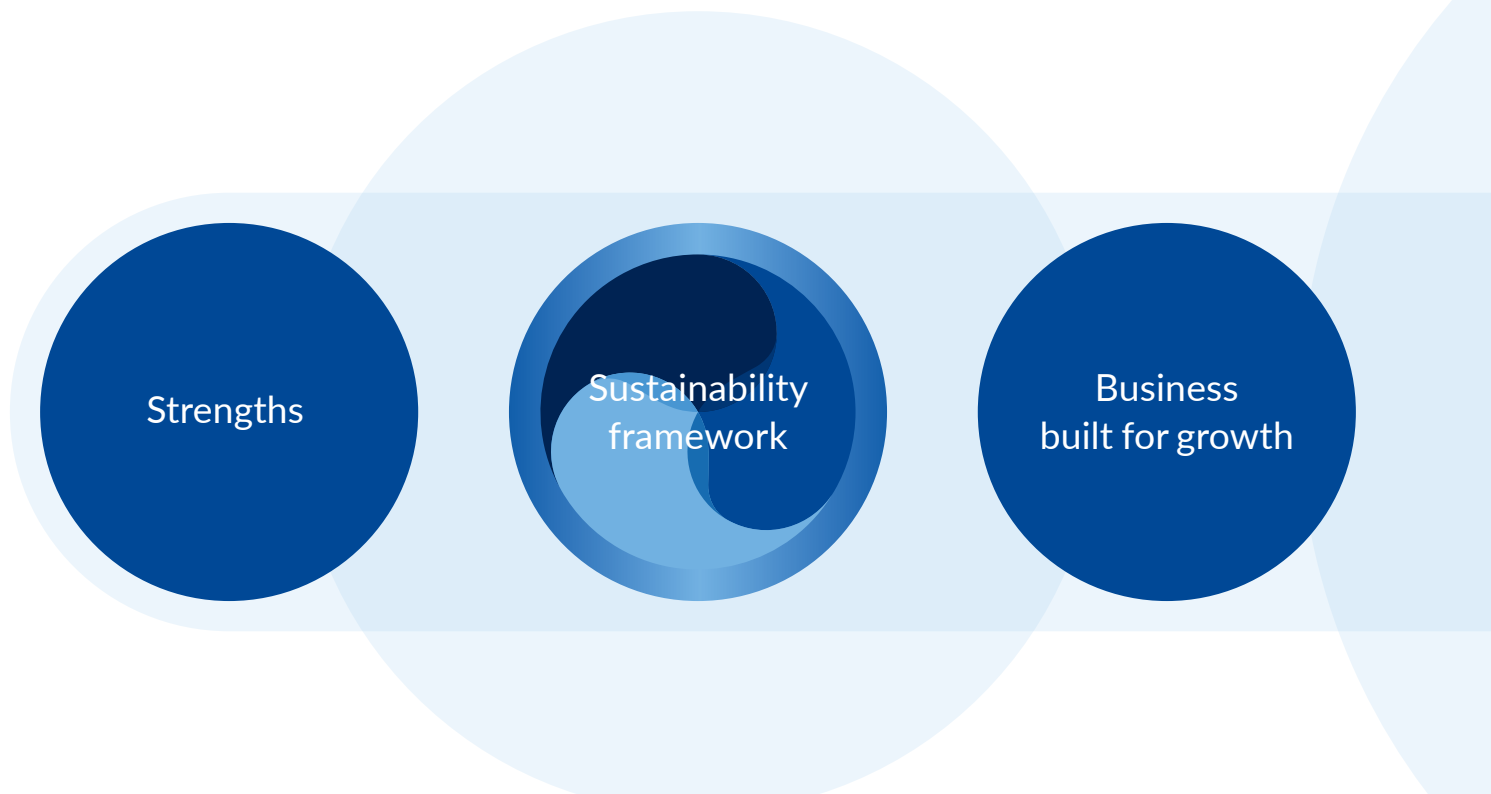
Medcover is a key piece of the healthcare puzzle in the countries where we operate. We are well-positioned for continued growth in line with our financial targets and for continued sustainable value creation by making high-quality healthcare services available to even more people.

Stockholm, March 2024

Fredrik Rågmark  
CEO

# Clear roadmap for continued growth and value creation

At the core of our value creation and growth are our dedicated people, providing high-quality healthcare services when and where customers require them. Growth opportunities are further enhanced by our diversification in terms of attractive markets, revenue streams and healthcare service offerings.



## What makes us successful

- Top-class healthcare workforce
- High-quality healthcare services
- Easy access to services
- Strong brand recognition

## Prioritised sustainability areas are fully integrated in our operations

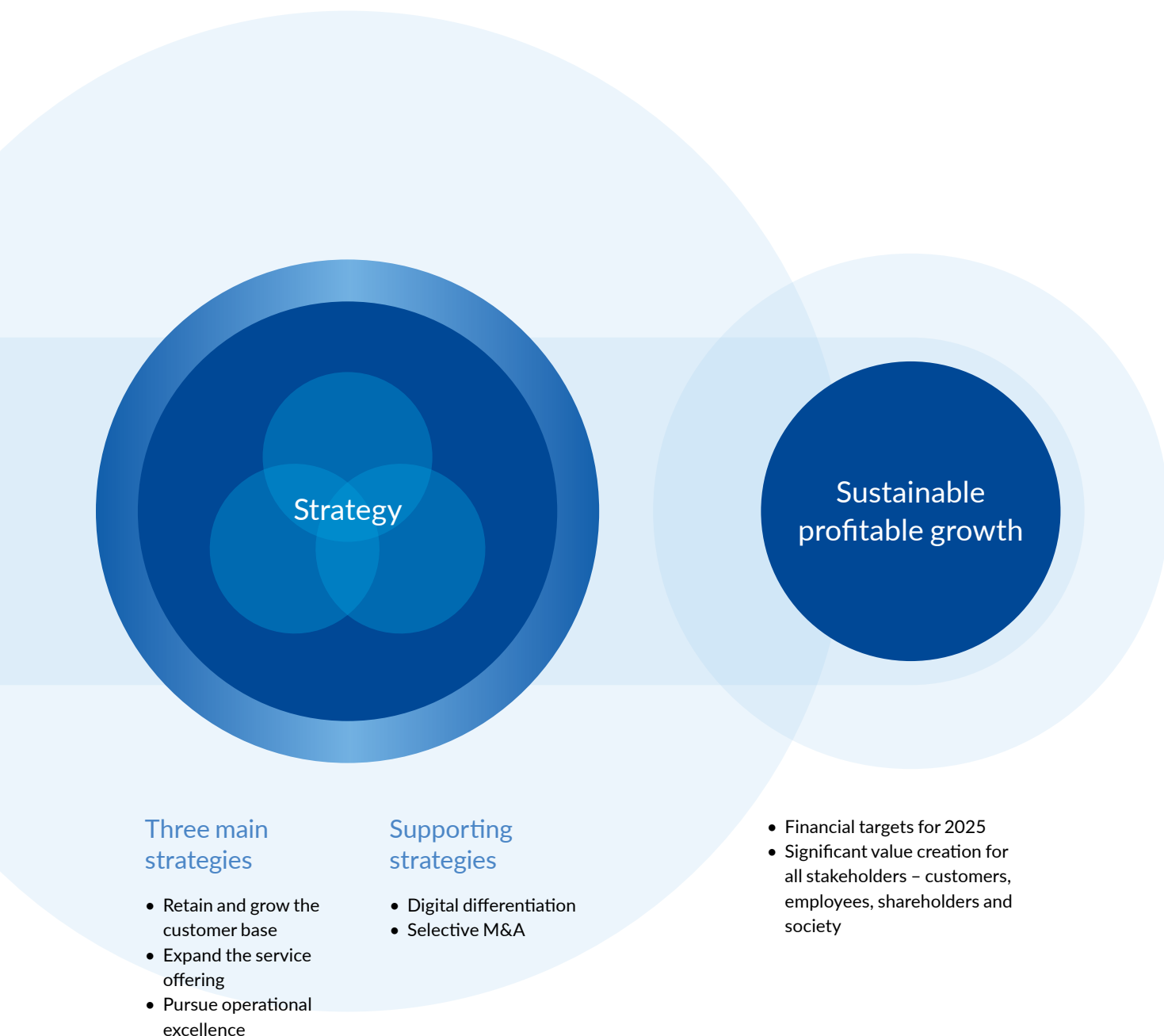
- Care provision
- People and partners
- Prevention and education
- Care for the environment
- Governance and business ethics

Read more in the Sustainability report on pages 46–74.

## We build our business for growth and risk diversification

- Present in markets with strong growth in healthcare spending
- Multiple revenue streams – corporates, individuals and public pay
- Diverse offering of healthcare services





# Medicover is built to keep growing

Since 2017, the year Medicover was publicly listed, revenue has tripled with strong profit generation. The aim is to keep growing faster than the markets where we operate.

## Strengths

### What makes us successful

Our people, strong brand recognition, passion for quality, strong governance and a focus on further expanding access to a comprehensive healthcare offering are differentiators that help us strengthen the position in a competitive private healthcare market.

Our core aim is to ensure easy access to affordable high-quality diagnostic and healthcare services. Maintaining premium quality differentiates our business, strengthens the market position and attracts the best medical practitioners.

We offer laboratory tests in all major clinical pathology areas including genetics. We offer everything from preventive and primary care to specialist outpatient and hospital care. This is complemented by a strong offering within infertility treatment, dental health, and sports and wellness.

We continuously invest in new medical infrastructure to extend access to care and early diagnosis for more customers and communities. We have a strong focus on supporting the patients' needs at all stages of life. This ensures long relationships and increased patient satisfaction, which in turn drives organic growth in our main markets.

#### Three highlights

- We have strong brand recognition and a solid reputation as a high-quality healthcare provider.
- We have a top-class healthcare workforce and provide them with tools and systems that support their productivity and commitment to delivering and maintaining safe high-quality healthcare services.
- By continuously investing in new medical infrastructure and capacity, we increase access to high-quality care and positively impact the health and wellbeing of more people.





## Business built for growth

### We build our business for growth and risk diversification

Medicover's track record of strong growth is based on a strategy of diversification, in terms of attractive markets, revenue streams and healthcare service offerings, that also provides risk diversification. We have a history of outperforming market growth in our countries of operation.

Being present in the right countries is the key factor behind the remarkable growth, as exemplified by India, Poland and Romania. As these economies grow, healthcare expenditure grows even faster, since people expect higher standards of care. The result is increased demand for healthcare services, especially for private healthcare, which often has the vital role of filling the gap between supply and demand.

Medicover combines three sources of funding: public funding, corporate funding and Fee-For-Service (FFS) from individuals. By targeting different payers, we gain access to a larger share of the healthcare market in the countries where we operate, while at the same time benefitting from risk diversification.

By providing customers with services in many areas of care, we can leverage the existing customer base, attract new customers and be customers' preferred healthcare partner at all stages of life – from birth, through adulthood and professional life, to healthcare needs as seniors.

#### Three highlights

- We are present in countries that have strong underlying growth in healthcare spending.
- By targeting different payers – public, corporate and individuals – we gain access to a larger share of the healthcare market.
- By continuously expanding capabilities and scope of services offered, we attract new customers and provide existing customers with services in more areas of care.

# Medicover's strategy

Medicover is dedicated to generating sustainable profitable growth and works according to a long-term strategic agenda consisting of three core strategies and two supporting strategies.



1

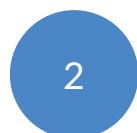
## Retain and grow the customer base

**Invest in geographical coverage** as this is critical to growing the business. In diagnostics, we focus on expanding our network of strategically located blood-drawing points (BDPs) as well as growing the clinical referral network and the number of referral doctors. In healthcare we add capacity and increase customers' access to healthcare and sports and wellness facilities in strategic locations.

**Strengthen relations with doctors** as they are primarily responsible for referring patients for diagnostic testing, regardless of market and payer model. Medicover aims to be the preferred partner for referring physicians.

**Leverage a holistic customer proposition and facilitate cross referrals.** With a broad offering encompassing many areas of care, Medicover will benefit from developing a holistic customer proposition to both corporate customers and individuals – thereby leveraging the existing customer base and being customers' preferred healthcare partner at all stages of life. A pronounced focus on facilitating cross referrals between different Medicover health providers, will let us help patients throughout the entire treatment of a clinical condition, which benefits both us and the patient.

**Value positioning.** Medicover's strong brand reputation in combination with proven client loyalty is the obvious springboard to drive further organic growth. We need to maintain premium quality of services through continuous improvements and by attracting the best medical practitioners, and also by continually innovating to improve customers' access to services.



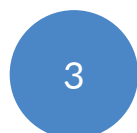
## Expand the service offering

**Expand in existing and new markets** both organically and through acquisitions. Recent examples include select diagnostic services offered in Finland (organically) and an establishment of a dental care offering in Germany (acquisition). The decision to enter new areas or markets is based on market characteristics and the ability to offer high-quality services.

**Expand scope of offering**, specifically specialty care capabilities within healthcare and further genetic and advanced testing capabilities within diagnostics.

Medicover continues to expand the specialty care offering within healthcare. This includes hospital care, dental care, mental health, orthopaedics, infertility diagnosis and treatment, eye care, and sport and wellness. By adding new healthcare services, we reach new customers and broaden the offering to the existing customer base – for example, users of the Integrated Healthcare Model who can buy services not included in standard plans.

Medicover is continuously developing new and more complex in vitro diagnostic tests. These are important drivers of growth, as more and more medical specialties require sophisticated diagnostic testing to adequately define the required treatment. We are committed to invest into diagnostic areas where significant demand for advanced testing is expected. These include specialised areas of clinical pathology such as genetic testing, immunology and allergology. Furthermore, Medicover is now in a position to enable partner laboratories around the world to perform highly complex genetic tests through tech transfer offerings.



## Pursue operational excellence

**Leverage procurement savings.** Medicover takes advantage of the economies of scale resulting from being a major diagnostics and healthcare provider. We seek scale effects and better purchasing terms by centralising procurement of, for example, diagnostic reagents and other consumables.

**Optimise laboratory network.** With a large number of tests, there are significant opportunities for centralisation and automation. We work in a hub-and-spoke model where the test volume is collected in central and regional labs. This is supported by a proprietary laboratory information system, which achieves optimal laboratory process efficiency, interlab referrals and distributed analysis, as well as results reporting and post-analytical customer service. We continue to focus on optimising the cross-border lab cooperation to best utilise and commercialise the capabilities within the network.

**Maintain high utilisation of resources.** An essential element of increasing both productivity and quality is to ensure that clinical staff devote time to direct patient interaction rather than administration. Proprietary information systems support healthcare service provision whilst ensuring optimal patient care, clinical service quality and efficiency.

**Use technology to increase efficiency.** Medicover seeks continuous efficiency gains using new technology. This encompasses both service delivery, such as total laboratory automation, and customer interaction, such as online self-service portals.

**Deliver and maintain safe high-quality healthcare services.** By delivering and maintaining safe high-quality care at the right time, in the right place, provided by the right healthcare professional we provide health and economic value for the customer by providing cost-effective and affordable care, which also benefits Medicover.



# Supporting strategies

## Digital differentiation

Technology has been at the core of Medicover's business since the early 2000s, primarily with the aim of improving patient convenience and access to services, benefitting from efficiency gains and cost advantages, and boosting innovation. By way of example, it is now ten years since we first launched a mobile application offering remote consultation to patients. Our investments in digital transformation were a decisive advantage during the Covid-19 pandemic, which greatly accelerated consumer acceptance and demand for digital services.

We expand capabilities in digital service delivery to increase accessibility and leverage physical infrastructure. We develop digital sales channels to reach more customers and increase their share of spend. In 2023, more than two million remote consultations (teleconsultations and online medical chats) were performed only in Poland. More than eight million bookings were made using our online self-service portals and more than a hundred thousand products were sold via our e-commerce channels.

We invest in innovative technologies, including AI (artificial intelligence), to increase efficiency, innovate and support decision-making, for example in Poland more than one hundred thousand patients were assisted by an AI chat bot in 2023. We performed 479 operations assisted by robotic surgery in Poland and Romania. In dental care, patients are followed up via an app "Follow App" after visits. Every month, approximately 30,000 messages are sent to the patients, customised based on each individual procedure and visit.

Medicover has implemented a comprehensive Information Security Management System across the entire company based on ISO 27001. By the end of 2023, approximately 30 per cent of Medicover's businesses were ISO 27001 certified and several are about to begin the certification process.

## Selective M&A

Acquisitions are an important complement to our organic growth strategy. Businesses are typically acquired to expand in existing markets, consolidate attractive market segments and add new segments of specialty care. For example, we have acquired 19 dental businesses in Poland since 2017 and currently operate the country's largest private dental chain. Another example is the acquisition of NIPD Genetics (now Medicover Genetics) in 2022, which significantly broadened and strengthened our offering in advanced genetic testing – a high-priority development area.

Some acquisitions have been made to enter and develop new countries with high long-term growth potential, with India as a prime example. Medicover has a strong balance sheet and robust internal capabilities in all areas of M&A – from maintaining a strong pipeline of opportunities to executing transactions.



## Health impacts – the most important value we create

A positive health impact is the most important part of Medcover's value creation. Besides positively affecting people's lives, it also brings economic gains for employers and society at large. Our health services contribute to fulfilling unmet health needs in the countries where we operate. In 2023, we provided diagnostic services to ten million people and healthcare services to more than seven million people.

Quantification of healthcare service impacts is a challenge. However, a new holistic value creation assessment model, provided by the Upright Project, has now made it possible to visualise comparable scientific data on a company's total impact, along the full value chain, in terms of their output of services and products, and the resources used in the process.

Medcover's result is a net impact ratio of +70 per cent, which means that our core business has a positive impact on the world that is significantly higher than the resources we consume. This ranks Medcover in the top four per cent of 50,000 companies assessed.



Aligned revenue goal 3

# 90.5%

90.5 per cent of Medcover's revenue is aligned with UN SDG 3 according to the Upright Platform's science-based model, <https://uprightplatform.com>.



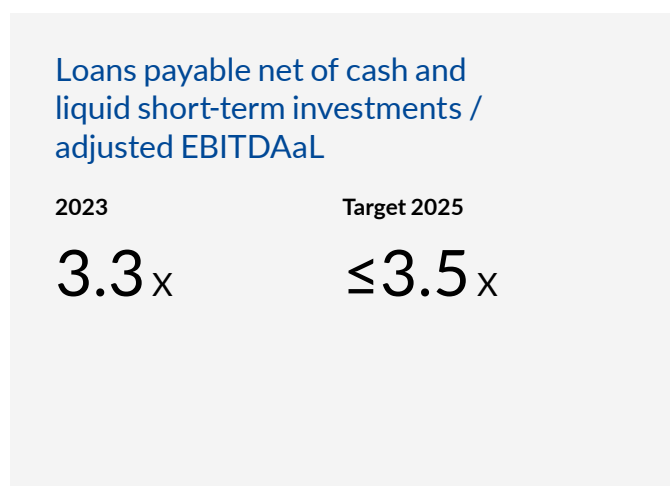
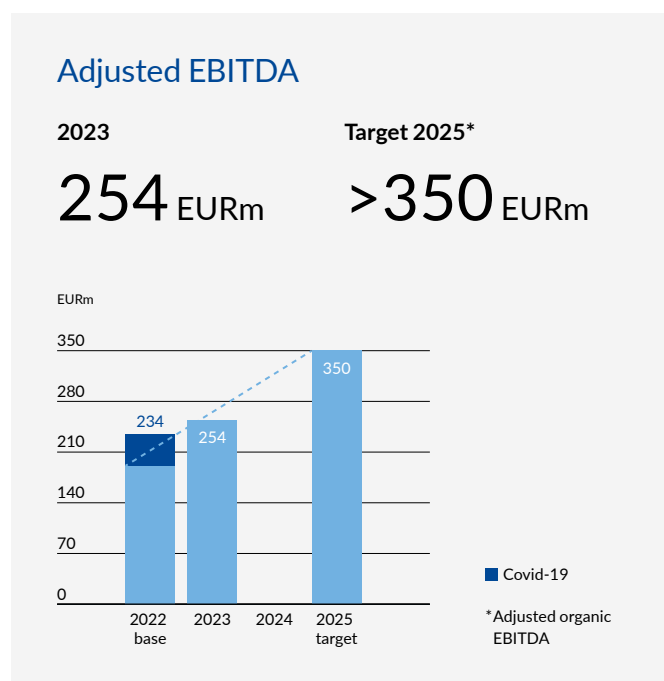




# Good progress on financial targets

Medicover's financial targets for the medium-term period of 2023–2025 underscore a maintained commitment to strong organic revenue growth and sustainable profitability. The growth will be further amplified by inorganic activities, which are expected to have a greater impact in the latter half of the target period.

## Medium-term targets 2023–2025



# Present in attractive markets

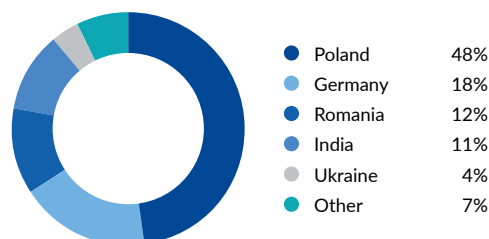
Medicover operates in Central and Eastern Europe, as well as India. Its primary markets are Germany, India, Poland, and Romania. Poland is more than twice the size as the second largest market, Germany, while Romania and India share similar market sizes. Germany, while Romania and India share similar market sizes.

Many of the countries in Central and Eastern Europe have an undersupply of well-developed state-funded healthcare that offers high-quality health and patient services. Private healthcare is quite well developed in most markets where Medicover is present, and it functions as an effective and valued complement to publicly funded care. Germany is an exception from above and has a well-established universal healthcare system, ensuring that all residents have access to necessary medical services.

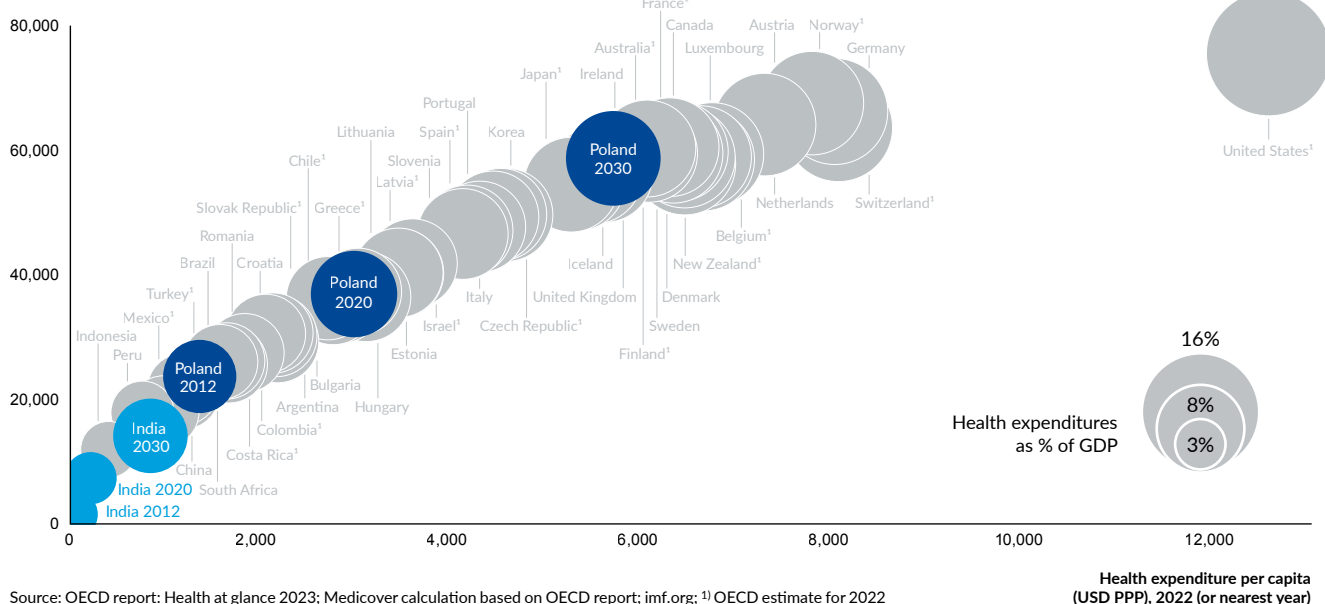
## Healthcare expenditure rises with economic growth

As economies mature and GDP per capita rises, a larger share of GDP is allocated to healthcare. Private healthcare expenditure typically outpaces public spending. Refer to the graph below to see how two of Medicover's main markets have evolved and are projected to grow over time.

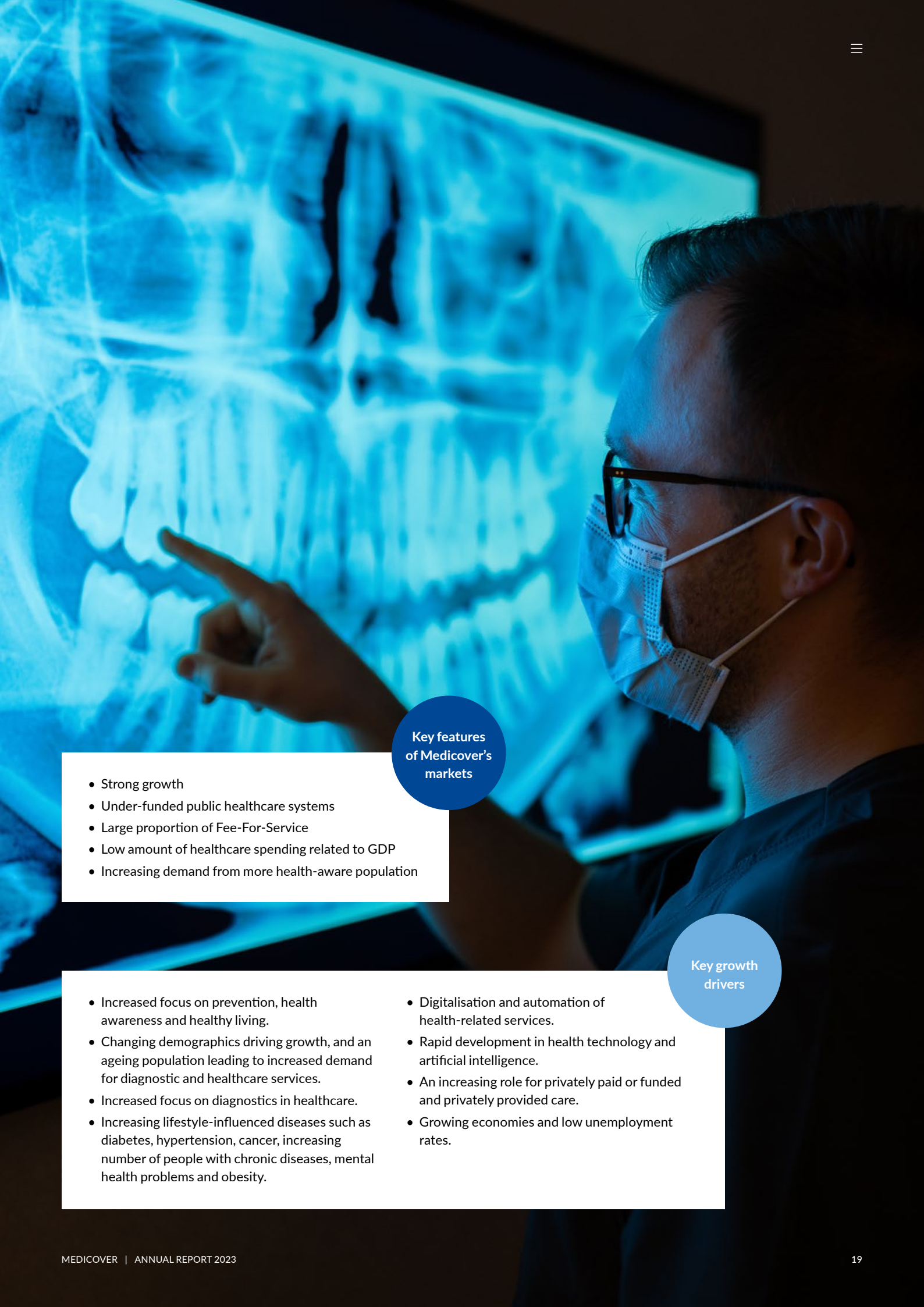
Revenue by country



GDP per capita (USD PPP)



Source: OECD report: Health at glance 2023; Medicover calculation based on OECD report; imf.org; <sup>1</sup> OECD estimate for 2022



#### Key features of Medcover's markets

- Strong growth
- Under-funded public healthcare systems
- Large proportion of Fee-For-Service
- Low amount of healthcare spending related to GDP
- Increasing demand from more health-aware population

#### Key growth drivers

- Increased focus on prevention, health awareness and healthy living.
- Changing demographics driving growth, and an ageing population leading to increased demand for diagnostic and healthcare services.
- Increased focus on diagnostics in healthcare.
- Increasing lifestyle-influenced diseases such as diabetes, hypertension, cancer, increasing number of people with chronic diseases, mental health problems and obesity.
- Digitalisation and automation of health-related services.
- Rapid development in health technology and artificial intelligence.
- An increasing role for privately paid or funded and privately provided care.
- Growing economies and low unemployment rates.

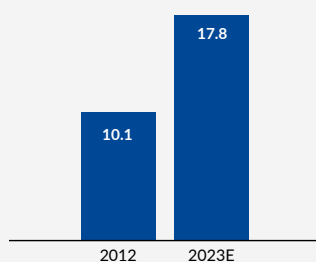


# Well-positioned for continued growth in Poland

Poland is Medcover's largest market, serving as an excellent illustration of the continued growth potential in our markets. Generally, GDP growth in our markets exceeds the average, which is further enhanced by the fact that a larger proportion of GDP is allocated to health expenditures as economies mature and GDP grows. In Poland, GDP per capita has grown robustly, with an increase of 77 per cent between 2012 and 2023. The private healthcare market expanded from EUR 3.7bn in 2012 to 7.8bn by the end of 2023, with a significant increase in the corporate-funded portion of the total market. In the corporate-funded sector, we hold a market share in the high teens, while in FFS, we hold a mid single-digit share, indicating significant potential for further growth. The two highest income categories account for over 50 per cent of the private pay healthcare market, suggesting that Medcover's members have strong purchasing power in FFS. Medcover is well-positioned to cater to their needs.

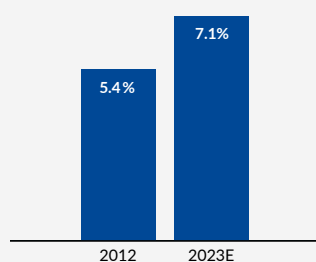


**GDP per capita in Poland (€k)**



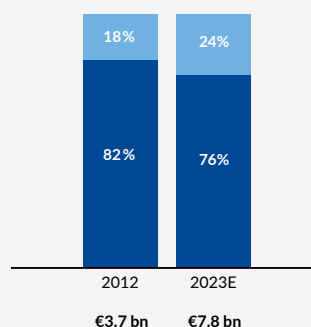
GDP growth in our markets is above average

**Health expenditures as a share of GDP (%)**



As GDP grows the share of GDP for healthcare grows

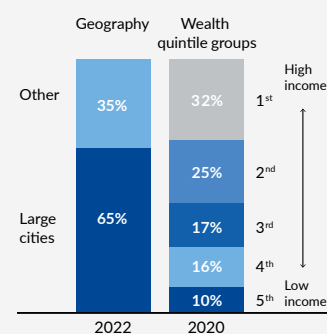
**Private healthcare market structure (%)**



Private healthcare spending is becoming more structured

● Structured ● FFS

**Private healthcare market by geography (%) by wealth (%)**



Our members are also high spenders in FFS

Source: Calculations based on PMR 2019, PMR 2022, PMR 2023, World Bank, Healthcare in households in 2020 (GUS). Market share 10% reflects Healthcare Services and Diagnostic Services businesses.



Medicover implied share  
of the private healthcare  
market in Poland is

10%



Warsaw

## Poland

Poland's economy is the second largest in eastern Europe after Russia and usually one of the fastest growing in the EU (6th largest economy in the EU). In 2023 the economy stagnated however it is expected to rebound by 2.8 per cent in real terms in 2024. The economy is expected to grow by 3.6 per cent in average according to EIU in 2025–28. Consumer price inflation peaked in February at over 18 per cent. Since then it has dropped and was at 6.2 per cent by year-end. The labour market remains very strong for employees and the unemployment rate is one of the lowest in Europe.

The overall private healthcare market is estimated to reach EUR 7.8 billion in 2023. Medical services constitute 44 per cent of the total whereof three-quarters is related to FFS medical services and one quarter to insurance/subscriptions. Dental care generates the largest portion of FFS spending.

62 per cent of Poles used private healthcare at least once in 2022. EIU forecasted that total health spending will rise at a compound annual growth rate (CAGR) of 5.8 per cent over 2024–28.

Both divisions are present on the Polish market and it is by far the largest market. Medicover's revenue in Poland grew by 30.2 per cent in 2023, and its compound annual growth rate for the last five years is 26 per cent.

### Main competitors

Healthcare Services: LuxMed, Enel-Med and PZU

Diagnostic Services: Diagnostyka and ALAB.

Population	39.9 million
GDP per capita, USD	18,688.0
Annual GDP growth in 2023, %	0.5
Healthcare spending, % of GDP	7.1
Unemployment rate, %	5.2



Berlin

## Germany

The German economy is the fourth largest in the world, after the US, China and Japan. The economy contracted by 0.3 per cent in 2023 and is expected to return to growth in 2024.

Germany spends the most on healthcare per head in the EU and the third highest among all OECD countries (after the US and Switzerland). The system is predominantly funded through statutory health insurance (SHI) which covers 88 per cent of the population. Private health insurance (PHI) covers 12 per cent of the population. The level of income determines whether a person belongs to SHI or PHI. Private or state health insurance has been mandatory for all German residents since 2009. Private healthcare spending comprised an estimated 13.5 per cent of total health expenditure in 2022, according to the OECD, down from a broadly stable 16 per cent over the past decade.

The in vitro diagnostic market is estimated to have a compound annual growth rate of 2.5 per cent for the years 2024–28 and in 2024, the in vitro diagnostic market in Germany is estimated to reach revenue of EUR 3.9 billion according to Statista.

Medicover operates primarily in the north-eastern part of Germany and in Bavaria with its laboratories, and throughout Germany with its network of clinics. Germany is Diagnostic Service's largest market and represents 18 per cent of the Group's total revenue. Medicover is estimated to be the fifth largest player in the national lab market. Healthcare Services is offering dental services in the Berlin and Hamburg areas.

### Main competitors

Healthcare Services: Dental market is fragmented.

Diagnostic Services: Sonic Healthcare, Limbach Gruppe, Synlab and Amedes.

Population	82.9 million
GDP per capita, USD	48,718.0
Annual GDP growth in 2023, %	-0.3
Healthcare spending, % of GDP	12.3
Unemployment rate, %	3.1



Mumbai

## India

The Indian economy is one of the largest and fastest growing economies in the world. The Indian healthcare sector is growing at a rapid rate due to the increase in population, rising income levels, better health awareness, lifestyle diseases and the development of previously less urbanised regions, resulting in more public spending and investments by private healthcare providers.

The Indian healthcare system is underfunded with poor access, despite the world's largest government-funded programme being launched in September 2018, aimed at covering 40 per cent of the population. By early-January 2024 about 20 per cent of the population had been issued with e-cards to use services. It is estimated that at least 30 per cent of the population has no health coverage. The healthcare system is divided into two main sectors, public and private. The private sector provides the majority of more complex services and is concentrated in the major cities. The public sector covers mainly basic healthcare. The funding model is mostly private pay with a high proportion of FFS and private insurance with some targeted public funding. Healthcare is a state-level competency, overseeing policy, funding and some regulation, with the national government supporting some public funding. The EIU estimates that India spent 3.0 per cent of its GDP on healthcare in 2023. The EIU expects total healthcare spending to rise at a compound annual growth rate of 8.6 per cent in nominal local currency terms in 2024–28. The increasing proportion of wealthy people in the population, together with the higher standard of medical care now expected, has expanded the opportunities for premium services.

Medicover Hospitals is among the ten largest hospital providers in terms of number of beds with a strong presence in the states of Andhra Pradesh, Maharashtra and Telangana. Medicover also operates fertility clinics, mostly located in the Delhi area.

### Main competitors

Healthcare Services: Apollo Hospitals, KIMS Hospitals and Manipal Hospitals.

Population	1,417.2 million
GDP per capita, USD	2,410.9
Annual GDP growth in 2023, %	6.9
Healthcare spending, % of GDP	3.0
Unemployment rate, %	7.1





Bucharest

## Romania

EIU expects Romanian economy growth to weaken to about 2.1 per cent in 2023 and forecasts that real GDP will grow at an average annual rate of 3.2 per cent in 2023–30. Inflation peaked at the end of 2022 and has eased to 6.6 per cent end of 2023. Inflation for 2024 is expected to average at 5.3 per cent. Romania's total expenditure on healthcare amounted to 6.2 per cent of GDP in 2022, which is the lowest healthcare spending by an EU state as a share of GDP. The Romanian health system is organised at two main levels: the national level responsible for the implementation of governmental health policy, and the district level responsible for ensuring service provision according to the rules set centrally. The private healthcare market represents 22 per cent of the total healthcare market and mainly out-of-pocket expenditure. The unemployment rate is estimated at 5.5 per cent in 2023 and is forecasted to decline over the next five years.

Both divisions are present on the Romanian market and represented 12 per cent of total revenue. Compound annual growth rate for the last five years is 18 per cent.

Within Healthcare Services, Medcover is the third-largest provider in Romania, with a B2B model and a FFS focus serving both corporates and individuals and offering comprehensive benefit plans. Diagnostic Services under the Synevo brand is market leader.

### Main competitors

Diagnostic Services and Healthcare Services: Regina Maria and MedLife.

Population	19.9 million
GDP per capita, USD	15,786.8
Annual GDP growth in 2023, %	2.1
Healthcare spending, % of GDP	6.2
Unemployment rate, %	5.5



Kyiv

## Ukraine

Due to the war with Russia about one third of the economy is not functioning and with the rest operating at limited capacity. The war has destroyed physical capital and induced mass emigration of the working population. EIU estimates that real GDP contracted by 29.1 per cent in 2022. The economy stagnated in 2023 and will return to pre-war trends from 2024. Nevertheless, the recovery will be protracted, and real GDP will not return to pre-war levels until the mid-2030s. Inflation has continued to decelerate throughout the year from 26 per cent at the start of the year to 5.1 per cent in December. EIU estimates that healthcare spending rose to 7.5 per cent of GDP in 2022 from 6.6 per cent the previous year. Healthcare spending is forecasted to increase by a compound annual growth rate of 8.3 per cent in local currency in 2024–2027. The health-funding system is based on general taxation and according to WHO, government spending represented 49 per cent of total health expenditure in 2020 (latest data).

Medicover entered the Ukrainian market in 2007. Diagnostic Services has a nationwide network of blood-drawing points and is the laboratory market leader. Healthcare Services also has a small presence in Western Ukraine with its fertility business. Both divisions continue to provide healthcare services outside the currently occupied territories. Despite the outflow of people and smaller area of operation, Medicover's service volume is at pre-war levels.

Whilst it is currently impossible to forecast when the war will end, Medicover is well positioned to contribute to the development of healthcare in Ukraine once peace returns.

Population	36.1 million
GDP per capita, USD	4,534.0
Annual GDP growth in 2023, %	1.7
Healthcare spending, % of GDP	7.5
Unemployment rate, %	19.2

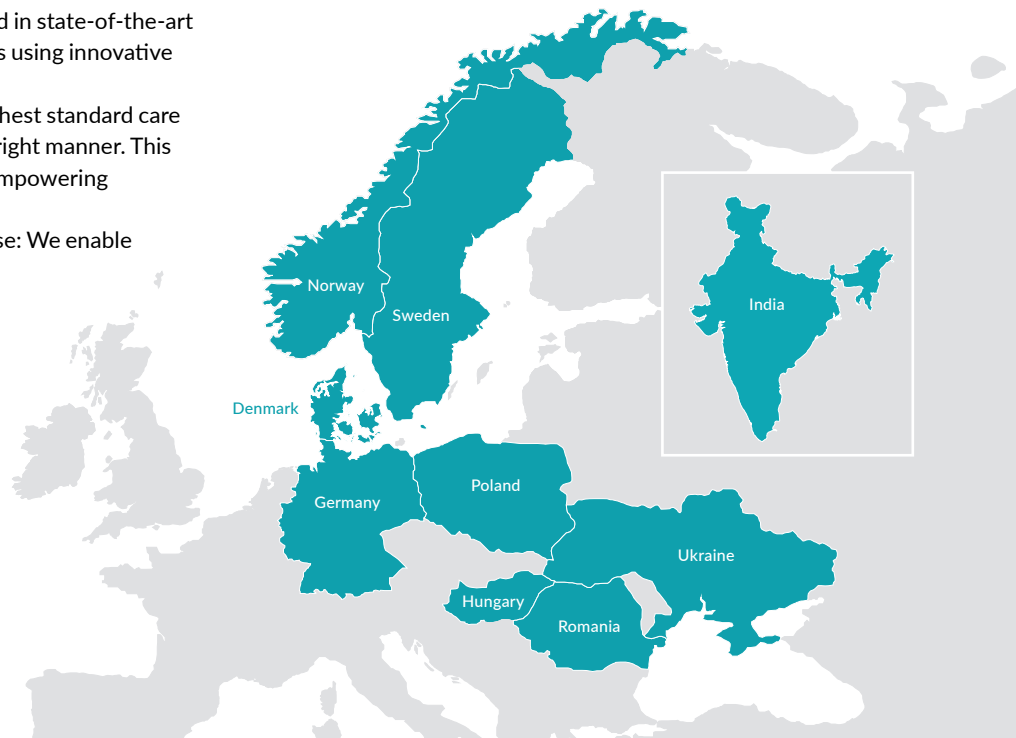
# Healthcare Services

Healthcare Services, a broad-based healthcare provider, encompasses a wide array of care services, ranging from specialised healthcare and fertility treatments to cutting-edge dental services, a multispecialty hospital network and pharmaceutical and optician services. Additionally, we provide holistic wellbeing solutions, including sports packages and tailored diets.

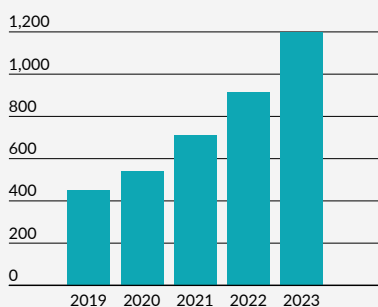
Our comprehensive service offering is delivered in state-of-the-art facilities by a team of well-trained professionals using innovative medical solutions.

Our aim is to ensure that the patients get highest standard care in the right setting, at the right time and in the right manner. This approach ensures a positive health outcome, empowering individuals to fully enjoy their lives.

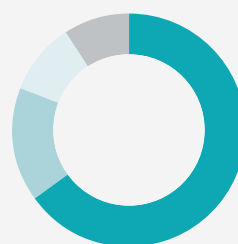
Every day we act in accordance with our cause: We enable life, we save life, we maintain and improve life.



Revenue, EURm

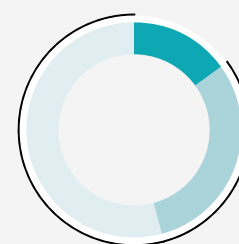


Revenue by country



Poland	65%
India	16%
Romania	10%
Other	9%

Revenue by payer

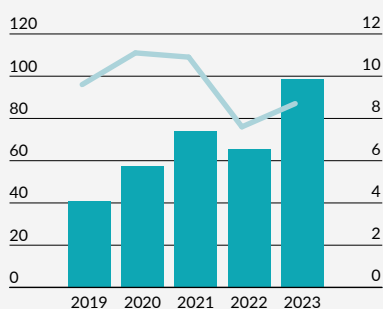


Public pay	15%
Funded	31%
FFS	54%
Private pay	85%





## EBITDAaL and EBITDAaL margin



● EBITDAaL, EURm  
— EBITDAaL margin, %

- EUR 1,198m revenue
- 1.8 million members
- 9 countries
- 40 hospitals
- 6,217 hospital beds
- 113 dental centres
- 721 dental chairs
- 133 fitness clubs & gyms
- 50 pharmacies
- 40 optic salons
- 12,503 babies born
- 30 IVF clinics
- 5,219 IVF cycles
- 35,452 co-workers
- 15.7 million patient visits

### Key facts



# Meet John Stubbington, COO Healthcare Services

## How would you summarise 2023?

In 2023, we faced significant challenges including inflation and global conflict, yet managed to achieve robust growth across all areas. Our focus on organic growth and strategic acquisitions has positioned us for continued success.

We are seeing many of our investments mature and move in the right direction as occupancy rates increase. Our employees are navigating with resilience, and have maintained a positive Net Promoter Score (NPS) and customer satisfaction.

## How have your markets developed?

In our major countries, Poland, Romania and India, our operations are performing very well, with a focus on expansion and business development.

In Poland, substantial investments are underway in medical centres, dental, and optic services. Simultaneously, we are enhancing lifestyle offerings by expanding fitness clubs and gyms, diet offerings, and cafeteria programmes for employers.

Romania has experienced a significant surge in investment, particularly aimed at enlarging our capacity to accommodate the growing customer base.

In India, our footprint has expanded, reflected by the growth of our hospital network and the strengthening of our team.

Progress in the dental business in Germany is steady. Our international in vitro fertilisation (IVF) businesses in Norway, Denmark, Ukraine, and Poland are making strides across borders and moving forward.

## What are your strategic priorities?

Our primary objective is to grow our customer base by providing exceptional value through our products and services, including crucial areas of health and wellbeing.

Simultaneously, we are dedicated to enhancing our digital capabilities as a fundamental aspect of our business development.

Additionally, we want to develop our digital self-service booking applications as well as telemedicine services.

Focusing on Poland, Romania, and India, we intend to seize market opportunities and fortify our presence in these key regions.

## What do you see as future growth opportunities?

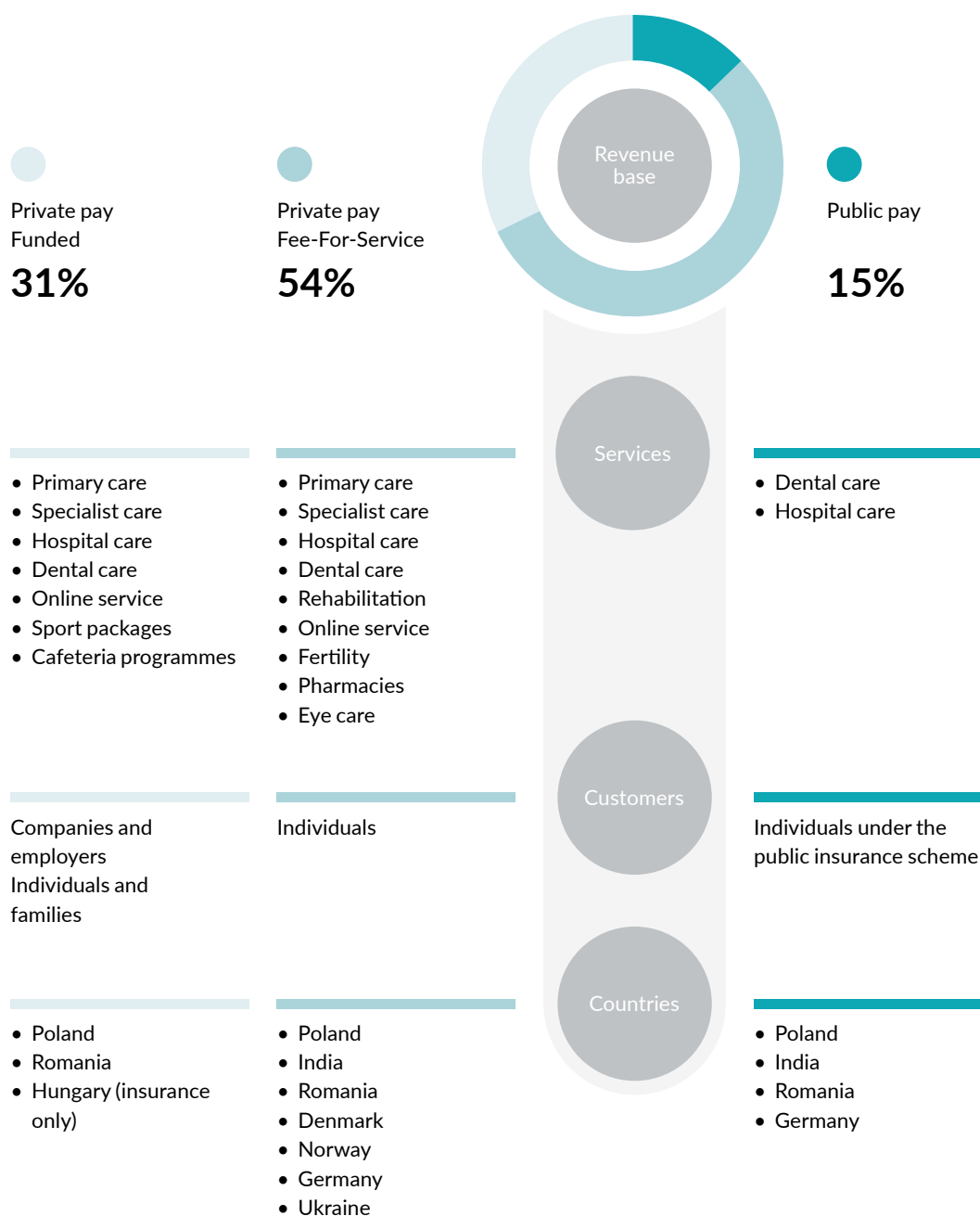
All our business areas have demonstrated good growth rates, and I expect this to continue. India, in particular, will be a highlight, and despite our already extensive network of hospitals and beds, we will continue to expand this at pace. Our membership businesses hold untapped potential, both for new members and offering a broader range of services to existing members. The well-established dental business with its compelling consumer proposition will remain popular. Across Europe, our hospitals will continue to meet diverse needs, contributing to the enhancement of people's daily living and overall quality of life. Coupled with newer services such as fitness cards, gyms and new digital distribution channels that touch millions of customers and consumers it will add value.

We are also developing solutions in the mental healthcare area, aligning with our mission to address holistic wellbeing. The outlook for the future is very positive.



In 2023, we achieved robust growth across all areas, despite facing significant challenges including inflation and global conflict.

## Business model – Healthcare Services



Operations by key markets	Revenue EURm	Medical clinics	Hospitals	Beds	Fertility clinics	Dental chairs	Dental clinics	Gyms	Other facilities	Members (thousands)	Visits (millions)
Poland	779.6	107	12	705	6	482	79	133	82	1,261	10.1
India	184.8	2	21	4,600	13	-	-	-	32	-	3.8
Romania	121.9	67	6	822	-	-	-	-	2	262	1.4
Other	111.4	4	1	90	11	239	34	-	-	252	0.4
<b>Total</b>	<b>1,197.7</b>	<b>180</b>	<b>40</b>	<b>6,217</b>	<b>30</b>	<b>721</b>	<b>113</b>	<b>133</b>	<b>116</b>	<b>1,775</b>	<b>15.7</b>

### Caring for corporate customers and individual patients

2023 has been a year in which we have continued to deliver strong growth and strengthened our offering to corporate customers as well as individual patients.

Medicover's comprehensive healthcare ranges from medical services, through lifestyle, sport and wellbeing, optic, pharmacies and dental services, to mental healthcare. To be able to care for the patients' needs, it is important to be responsive, a frontrunner when it comes to treatments, and technology, and to meet customers' expectations.

This is why, we introduce innovative, cutting-edge solutions, among others: MRgFUS for Parkinson's disease as well as the hybrid operating theatre at the Medicover Hospital in Warsaw, Poland, da Vinci robotic procedures in India, Poland and Romania. AI Chloe in all Klinikk Hausken centres in Norway and AI solutions at Medicover Dental in Poland and Germany.

Revenue for 2023 increased by 30.6 per cent and amounted to EUR 1,197.7m (917.1m), representing 68 per cent of Medicover's total revenue. EBITDAaL was EUR 98.6m (EUR 65.5m). The number of members in the corporate business increased by 6.2 per cent to 1,775 thousand members, 103,800 new members. Poland is the largest market, followed by India and Romania.

### Funding

Healthcare Services' funding consists mainly of private pay – funded pay and Fee-For-Service (FFS) – while a smaller proportion is public pay.

### Funded pay

Funded pay amounted to EUR 375.8m, representing 31 per cent of the division's revenue and is related to the Integrated Healthcare Model and Sports benefits. The Integrated Healthcare Model is medical insurance offered as a subscription to corporate clients and employees or to individual clients.

### Fee-For-Service (FFS)

FFS revenue increased to EUR 643.0m, representing 54 per cent of the division's revenue. The patient or any other customer pays for each specific service provided and normally at the same time or shortly after the service is provided.

### Public pay

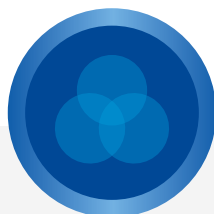
Public pay amounted to EUR 178.9m, representing 15 per cent of the division's revenue. Public pay mainly relates to acute hospital services in the multidisciplinary hospital in Warsaw, maternity care in the Neomedic neonatology and obstetrics hospital in Poland, CDT Medicus and hospital services in India and Romania.

### Services

Medicover has a comprehensive private pay service offering with a strong business-to-business and business-to-consumer offering. The portfolio ranges from prevention, specialist healthcare, inpatient care, state-of-the-art dental services and advanced in vitro procedures to innovative wellbeing solutions, including sports, gyms and diets. The ambition is to improve customers' physical







## Strategic initiatives

### Progress in 2023 based on our three main strategic areas

#### Retain and grow the customer base

- 4 acquisitions in dental and sports (Germany and Poland)
- 103,800 new members in the Integrated Healthcare Model
- 2 new dental clinics and 2 new ambulatory clinics in Poland
- 4 new fitness clubs in Poland
- 2 new hospitals in India and Romania

#### Expand the service offering

- Introduction of innovative treatment method of Parkinson disease in Wilanow hospital (MRgFUS)
- Opening of hybrid operating theatre in Wilanow hospital to treat cardiology patients
- Introduction of maternity care in Polaris hospital in Romania
- Launch of Ritual of Smile concept in Germany
- Launched new customer apps in Poland

#### Pursue operational excellence

- Launch of new apps for doctors and operations in India
- Gym consolidation
- Introduction of career paths for employees in Poland
- Digitalisation of back office processes

fitness and health, ensure wellbeing and act as a comprehensive service provider that supports disease prevention and wellbeing.

#### Business Services

Medicover has a strong business-to-business position (funded pay) with integrated healthcare and sports services in the Integrated Healthcare model and Medicover Sport.

*Integrated Healthcare Model* – offers subscription and medical insurance to companies, employers, individuals, and families. Medicover offers various types of contracts ranging from basic needs to more comprehensive contracts covering all forms of healthcare and wellbeing. Care is provided within Medicover's own network of health centres, hospitals and laboratories and by partner networks. Growth is driven by adding new members at existing customer companies and by new corporate clients. Full services are offered in Poland and Romania and insurance only in Hungary.

*Medicover Sport* – offers a wide range of sports and online packages for corporates and individuals with access to a network of over 5,100 sports and wellbeing facilities in Poland.

#### Dental

Medicover has continued to grow its dental network in both Poland and Germany in 2023. In Poland, Medicover is the largest dental provider with a national network. Services are offered in 79 state-of-the-art clinics with 482 dental chairs and more than 1,160 experienced dentists. The dental network in Germany consists of 34 clinics and 239 dental chairs.

Dental services offered range from prevention to orthodontics and implantology. The care is patient-centred and technology-based with a focus on patient satisfaction and engagement.

#### Fertility

Medicover offers a portfolio of premium fertility services, e.g., IVF procedures, egg donation and sperm bank, across our markets in Europe (Denmark, Norway, Poland, Ukraine) and India.

#### Hospital Services

Medicover offers hospital services in Poland, Romania and India. Care is provided in multispecialty hospitals offering a broad range of services such as cardiology, gastroenterology, neonatology, orthopaedics, psychiatric care etc.

**Medicover Hospitals India** – India is Healthcare Services' second largest market and is present in three states: Andhra Pradesh, Maharashtra and Telangana, treating millions of patients every year with a clear focus on raising the standards of healthcare in India.

Services are provided in healthcare facilities that meet international standards and care is delivered by highly skilled medical teams, surgeons, specialist doctors and compassionate staff, supported by cutting-edge technologies and equipment.

The hospitals are multispecialty hospitals with specialities such as cardiology, gastroenterology, oncology, kidney transplantation, neurology, emergency care etc. The aim is to establish Medicover Hospitals as a centre of hope and excellence through dedicated services.

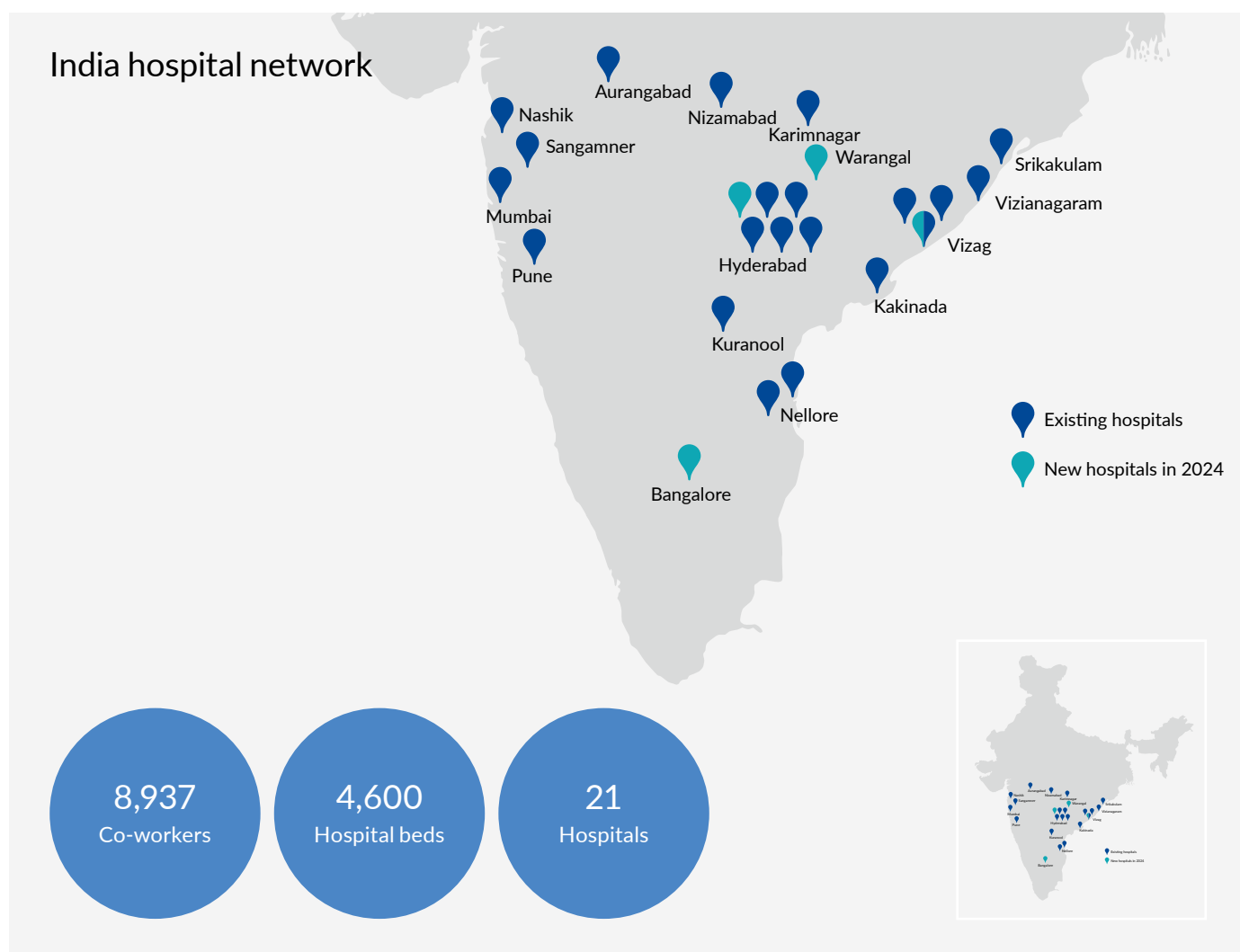
Medicover has 8,937 co-workers in India and runs 21 hospitals and two cancer centres. Three hospitals were inaugurated during 2023. Medicover plans to open four new hospitals in 2024 and will expand to a fourth state, opening a hospital in Bangalore in the state of Karnataka, which is the eighth-largest state by population.

Medicover owns 64.2 per cent of Medicover Hospitals India.

#### Markets and customers

The division is present in Denmark, Germany, Hungary, India, Norway, Poland, Romania and Ukraine, and has its headquarters and an insurance company in Sweden.

Healthcare Services' customers include companies and employers, individuals who pay out-of-pocket and individuals enrolled in countries' public insurance schemes.



# Healthcare Services milestones in 2023

## The new Medcover multispeciality hospital Bharati Vidyapeeth was officially inaugurated in Navi-Mumbai, India.



The hospital provides treatment and diagnostic services across all the major specialities. It offers complete healthcare services in all specialities with multi-disciplinary, high-end tertiary care. The hospital is supported by ultra-modern health facilities using immense medical expertise and advanced healthcare technology and facilities, including over 300 beds, 85 critical care beds, ten neonatal care beds, eight surgical theatres, 16 dialysis unit beds, world-class Cath labs and many other advanced health facilities.

## Klinikk Hausken introduces the AI Chloe technology in all its branches.



The technology not only enables the examination of well-researched biomarkers but also the discovery of new ones. It gives insights into the development of the embryo and heightens our staff's knowledge. Klinikk Hausken is the first IVF network in Norway to introduce the AI technology in all its clinics.

## The cutting-edge MRgFUS technology was introduced at Medcover Hospital in Warsaw, Poland.



Medcover Hospital is the first private medical facility in Poland which offers the MRgFUS treatment which allows for the treatment of essential tremors and Parkinson's disease. The non-invasiveness and high degree of safety of the treatment make it a groundbreaking alternative to surgical methods as well as pharmacotherapy that have been used to treat tremors until now. The use of this solution in Medcover Hospital is possible thanks to the collaboration with Insightec, the exclusive provider of Exablate Neuro technology, which enables non-invasive MRgFUS treatment.

## A new MeinDentist clinic was opened in Berlin, Germany, with the innovative "Ritual of Smile" concept.



The opening of a new MeinDentist clinic at Anklamer Straße in Berlin brings Medcover Dental's innovative "Ritual of Smile" concept to Germany. The "Ritual of Smile" concept is an original idea developed by Medcover Dental and combines high-quality treatment with a focus on creating a comfortable and welcoming atmosphere for patients. The space in such a centre does not resemble a traditional dental clinic but rather a cosy café where patients can relax with a good book and a coffee while waiting for their appointment. The concept ensures that patients, regardless of location, receive the same high-quality dental treatment and positive experience when visiting our clinics.

## The new Medcover Hospital was opened in Bucharest, Romania.



The new multi-disciplinary hospital in Bucharest provides the local community with access to advanced medical facilities, over 200 beds, seven operating rooms, a modern anaesthesia and intensive care unit, one da Vinci robot, a high-tech imaging centre, a catheterisation laboratory and an integrated outpatient ambulatory. It is a nine-storey hospital in Bucharest, resulting from the conversion of a former office building in the northern part of the city, in the Pipera area.

## Medcover receives the prestigious Service Quality Star and Trustworthy Brand awards.



Medcover in Poland was awarded the Service Quality Star 2023 in the category of private medical facilities for providing the highest standard of healthcare services and our focus on individualised patient care. We were also awarded the Trustworthy Brand 2023 title in the "Noble Health: a company that best supports entrepreneurs in organising medical care for employees" category.

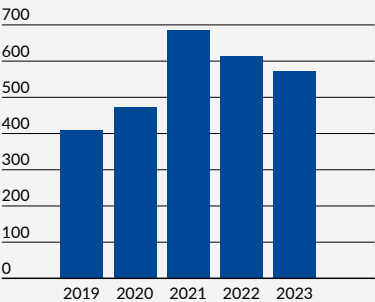


# Diagnostic Services

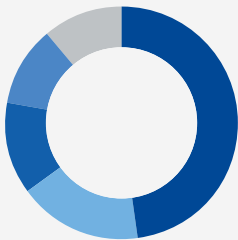
A comprehensive supplier of diagnostic testing services, offering more than 12,000 parameters ranging from routine blood tests to highly advanced diagnostics including genetic testing, laboratory technology transfers and clinical trial services.



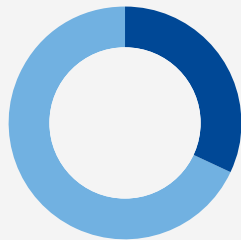
Revenue, EURm



Revenue by country

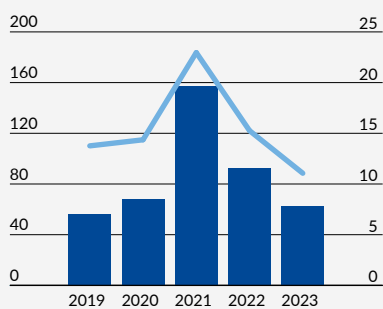


Revenue by payer





## EBITDAaL and EBITDAaL margin



● EBITDAaL, EURm  
 — EBITDAaL margin, %

- EUR 571.2m revenue
- 119.2 million laboratory tests
- 10 million people served
- 892 blood-drawing points
- 118 laboratories
- 27 clinics
- 13 countries
- 9,684 co-workers
- 12,000 tests in the portfolio

### Key facts

# Meet Staffan Ternström, COO Diagnostic Services

## How would you summarise 2023?

This was a year of consolidation for us, during which we finally pivoted from the challenges and opportunities presented by Covid-19 to achieving growth in our core business areas. We managed inflationary pressures, prioritised operational efficiency, and implemented automation where feasible. This enabled us to have a good performance across all business units, that was made possible through hard and focused efforts of our leaders and their teams.

## How have your markets developed?

Healthcare services play a crucial role, addressing unmet needs in many of our markets, and we are integral to meeting those demands. Notably, laboratory testing, which informs 70 per cent of medical decision-making, has contributed to significant market growth. We outgrow the markets we serve and have achieved solid growth in Romania, Poland, and other Southeast European countries all while leveraging profitability. Despite the war challenges we returned to pre-Covid numbers in Ukraine. Finally, we managed to further strengthen our position in Germany and grew well ahead of the market.

## What are your strategic priorities?

In 2024, we accelerate both growth and innovation. Our strategy involves continuing to expand in Germany at a high single-digit rate, by improvements in operational efficiency, network integration, and an extended market presence. In Eastern Europe, we aim to exceed strong high teens growth by investing in our hub-and-spoke network, optimising fee-for-service potential, and prioritising

digital customer experience. A key highlight is the global scaling of our genetics business, with a focus on expanding our proprietary tech transfer offering and serving more customers with genetic testing beyond our core markets. Within MICS (Medicover Integrated Clinical Services), our roadmap includes expanding patient recruitment efforts, fostering collaboration within the Medicover ecosystem, and actively participating in the growth of precision medicine and companion diagnostics.

## What do you see as future growth opportunities?

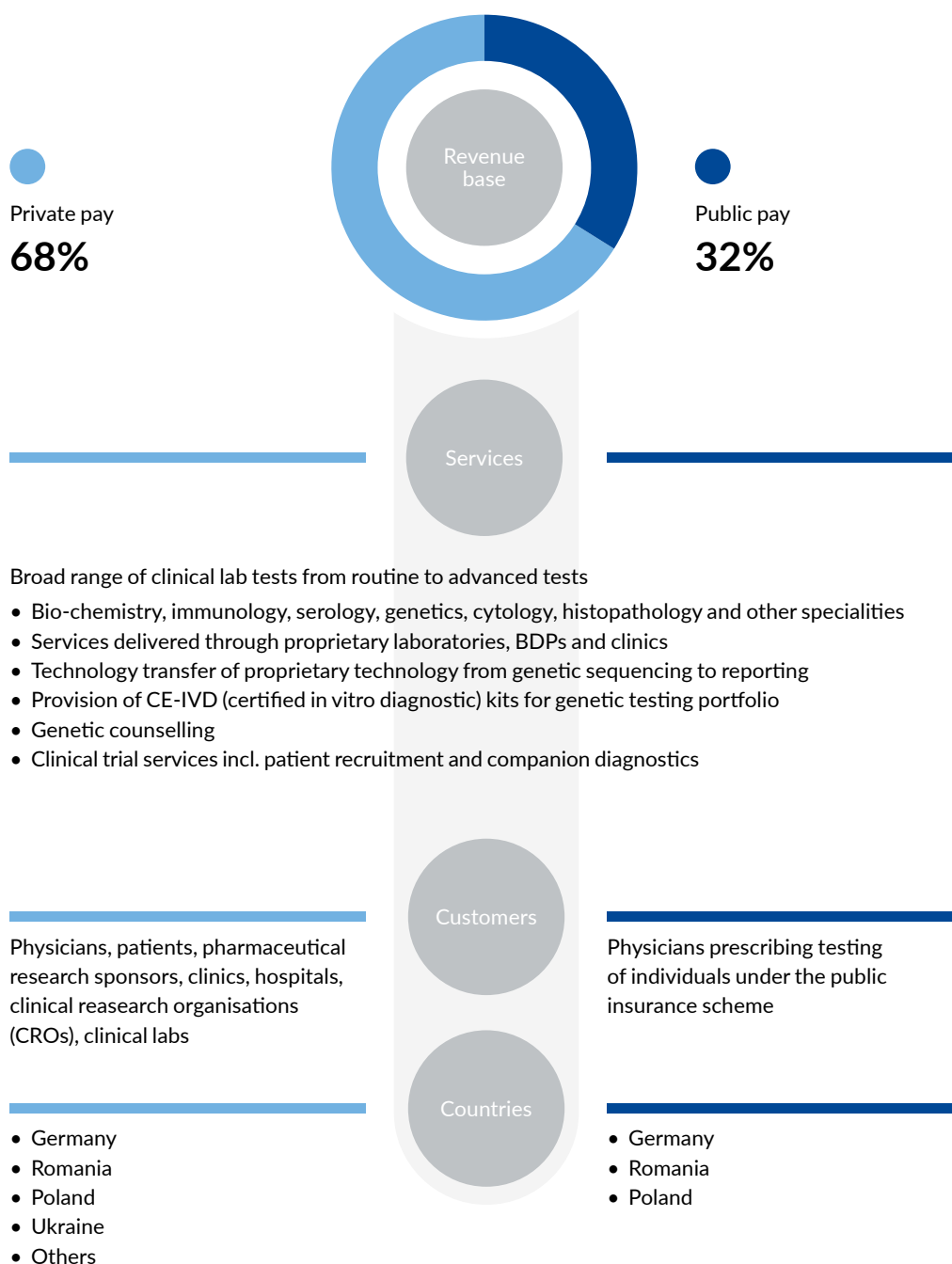
The future of healthcare offers growth opportunities, driven by technological advancements, shifting demographics, and evolving patient expectations. A particular area is advanced diagnostics and precision medicine. Investing in technologies like next-generation sequencing and molecular diagnostics enable us to customise treatments aligning with precision medicine. The shift from whole exome sequencing to whole genome sequencing in NGS (next generation sequencing) necessitates efficient reporting systems and capability to handle larger data streams. Utilising AI and ML (machine learning) for data analysis and interpretation significantly improves diagnostics' speed and accuracy. Furthermore, preventative healthcare provides opportunities for early disease detection through screening and diagnostic services. The post-Covid-19 focus on wellness presents a strategic avenue for growth, especially in special immunology. Our strategic priorities position us to capitalise on emerging trends, drive innovation, and establish a robust presence in the dynamic healthcare landscape.



2023 was a year of consolidation in which we pivoted from the challenges and opportunities presented by Covid-19 to achieving growth in our core business areas.



## Business model – Diagnostic Services



Operations by key markets	Revenue EURm	Total number of labs	Central labs	Regional labs	Hospital labs	Specialised labs	BDPs	Medicover clinics	Lab tests (million)
Germany	274.1	18	3	4	6	5	26	24	40.7
Romania	97.4	23	1	17	3	2	176	-	19.3
Poland	76.5	34	1	13	13	7	143	3	30.6
Ukraine	61.8	6	1	5	-	-	341	-	20.4
Others	61.4	37	7	27	3	-	206	-	8.2
<b>Total</b>	<b>571.2</b>	<b>118</b>	<b>13</b>	<b>66</b>	<b>25</b>	<b>14</b>	<b>892</b>	<b>27</b>	<b>119.2</b>

### Return to normal operations

During 2023, the focus has been on shifting the business back to normal operations after the years of Covid-19 testing and managing high inflationary pressure.

Revenue for 2023 amounted to EUR 571.2m (612.5m), representing 32 per cent of total revenue. 119.2 million tests were performed. EBITDAaL was EUR 62.7m (92.9m). Diagnostic Services' base consists of a network of 118 clinical laboratories, 892 blood-drawing points (BDPs) and 27 clinics in 13 markets.

### Funding

Most of the markets have a strong dependency on private payers with the exception of Germany, which is predominantly publicly funded. The advantage of private pay is that the company has control over managing price adjustments and compensating for higher inflation costs, whereas when it comes to public pricing, this is dependent on governments.

### Private pay – Fee-For-Service (FFS)

Fee-For-Service represented 68 per cent of the division's total revenue and amounted to EUR 386.8m.

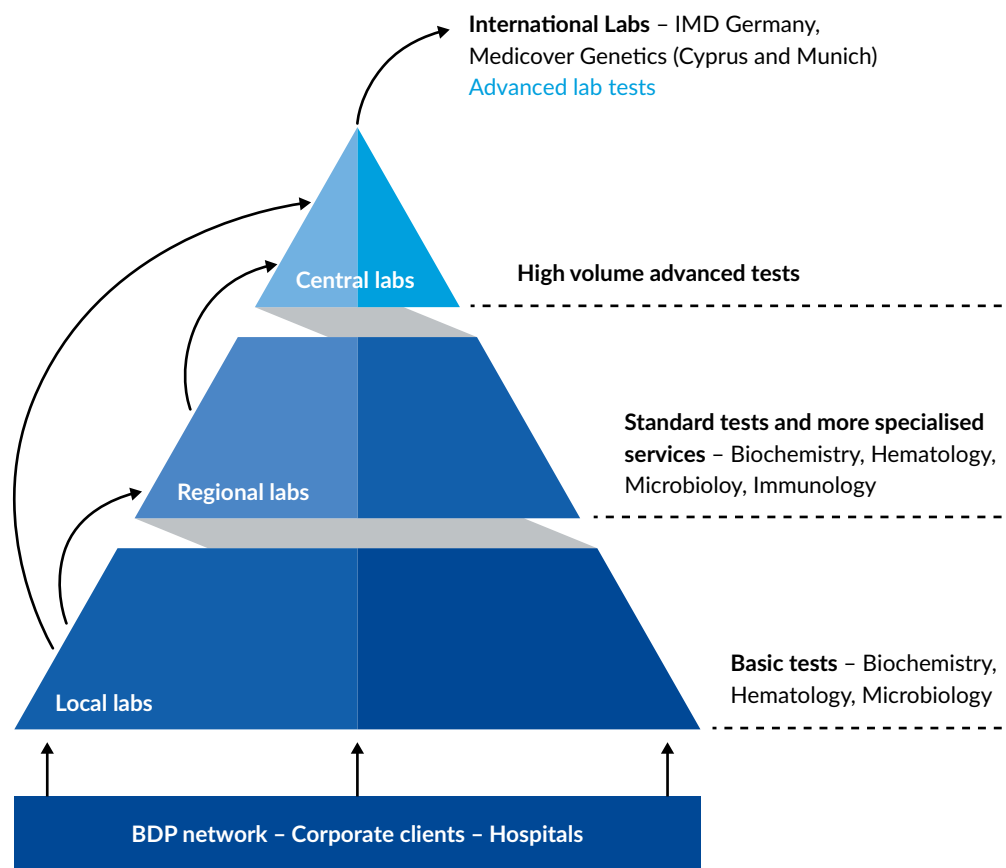
### Public pay

Public pay represented 32 per cent of the division's total revenue and amounted to EUR 184.4m. Public pay mainly relates to testing in Germany.

### Services

Medicover operates two different go-to-market models in the division's geographies, one in Germany and one in other countries. Germany has a reimbursement model (public pay), where patients go to a physician, who collects the blood samples. Other countries have a Fee-For-Service model (private pay), where patients either visit a physician, who gets them to order a test from a lab provider, or go directly to a BDP.





Medcover works in a hub-and-spoke-model to achieve an optimised and efficient lab network.

Diagnostic tests play an important role at every step of disease management, from screening and diagnosis to monitoring, and there is also an increasing trend to focus on wellbeing and prevention. More than 70 per cent of all medical decisions are based on diagnostic testing. Medcover is a comprehensive supplier of diagnostic testing services and offers more than 12,000 parameters ranging from routine blood tests to highly advanced diagnostics, covering the entire span from prevention and early diagnosis to monitoring.

Diagnostic Services works in a hub-and-spoke model to enable efficient delivery of services to customers and benefit from scale effects.

**Central and regional laboratories** – central laboratories provide advanced diagnostics as well as support for clinical trials. These centralised laboratories act as hubs in their country of operation and conduct routine tests, immunology tests and advanced tests. The regional laboratories are located around the central laboratories, providing a range of routine and immunology tests with shorter processing times, often with same-day delivery.

**Hospital laboratories** – provide urgent diagnostic testing and facilitate off-site access to a broad range of tests.

**Specialised laboratories (International labs)** – provide centralised services in a dedicated field such as special immunology, genetics and histopathology.

**Blood-drawing points (BDPs)** – operate as collection points for blood, urine and tissue samples. The samples are then transported to Medcover's laboratories where they are analysed. The BDPs are spread across Poland, Romania, Ukraine and smaller Eastern European countries.

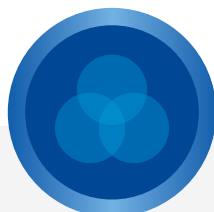
**Medcover clinics** – consist of a network of clinics in Germany specialising in endocrinology, HIV, genetics and rheumatology. These chronic diseases require repeated tests throughout life.

#### Medcover Genetics

Medcover Genetics is leading in its field, specialising in genetic medicine, with more than 25 years of experience in genetics diagnostics. Services are offered worldwide in over 50 countries.

Medcover Genetics provides genetic testing services and genetic counselling, proprietary CE-IVD marked solutions and a unique technology transfer platform which enables partners to perform high fidelity genetic tests in-house. Spanning cytogenomics, molecular pathology, the latest in Next Generation Sequencing (NGS) technology and microbiome sequencing, Medcover Genetics offers a complete in-house and tailor-made portfolio from its laboratories in Germany and Cyprus. Beyond being a genetic diagnostics partner, Medcover Genetics offers technology transfer and CE-IVD kits to laboratories, of any size, to perform genetic testing in-house. The technology transfer utilises Medcover Genetics' proprietary technology and protocols to enable laboratories to set up and deploy high fidelity non-invasive prenatal tests, VERACITY





## Strategic initiatives

### Progress in 2023 based on our three main strategic areas

#### Retain and grow the customer base

- 16 new blood-drawing points, incl. first mobile BDP on wheels
- Acquired a lab in Bulgaria
- Opened new labs in Romania and Turkey
- Customer apps in Romania and Poland

#### Expand the service offering

- Technology transfers
- New agreements, incl. genetics agreements with NHS Trusts, UK
- Liquid biopsy therapy selection
- Home collection

#### Pursue operational excellence

- Automation of micro-biology
- Digitalisation of BDP processes
- Optimisation of BDP and lab footprint
- Further centralisation of lab services

and VERAgene. The TarCET IVD kits are CE-marked, next generation sequencing products for multiple disciplines of genetic disorders and are designed to run all assay types in a single run. TarCETs and technology transfer offer an end-to-end CE-IVD solution using fully validated workflows including NGS library preparation, hybridisation protocols and data analysis software.

The laboratories are CAP-accredited and certified under CLIA, GMP and ISO 9001, 15189 and 13485.

#### Medicover Integrated Clinical Services (MICS)

MICS is a global complementary clinical solutions provider with over 25 years of experience. MICS contributes to the acceleration and development of innovative therapies and diagnostics, particularly for cell and gene therapy, and rare and orphan diseases. We serve the clinical research needs of international life-science partners, CROs, Biotech and pharmaceutical companies. MICS enables healthcare capabilities including clinics, hospitals and medical

experts for site management organisations and patient recruitment. Additionally, Diagnostic Services' assets are used by applying cutting edge technology and embracing digitalisation to offer services in the areas of central lab services, precision medicine and companion diagnostics across various disease areas.

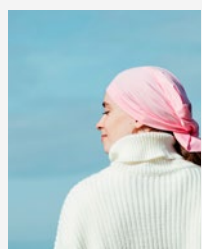
#### Markets and customers

The key markets of the division are Germany, Romania, Poland and Ukraine. The division is also present in a number of smaller markets, including Bosnia-Herzegovina, Bulgaria, Cyprus, Finland, Georgia, Greece, Moldova, Serbia and Turkey.

Diagnostic Services provides laboratory testing to hospitals and private medical facilities, as well as directly to individual patients and doctors. Laboratory technology transfers, including CE-IVD kits, are offered to laboratories around the globe, while clinical trial services are offered to pharmaceutical companies and clinical research organisations.

# Diagnostic Services milestones in 2023

## Medicover Genetics – NeoThetis Pan-Cancer Plus, new liquid biopsy test for therapy selection



- Through a simple blood draw, the new test offers robust analysis of over 200 genes and genomic immunotherapy biomarkers MSI and bTMB, guiding precise treatment strategies for primary and metastatic disease. The non-invasive nature of this test mitigates many of the challenges associated with invasive tumor biopsy procedures.
- The development of NeoThetis Pan-Cancer Plus underscores Medicover Genetics' commitment to aiding patients on their cancer treatment journey and supporting healthcare professionals with the knowledge to make informed decisions, enhancing clinical management and patient care.

## Medicover Genetics forms Technology Licensing Agreement with HUMEDIT Co. Ltd in Japan, expanding its geographic reach in the region

- This collaborative venture encompasses the integration of Medicover Genetics' proprietary technology, bioinformatics, and validated protocols through its distinguished licensing programmes – technology transfer platform.
- Medicover Genetics technology transfer platform offers laboratories of varying throughput a scalable solution for genetic testing. The platform stands out with its unique capability to conduct a spectrum of multidisciplinary tests including NIPT (Non-Invasive Prenatal Testing), reproductive health, postnatal and neonatal screening, PGT (Preimplantation Genetic Testing), and hereditary cancer screening in a single sequencing run. This revolutionary framework not only significantly trims operational costs for laboratories but also paves the way for scalable growth, expansion, and notably quicker turnaround times.



## Synevo Romania lab revolutionises microbiology specimen processing with WASP® automation

Synevo Romania is the first private company in Romania to own state-of-the-art equipment WASP® (Walk Away Specimen Processor) from bioMérieux. Using AI-powered software PhenoMATRIX, the equipment is capable to automatically pre-assess and pre-sort culture plates and segregate bacterial cultures leading to faster results. This cutting-edge automated microbiology specimen processing instrument represents a significant leap forward in laboratory technology, enhancing efficiency, accuracy, and patient care.

## Medicover Germany inaugurates a cutting-edge laboratory in Frankfurt (Oder)

Medicover achieves a milestone with the inauguration of the state-of-the-art laboratory building for IMD Labor Oderland in Germany. Spanning 4,000m<sup>2</sup>, the new laboratory is equipped with the latest technology and infrastructure, underscoring Medicover's commitment to investing in Germany's healthcare landscape and advancing the future of diagnostics. IMD Labor Oderland hosts the first automated laboratory line for microbiology "BD Kiestra" in the country and has been the proud holder of the EMAS Certification (Eco-Management and Audit Scheme) since 2008, consistently supporting sustainability and environmental protection. This expansion allows the company to serve an increased number of customers while also contributing to local employment opportunities.



## Synevo Poland opened the first BDP for kids in the country

Synevo Poland opened the first child-friendly, standalone blood-drawing facility, exclusively designed for young patients in Warsaw. Synevo Kids, characterised by its modern, secure, and engaging interior, is appreciated by both young patients and their parents. The facility boasts a dedicated medical team that has undergone specialised training to work effectively with children, creating a warm and reassuring atmosphere. This ensures that all children feel secure, and the medical procedures are conducted swiftly and with ease.

# Local brands with global strength

Strong local brands remain an inherent part of our strategy, combining local trust and recognition with the overall strength of Medcover.

## Brands within Healthcare Services

Business Services	Dental Services	Fertility Services	Hospital Services Poland
              	                        	      	         



## Brands within Diagnostic Services

### Hospital Services India



### Hospital Services Romania



### Laboratories



### Clinics



# Safe care is a fundamental priority

To succeed in restoring the ill to good health and improved quality of life, Medcover follows, and is supported by, its strict definition of clinical quality: 'Safe, appropriate, cost-effective advice, care, diagnostics and treatment with an outcome that benefits our customer patients'.

## Safe care

Safe care is Medcover's fundamental priority, as it should be for any healthcare organisation – 'first, do no harm'. There are many ways through which safe care can be achieved and maintained – all are important:

- Properly qualified and experienced clinical and laboratory staff.
- Adequate numbers of clinical staff to maintain safety standards.
- Regular training to keep up-to-date with safety principles.
- Regular monitoring and review of technical or automated machines.
- Use of standardised checklists at crucial points on the patient pathway.
- Encouragement of incident, near miss and unexpected death reporting, open learning from resulting investigations and input to risk management to avoid recurrence.
- Regular audit to ensure appropriate safety actions are being taken to help drive continuous quality improvement.
- Understanding of the principles of clinical safety by executive management together with support for medical management where necessary.

## Appropriate care

Firstly, informed understanding of the stated needs of the customer; then the right advice, diagnostics and treatment at the right time, in the right place, provided by the right healthcare professional. Caution is needed in relation to both under-investigation/treatment and over-investigation/treatment. The concept of evidence based medicine is crucial to administer appropriate care. This includes the use of clinical and ethical guidelines and the continual drive to 'get it right first time' – reducing unwarranted variation and driving effective best practice.

## Cost-effective care

The target of all healthcare systems should be to provide both health and economic value for the customer patient. Value in healthcare systems is defined as:

$$\frac{\text{clinical outcome measured by the patient}}{\text{cost/price}}$$

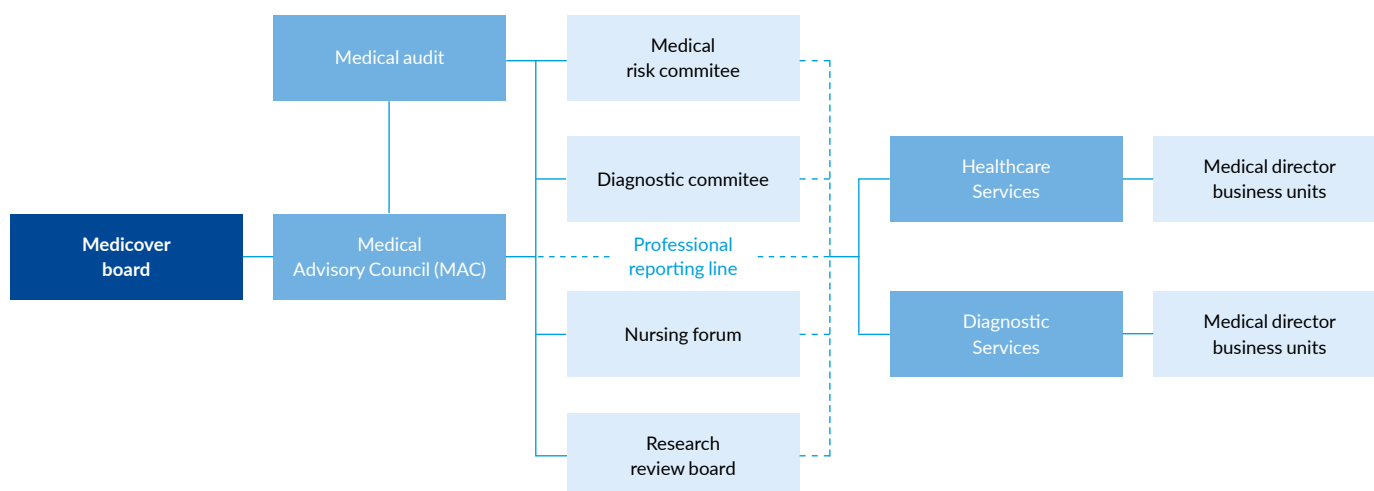
This is linked both to evidence based medicine and the widely developing concept of value-based care defined as 'the equitable, sustainable and transparent use of the available resources to achieve better outcomes and experiences for every person'.

## Outcome

The principal purpose of healthcare organisations is to provide health benefits to patients, to cure where possible, and always to seek to improve quality of life. Measurement of clinical outcome is obviously a key component of clinical trials undertaking research on new or improved treatments, nevertheless routine measurement of clinical outcome measured by patients themselves (i.e., using real world data<sup>1)</sup>), as a complement to randomised controlled trials, has grown significantly over the last 25 years.

<sup>1)</sup> Data that come from sources other than traditional controlled clinical trials.

## Medicover clinical governance



### Clinical governance

At Medicover, significant attention is given to all elements coming under the general heading of 'clinical governance' for which the Chief Medical Officer (CMO) has professional accountability, shared with the executive accountability of the chief operating officers of Healthcare Services and Diagnostic Services. This accountability cascades down to medical and clinical directors who work with front line healthcare professionals and their executive colleagues to deliver clinical safety, quality and good outcomes across the Group and to drive continuous quality improvement.

Clinical governance, like financial governance, is dependent not only on good professional practice but also on strong systems and processes, particularly including medical audit, for which the CMO and group head of medical audit are responsible. Ultimate accountability lies with the Medicover board, which is advised formally by its Medical Advisory Council (MAC) chaired by the CMO. The MAC, attended by the CEO, brings together senior medical directors from all parts of Medicover and is also supported by independent professional advisors covering clinical research in addition to medical and nursing care.

### Clinical quality indicators (CQI)

Over the past few years, clinical quality indicators have been standardised for the different clinical areas across the Group, principally hospitals, ambulatory and dental clinics, fertility centres and laboratories. Reporting is through customised systems. Significant indicators and trends are monitored by the MAC, however the platform is also important for medical directors to monitor local activity. These Clinical Quality Indicators (CQI), specific to given medical activities, are kept under constant review.

For instance, in ambulatory clinics, a significant indicator is the secondary prevention index, which reviews patients with hypertension, diabetes and thyroid disorders. In hospitals, indicators including both clinical practice and nursing services cover nosocomial (hospital acquired) infections and pressure ulcers – both important to measure and to confirm good clinical practice, comparing against international data published by the WHO. There are similar indicators for our fertility centres (e.g., miscarriage rates) and dental clinics (e.g., an implantation success indicator).

### Medicover monitors 87 CQIs. Some of these are:

#### Clinical Quality Indicators (CQI)

Cumulative Net Promotor Score, NPS <i>Measures the loyalty of customers to a company</i>
Patient-reported outcome measures, PROM's <i>Measures quality of life improvement before and after treatment</i>
Hospital acquired infections rate <i>Infections resulting from complications of healthcare are linked with high morbidity and mortality.</i>
Ambulatory clinic health improvement indicators <i>Measures quality of life improvement</i>

#### 2023 outcome on indicators

Patients in Medicover hospitals in India, Poland and Romania: 80% Patients in ambulatory clinics in Poland, Romania and Ukraine: 77% Dentists and dental hygienists in Poland: 88% respectively 92%
India: Based on 3 hospitals and 590 surgeries, 96% of respondents state quality of life increased by 75%. Poland: Based on 1 hospital and 1,120 orthopaedic surgeries, 97% of respondents state quality of life increased by 79%.
0.2% per 200,000 hospital admissions in India, Poland and Romania.
In Poland and Romania: 65% of clinic patients with diabetes, and 78% of hypothyroid patients reached their targeted health improvement scores.





### Learning from incident reporting

Essential for a safe healthcare organisation is an open, learning culture which enables continuous quality improvement. Hence, open incident reporting is fundamental. All incidents, near misses and unexpected deaths are required to be reported and properly investigated – the more significant ones with a formal root cause analysis – and the learning shared with relevant parts of the business to avoid something similar happening again.

Medicover is working hard to improve its incident reporting and, to better encourage this, a clinical incident reporting system has been launched and is being rolled out. This makes it easy for any employee to make an initial clinical incident report. All incidents should be classified and investigated in an open manner so that all involved can learn and then share that learning. This reporting system will be promoted widely over the next few months and will be a key driver to safety and continuous quality improvement.

### Medical audit

There is little point in having these important quality management processes in place as part of clinical governance if the monitoring and learning does not lead to appropriate actions being agreed with management and then being acted on. Therefore, medical audit is the third principal component of our clinical quality management system. When the CQIs show negative trends, or when incidents are reported and appropriate actions are agreed and taken, it is crucial to follow them up actively with an appropriate medical audit. This is not only to ensure such actions are in place, but also to ensure that required regulatory safety and performance standards are maintained. With accountability for medical audit across Medicover, the group head of medical audit is establishing an audit programme, collaborating with local medical auditors, to assure the Medicover board that safety standards are maintained and that investigation actions are actively delivered to drive continuous improvement.

This programme will cover all clinical governance processes and the obtained results will be used to confirm implementation of a unified approach to improving clinical quality across Medicover. These medical audits will assess the level of compliance with regulations, process documentation and supervision, clinical risk management and the effectiveness of the quality management system.

The audits are undertaken against agreed standards which, among other things, clarify the specific accountabilities of medical leaders across Medicover for clinical safety and quality.

### Clinical risk management

All these processes – clinical quality indicator reporting, incident reporting/investigation, regular medical audits and the associated data come together to enable quantifiable risk assessment and maintenance of an active, dynamic risk matrix. This will indicate active areas of risk which can change over time, and how these strategic risks can be mitigated to leave residual risk that is low enough to ensure the safety of Medicover's customer patients. It is crucial that these risks are understood by both clinical and executive management to enable mitigation to be agreed, funded and applied at the right time where necessary. Significant areas of clinical risk are cited in Medicover's risk report on pages 86–94.

A new and developing opportunity, however with associated risk, relates to the running and management of clinical trials within Medicover facilities. Clinicians should be encouraged to undertake research and to publish results openly, perhaps with the support and encouragement of local universities, but the protocols must ensure safety, the informed consent of the customer patients and protection of Medicover's reputation. To that end, Medicover will in future be requiring clinicians who wish to undertake research involving clinical trials in any Medicover facility to apply to a research review board (working under the auspices of the MAC) and to register their respective projects on a new clinical trials registry.

### Summary

In summary, clinical safety (i.e., reducing potential harm caused by healthcare) is fundamental, however there is also a need to better demonstrate the positive benefits that healthcare brings in its day-to-day activity. Listening to patients to understand what matters to them is an essential part of patient-focused care and involving patients in routinely measuring the clinical outcome of their advice and treatment should also be integral to delivering and improving value to patients and driving continuous quality improvement. It is for these reasons that Medicover has started running pilot patient-reported outcome programmes in some facilities.

# Sustainability report 2023

To remain resilient and fulfil its mission to improve and sustain health and wellbeing, Medcover works diligently to be a profitable and sustainable business, using robust governance to balance its responsibility for people, planet and profit.

## Contents

2023 at a glance	47
Sustainable value creation	48
Medcover's sustainability framework	51
– Care provision	52
– People and partners	55
– Prevention and education	60
– Care for the environment	64
– Governance and business ethics	68
– Measuring our impact	71
EU Taxonomy	72
Methodology	74

This report covers the reporting period 1 January to 31 December 2023. The Group prepares and publishes the Annual and Sustainability Report every year in accordance with the Swedish Annual Accounts Act. The previous report was issued in March 2023. All entities included in the Group's financial statements are covered in this report. This report contains material information about the Group's sustainability efforts and commitments, including environment, social conditions, personnel, respect for human rights and countering corruption. Statutory information on the business model is on pages 8–11. For supplemental information on risk management, refer to pages 86–94.

# 2023 at a glance

## Impact

In 2023, Medcover has successfully improved the healthcare infrastructure and improved access to care and early diagnosis in markets where it is present. Medcover has also grown healthcare funding in those markets, improving its holistic value proposition for every stage of life to enable and support a full circle of healthy life and wellness.

Medcover has a 70% positive net impact ratio on the world.<sup>1)</sup>

Medcover's net impact ratio ranks in the top 4% in the world.<sup>1)</sup>

90.5% of Medcover revenue is aligned with UN SDG 3, Good health and wellbeing.<sup>1)</sup>

### Growth target

Growth in number of people to whom Medcover provides services exceeds the target.

### Emission target

-17% CO<sub>2</sub>e in Scope 1 & 2 per EURm revenue, compared to 2020.

### Supplier target

Suppliers representing 46% of total purchasing value have committed to the principles of the supplier code of conduct.

Medcover has over 45,000 co-workers of 81 different nationalities. Of the total, 71 per cent are women. In 2023, Medcover created 3,833 new positions and welcomed in total 16,709 new co-workers.

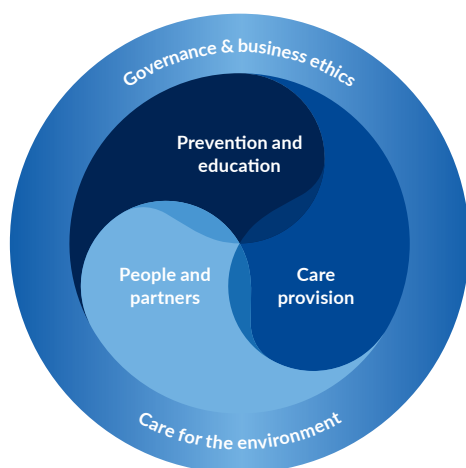
Medcover provides access to care in 17 countries mainly via 612 facilities, 118 labs, 892 blood-drawing points and over 3,200 partner clinics. In 2023, Medcover had 15.7 million medical visits and over 119 million lab tests were provided.

<sup>1)</sup> Source: Upright Project – [www.uprightplatform.com](http://www.uprightplatform.com)



# Sustainable value creation

To remain resilient and fulfil its mission to improve and sustain health and wellbeing, Medcover works diligently to be a profitable and sustainable business using robust governance to balance its corporate responsibility for people, planet and profit. The sustainability framework guides this work forward.



## Sustainability strategy

The world has many unmet health needs. Medcover works to meet these needs in the markets where it has a presence by ensuring easy access to essential healthcare and diagnostic services. And in doing so, Medcover fulfils its mission to improve and sustain health and wellbeing.

It is essential to maintain resilience to keep fulfilling the mission and continue the contribution to society. Medcover works diligently to remain a profitable and sustainable business, balancing its corporate responsibility for people, planet and profit with robust governance and ethical behaviour.

For guidance on where to minimise or maximise impacts and actions, Medcover is guided by internal and external insights, such as the Upright impact model, the new Double Materiality Assessment (DMA), regulatory initiatives, global trends in terms of climate change, use of finite resources, attracting the right talent and an increased chronic disease burden. This is an ongoing and dynamic process.

Medcover is preparing an update of its sustainability roadmap to meet and stay aligned with the EU Corporate Sustainability Reporting Directive (CSRD). The DMA outcome and insights will shape an updated sustainability framework and reporting.

<sup>1)</sup> The WB's commercial arm, IFC, supported Medcover with credit funding in its early years as part of its health and nutrition investments.

<sup>2)</sup> The Upright Project has assessed the alignment of Medcover's services and revenue streams against the sub-target definitions of UN SDG 3.

## Value creation

At Medcover's core is continuous investment into easier access to quality healthcare and early diagnosis, availability of a more complete range of healthcare and diagnostic services, and the information and advice needed for people to stay healthy and access the right care in the event of illness. In 2023, Medcover has provided diagnostic services to almost 10 million people and healthcare services to more than 7 million people in 17 countries.

This approach is aligned with the World Bank's (WB) objective of affordable, quality healthcare as the foundation for people to lead productive and fulfilling lives and for countries to have strong economies<sup>1)</sup>. It is also clearly aligned with the UN's SDG 3, as demonstrated by the Upright Project's<sup>2)</sup> science-based assessment. Its outcome shows that 90.5 per cent of Medcover's revenue is aligned with SDG 3, Good health and wellbeing.



Aligned revenue

# 90.5%

90.5 per cent of Medcover's revenue is aligned with UN SDG 3 according to the Upright Project assessment.

## Positive impact of quality healthcare

A positive health impact is the most important part of Medcover's value creation. Besides positively affecting people's lives, it also brings economic gains for employers and society at large. Many people do not have easy access to affordable, high-quality healthcare. In many more cases there is a lack of health services to support the prevention and early detection of diseases.

The McKinsey Health Institute has estimated that the global disease burden could be reduced by about 40 per cent by applying known interventions in broader segments of populations. Improving healthcare can also bring huge economic benefits. Almost two-thirds of the years lost to poor health occur in the working age population, so reducing this burden enables more people to contribute to a greater extent.

## Quantifying health impact

In general, quantification of healthcare service impacts is a challenge. However, the Upright Project's holistic value creation assessment model has made it possible to visualise comparable scientific data on a company's total impact, along the full value chain, in terms of their output of services and products, and the resources used in the process. Using AI, the Upright Project has applied its science-based evaluation to more than 50,000 companies globally, covering 99 per cent of global market capitalisation. The outcome is a net impact ratio assessing a company's impact in four main categories: society, knowledge, health and environment. The model offers a unique opportunity to demonstrate and quantify impacts.

## Medicover's high positive net impact on the world

Medicover's net impact ratio is a comprehensive overview of the impact it creates across the four main categories. The result, +70 per cent, shows that Medicover's healthcare and diagnostic services have a high positive impact on the world. This is significantly higher than the resources it consumes to offer the services. The result ranks Medicover in the top 4 per cent in the world.

A new feature in Upright's model is to use monetary weighting<sup>1)</sup>, measuring impact scores in annual dollars. To be able to compare diverse impacts, like the harm caused by an emitted CO<sub>2</sub>e ton compared to the value of a disability-adjusted life year, they need to be weighted relative to each other. Upright uses monetary weighting

IMPACT	NEGATIVE	SCORE	POSITIVE
<b>Society</b>	-\$14.6m	<b>+\$314.0m</b>	+\$328.6m
Jobs		+\$194.7m	+\$194.7m
Taxes		+\$122.8m	+\$122.8m
Societal infrastructure		+\$2.6m	+\$2.6m
Societal stability	-\$0.9m	+\$1.0m	+\$1.9m
Equality & human rights	-\$13.7m	-\$7.2m	+\$6.5m
<b>Knowledge</b>	-\$78.0m	<b>-\$27.7m</b>	+\$50.3m
Knowledge infrastructure		+\$0.0m	+\$0.0m
Creating knowledge		+\$48.3m	+\$48.3m
Distributing knowledge	-\$0.0m	+\$2.0m	+\$2.0m
Scarce human capital	-\$78.0m	-\$78.0m	
<b>Health</b>	-\$50.6m	<b>+\$324.3m</b>	+\$374.9m
Physical diseases	-\$44.4m	+\$289.1m	+\$333.5m
Mental diseases	-\$5.4m	+\$9.0m	+\$14.4m
Nutrition		+\$0.5m	+\$0.5m
Relationships	-\$0.2m	+\$4.9m	+\$5.1m
Meaning & joy	-\$0.7m	+\$20.8m	+\$21.5m
<b>Environment</b>	-\$82.5m	<b>-\$80.5m</b>	+\$2.0m
GHG emissions	-\$29.6m	-\$28.8m	+\$0.8m
Non-GHG emissions	-\$12.9m	-\$12.4m	+\$0.5m
Scarce natural resources	-\$12.0m	-\$12.0m	+\$0.0m
Biodiversity	-\$6.3m	-\$6.3m	+\$0.0m
Waste	-\$21.8m	-\$21.0m	+\$0.7m

**+70%**

<sup>1)</sup> Upright uses monetary weighting, similar to the Harvard Impact-Weighted Accounts Framework and the Value Balancing Alliance.

<sup>2)</sup> Upright's impact monetisation follows the general principles of monetary valuation and impact aggregation defined in ISO 14044:2006 (LCA), LCA literature, and ISO 14008:2019 (monetary valuation of environmental impacts). In addition, the IOOI (Input, Output, Outcome, Impact) framework is used as part of the monetary valuation process.

<sup>3)</sup> DALY, Disability-Adjusted Life Years was conceptualised by the WHO. It combines the impact of years of life lost to premature mortality (YLL) and years of healthy life lost due to a specific health condition (YLD).

<sup>4)</sup> Non-Financial Reporting Directive

**“Being able to quantify Medicover's positive health impact with an objective scientific model is very valuable.”**

Fredrik Rågmark, CEO

where measured impacts are converted to monetary terms before comparison<sup>2)</sup>.

When Upright Project applies the monetisation model to Medicover's impact on global health, it corresponds to an annual of \$374.9m (net benefit \$324.3m). All Medicover's services – from surgeries to specialist appointments, from diagnostic tests to vaccination services – have been aggregated to make the assessment. The minor negative impact stems from the possibility of complications. When we also take into account Medicover's impact on society, knowledge and the environment, the total annual net benefit created by Medicover is \$530.1m, or 30.8 cents per dollar of revenue generated by Medicover.

Another perspective offered by Upright is the measurement of DALY's<sup>3)</sup>, a key metric to gauge the collective health burden within a population. Upright attributes the DALY impact of healthcare services provided across all the participants in the value chain. According to the model, Medicover's share of the substantial positive impact on physical health within its value chain is the equivalent to over 27,000 DALY's, and the total positive DALY impact for Medicover's patients will be much greater.

The positive impact in the society category is mainly attributable to job creation and tax payments.

The positive impact in the knowledge category mainly stems from Medicover creating knowledge with its variety of diagnostic services. Medicover's employment of highly educated clinical staff, is considered a scarce human capital, which in the model creates a negative impact. At the same time, this is also Medicover's main resource, used to create all the above-mentioned positive impacts.

The negative impact in the environment category is mainly due to the energy intensive nature of the advanced technology in healthcare and diagnostic services, such as fertility and cancer treatments.

## Materiality assessment

Medicover's current sustainability framework mirrors the outcome of a materiality assessment, indicating five topics as most material for Medicover to manage. The five topics also align with the current reporting requirements of the NFRD<sup>4)</sup>: respect for human rights, social conditions, countering corruption, employer responsibilities and care for the environment. KPIs are connected to each area. See page 71 for annual outcome. As of next year, Medicover's material topics will be updated based on the outcome of the new DMA.

1. Extend access to care and early diagnosis
2. Develop an appropriately trained healthcare workforce equipped with the right tools at the right time
3. Help people stay healthy by promoting prevention and early detection of diseases
4. Minimise negative impact on the planet
5. Maintain and uphold a culture and business that is open, inclusive, and ethical at all times

## Main challenges and opportunities

Each materiality topic represents a wide spectrum of challenges and opportunities that fit well with the business' risk chart and the processes of risk management<sup>1)</sup>.

One constant challenge is to increase healthcare funding, to improve access to essential healthcare services, in support of human rights and social conditions world-wide. Another is the ever-increasing competition for talent and the shortage of appropriately qualified healthcare staff to maintain high-quality medical services, which keeps us alert regarding our employer responsibilities. A third is the rapidly growing unhealthy population. This challenge of deteriorating social conditions is shared with other healthcare services companies as well as national and global societies. There is an ongoing stakeholder dialogue on the importance of increased health funding and expansion of services of preventive activities and early detection methods.

Some challenges come in the form of opportunities. The unstable planet crisis has piqued awareness levels and sense of urgency regarding adaptation and mitigation strategies.

## Sustainability governance

In preparation for the CSRD reporting, Medcover has reviewed its sustainability governance to further strengthen its robustness. The updated framework is effective as of 2024.

### Board of directors' oversight

At Medcover, the supervisory body with responsibility for sustainability is the board of directors. The dedicated sustainability committee (SC) has been delegated by the board to manage this area. However the final decision power and responsibility remains with the board. The SC is mandated by the board to review and to recommend group-related sustainability policies, targets, strategy and sustainability-related incentive schemes for the board's approval and to give directions to the CEO and the Head of Sustainability Office (HSO) on sustainability priorities and group action plans. The SC chairman and the CEO provide the board with regular updates. The SC is normally informed three times per year or as required. The CEO is actively involved in between committee meetings and ensures that operational management is aligned with the direction.

The SC aims to have a collective understanding of sustainability-related matters pertaining to the global markets and Medcover's industry. The body accesses expertise as needed. The HSO informs the SC on compliance matters, regulatory updates, DMA management and any recommendations for updated policies. The HSO also reports on sustainability performance outcomes and advises on the implications for sustainability targets and strategy. As part of the annual accounts responsibility, the board's audit committee oversees sustainability reporting, and CSRD compliance. External auditors conduct a reasonable assurance of the annual sustainability report.

In 2023, the SC was chaired by the board chairman and members also included the CEO and two more board members.

## CEO and executive management team (EMT)

Management responsibility and accountability for sustainability rests with the CEO and the EMT. They are responsible for ensuring sustainability is fully integrated into the company's strategy, operations and reporting, and for breaking down the group level roadmap into operational excellence for each function, so that accountability mechanisms for achieving the sustainability goals are fully implemented. The EMT also provides guidance to line management on potential trade-offs regarding sustainability matters.

The EMT is informed regularly by the HSO. The items regularly cover matters such as group sustainability performance, sustainability risks, opportunities, best practices and CSRD compliance. The EMT also reviews any group targets, strategies, policies and DMA before presented to the SC.

### Line management (LM)

Medcover's LM is accountable for operational decisions on compliance with policies, internal controls and pursuit of the targets set by the board, whether financial or sustainability targets. LM is also accountable for ensuring that the data reported is accurate and timely, and for managing the implementation of sustainability initiatives and action plans.

### Cross functional sustainability team (CFST)

The CFST is a cross-functional expert group tasked to ensure that Medcover complies with sustainability regulations and reporting, sets appropriate sustainability goals, and adopts best practices in pursuit of those goals, regulations, and reporting requirements. The CFST is also responsible for tracking the group's performance against set targets, KPIs and metrics.

The CFST is made up of several expert groups, each with a focus on a particular sustainability topic or process. The groups are populated with representatives from key business units to coordinate and harmonise work and increase the overall sustainability maturity level. The groups are responsible for preparing the information needed to advise and recommend the EMT and the SC on setting and/or updating group targets, KPIs and metrics to meet legal requirements and market expectations. In addition the expert groups are also a service function to line management on sharing insights on best practices, innovation and raising awareness on steps to improve sustainability performance.

The groups meet on a regular basis. The team's output is the basis for the recommendations, suggestions and advice the HSO presents to EMT, SC and, when requested, also to the board.

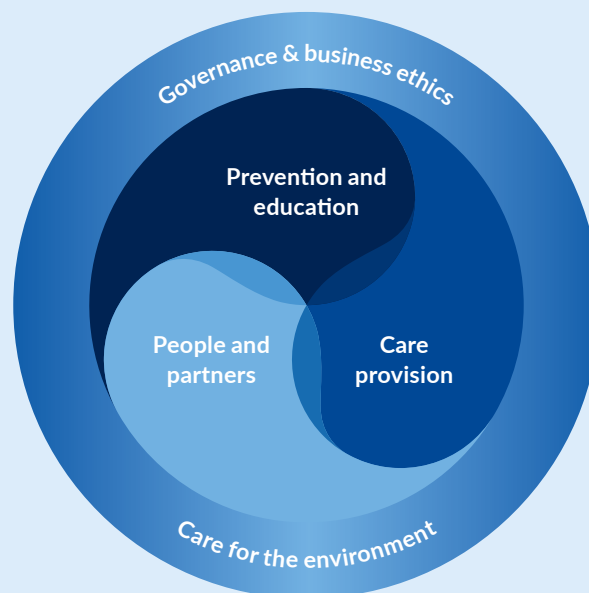
In 2024, the CFST will have five expert groups: governance (legal and regulatory compliance), environment, social, data management and impact, risk and opportunity.






<sup>1)</sup> Medcover risk and risk management report on page 86–94.

# Medicover's sustainability framework

The combination of the three core areas ensures that when care is needed and Medicover is the provider, it can be accessed quickly, conveniently, safely and effectively. Providing high-quality healthcare services is at the heart of Medicover's value creation.

Medicover's sustainability framework principles are shaped by the materiality assessment, and developed to contribute to the World Bank's objectives, the UN SDGs and being a signatory to the UN Global Compact. It is a societal impact model where Medicover Group policies<sup>1)</sup> and values steer operational implementation. There are three metric and two qualitative targets connected to the framework.

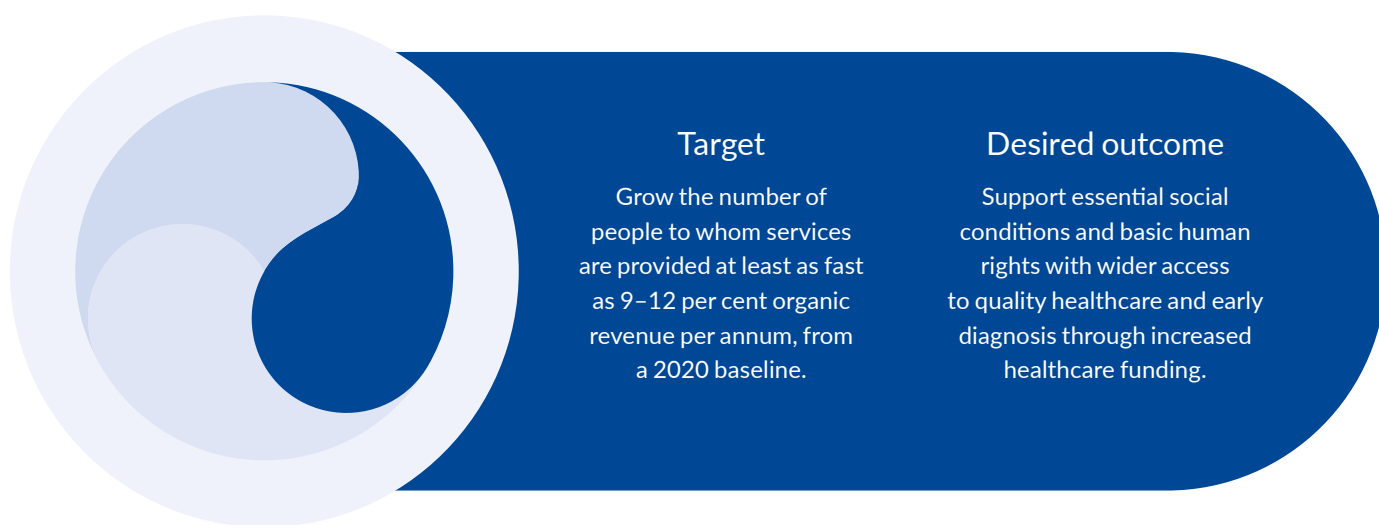


Area	Scope	Purpose	Desired outcome	In support of UN SDG
<b>Care provision</b>	To increase healthcare funding, and to improve access to quality healthcare and early diagnosis. An improved healthcare infrastructure will yield wider access to care and early diagnosis.	<b>Target</b> Grow the number of people to whom services are provided at least as fast as 9–12 per cent organic revenue per annum, from a 2020 baseline.	Support basic human rights and social conditions with wider access to care and early diagnosis through increased healthcare funding.	
<b>People and partners</b>	Our people are Medicover's most important asset. Medicover strives to develop the workforce and support them with the right tools and systems.	To ensure that the Medicover workforce is qualified, equipped, trained and empowered to do their jobs well.	A skilled workforce and new jobs created to improve health outcomes in society.	
<b>Prevention and education</b>	Society's disease burden keeps rising. Increasing health awareness through interventions such as education and promoting prevention and early detection plays a significant role in reducing the burden.	Actively support the reduction of society's disease burden by helping people stay healthy and improve health outcomes.	Medicover's work with education, prevention and early detection improves health and wellbeing. Support the World Bank's UHC.	
<b>Care for the environment</b>	A healthy planet is as important as a healthy population. Immediate actions are needed to support a stable planet by minimising negative impacts.	<b>Target 2030</b> -50 per cent CO <sub>2</sub> e in Scope 1 & 2 per EURm revenue, from a 2020 baseline.	Support the environment and the Paris Agreement.	
<b>Governance and business ethics</b>	The way Medicover works is as important as the results achieved. The aim is to be open, inclusive, ethical, accountable and effective at all times.	<b>Target</b> <b>Ensure</b> that suppliers representing at least 70 per cent of purchasing value have committed to the principles in the supplier code of conduct.	Maintain our trust as a partner and care provider. Support basic human rights and counter corruption.	

<sup>1)</sup> Operational implementation is through the following policies that cover, and sometimes overlap, all the above areas: Medicover code of conduct, Medicover code of medical ethics, Medicover supplier code of conduct, Medicover environmental and climate change policy, Medicover anti-bribery policy and Medicover whistleblower policy.



# Care provision



Medicover strives to increase healthcare funding and improve access to healthcare and early diagnosis, mutually contributing to the World Bank's Universal Health Coverage and the UN SDG 3, Good health and wellbeing.

## Scope

For 28 years, Medicover has been a reliable supplier of multi-disciplinary medical care, especially in areas underserved by other healthcare providers, with a significant impact observed in India. The scope of Medicover's care provision rests on three robust and interlinked cornerstones:

- Increase healthcare funding
- Improve access to healthcare
- Improve access to early diagnosis

## Target

To grow the number of people to whom services are provided at least as fast as 9–12 per cent organic revenue per annum, from a 2020 baseline.

## Main challenges and opportunities

Affordable, quality healthcare is a basic human right and foundation for people to lead productive and fulfilling lives. However, lack of health infrastructure in underserved markets is a global challenge. The World Bank's UHC<sup>1)</sup> objective is for all people to have access to the full range of quality health services, when and where needed, without financial hardship. Participating in this global challenge has always been at the core of Medicover's care provision.

Achieving an increase in overall healthcare funding involves raising more funds for healthcare, mainly through non-public channels. This is an important catalyst for Medicover to continue its investments in improved access to quality healthcare, availability

of a more complete range of care services, and the information and advice needed to stay healthy and access the right care. Medicover markets have a strong dependency on private payers<sup>2)</sup> and over the years, Medicover has played a key role in creating opportunities for how healthcare can be financed and turning the funding into effective care services that contribute to fulfilling unmet health needs.

To improve access to quality healthcare, Medicover extends its reach through acquisitions and organic growth, and by continuously expanding its service offering and increasing its consultation capacity in existing facilities and via online access.

Improving access to early diagnosis is vital, as early detection of many diseases allows for an intervention window with sufficient scope for a cure or management plan that greatly improves quality of life. Through the growth and expansion of its diagnostic services, cutting edge R&D, leading innovative biotechnology, clinical expertise, and extensive outreach efforts, Medicover improves access to early diagnosis for a growing number of people. Medicover envisions a future where early diagnosis is accessible to all.

## Management principles

With its code of medical ethics and clinical governance process, Medicover aims to maintain the highest quality of care. The Medical Advisory Council brings together medical leadership from all Medicover's businesses with external experts to set standards,

<sup>1)</sup> Universal Health Coverage, as defined by the World Bank.

<sup>2)</sup> Except for Germany, which is predominantly publicly funded.

measure results achieved for patients and follow up on any adverse events. The clinical quality report can be found on page 42.

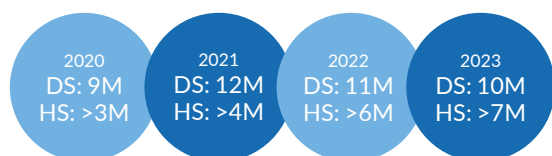
Medicover aims to be as transparent as possible in its way of working, without compromising any of the personal and confidential data held for patients, customers, and employees, always seeking full compliance with data protection regulations and using systems and processes that offer high levels of security and stability. Learn more on page 68.

## Progress and outcome 2023

Several indicators are used to demonstrate progress:

### Progress against target

Since 2020 Medicover has grown the number of people<sup>1)</sup> to whom services have been provided, exceeding the target of 9–12 per cent per annum. In 2023, Medicover provided diagnostic services to almost ten million people and healthcare services to more than seven million people, with growth in Healthcare Services more than offsetting a post Covid-19 pandemic decrease in Diagnostic Services patient numbers.



### Revenue aligned with UN SDG 3

90.5 per cent of Medicover's revenue is aligned in support of UN SDG 3. Specifically, alignment to the two key sub-targets 3.8 and 3.4, is very strong. Target 3.8 is directly linked to achieving UHC, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all. Target 3.4 is to reduce premature mortality from non-communicable diseases through prevention and treatment and to promote mental health and wellbeing.



Aligned revenue

# 90.5%

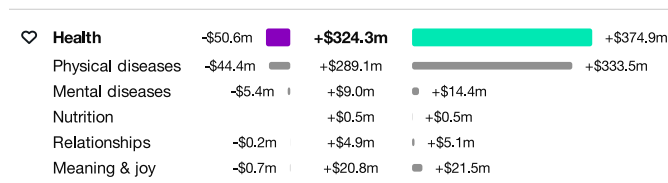
90.5 per cent of Medicover's revenue is aligned with UN SDG 3 according to the Upright Project assessment.

### Medicover's strong health impact score

The Upright Project's scientific impact model demonstrates Medicover's strong positive impact on overall health in society. The largest positive impact, physical diseases, shows how Medicover services contribute to physical health by treating physical diseases

and injuries and preventing long-term conditions. The impact is derived from all Medicover's products and services: from surgeries to specialist appointments, from diagnostic tests to vaccination services. The minor negative impact stems from potential medical complications.

The treatment and prevention of mental health problems through Medicover's psychotherapy and psychiatry services generate a positive impact in the mental diseases category, while fertility treatment services and overall work on diagnoses and treatments score a positive impact in the Meaning & joy category by improving quality of life.



Medicover's impact on global health corresponds to an annual net benefit of \$324.3m.

### Increasing healthcare funding

In 2023, Medicover channelled EUR 1,383m in non-public healthcare spending through its care services. This is a 16.5 per cent increase in funding compared with 2022 and a 77 per cent increase compared with 2020. If public funding is added, the total amounts to EUR 1,746m of public and non-public healthcare spending channelled through Medicover services in 2023.

In 2021, EUR 277m was raised under a social finance framework. The proceeds were exclusively allocated to finance projects linked to the principal social bond category: *Improving access to essential healthcare services*. All proceeds were allocated in a five-year look-back exercise. Between 2021 and September 2023, Medicover has invested EUR 325m in eligible projects<sup>2)</sup> and launched the first social commercial paper programme to be reported under the framework. All contributing to fulfilling unmet health needs.

### Improving access to quality healthcare

Investment in clinical infrastructure continues to increase, as does investment in clinical staff, with the team constantly expanding. To meet society's general health debt, Medicover continued to increase the number of services provided per patient, strategically enable full use of the competencies and skills of nurses, midwives and other clinical staff, improve patient pathways, and use analytical and predictive models and process automation solutions to make administrative processes more efficient. The lifestyle offer with gyms and programmes for healthy habits also grew.

At the end of 2023, Healthcare Services had 180 medical clinics, with the majority located in Poland and Romania. The hospital network, comprising both multidisciplinary and specialist facilities, now stands at 40, with 6,217 beds across mainly India, Poland and Romania.

<sup>1)</sup> Privacy regulations mean it is impossible to identify accurately when one individual has multiple separate relationships with different Medicover businesses, so some people may be counted more than once.

<sup>2)</sup> See the 2023 Social Finance Investor report published in December 2023.



Systematic investments in e-health and AI solutions continued. In 2023, online e-health delivered 1.9 million teleconsultations and online chats in Poland alone, covering over 60 medical specialties. Dental care has seen significant development through acquisitions and new openings in Germany and Poland.

#### Improving access to early diagnosis

In 2023, Medcover Genetics enhanced access to genetic testing for early diagnosis and disease prevention through its technology transfer platform and CE-IVD kits, empowering laboratories to conduct cost-efficient diagnostic tests across multiple disciplines.

For cancer diagnosis, the use of proprietary technology to test for known biomarkers in cell-free DNA provided fast, safe and accurate results linked to the onset and progression of specific cancers. With a simple blood draw, patients can obtain fast and accurate results to guide therapy selection for primary and metastatic disease, and treatment re-evaluation for therapy resistance. The R&D team continued its research on novel biomarkers to further improve disease onset, progression and/or therapy response for different cancers.

In 2023, Medcover in Romania worked to actively prevent oncological and cardiac diseases through early check-ups and diagnosis. A diabetes prevention programme for children imparts crucial knowledge about healthy lifestyles, laying the foundation for a healthier future.

To meet patient expectations the roll-out continued with solutions for point-of-care testing, home-testing kits and telemedicine services for remote genetic counselling – all with the purpose to enhance and increase accessibility to testing and to ensure care continuity. At the end of 2023 Diagnostic Services had 118 labs, 27 clinics and 892 blood-drawing points. Over 119 million diagnostic tests were performed in 2023.

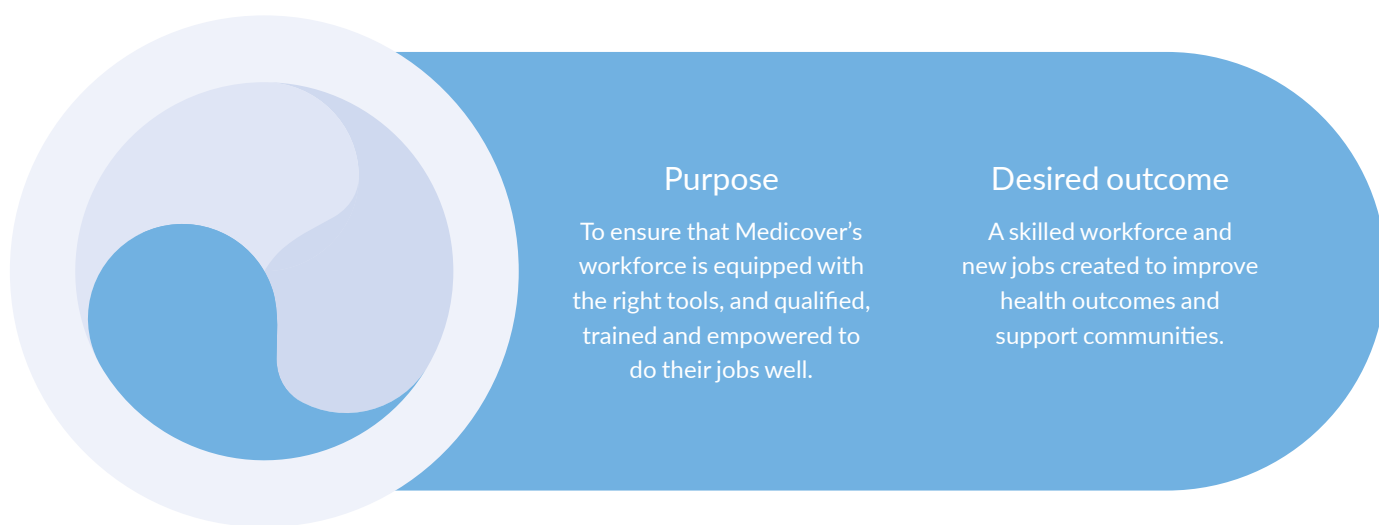
### Productivity increases with better health

It is a fact that access to quality healthcare brings measurable savings in the form of reduced sick leave. This is further confirmed by the comprehensive annual health analysis of corporate clients in Poland that are using Medcover healthcare services<sup>1)</sup>. The 2023 edition uses 2022 data from 500,717 employees of Medcover clients in Poland.

The analysis concludes that clients on average have 3.7 additional healthy and productive days per employee, compared with the general working population in Poland. This equals a productivity increase of 8,016 work years in 2023 for Medcover's corporate clients in Poland.

<sup>1)</sup> Medcover's report: 'Work, health, economy' report, speaks to the effectiveness of Medcover's combined activities, reflecting the improved quality of life of customers and, at the same time, the economic benefit to employers and, more broadly, the health benefit to society.

# People and partners



Medicovert will strive to develop its workforce and support them with the right tools and systems, mutually contributing to the World Bank's objectives in creating jobs to improve health outcomes and support communities and UN SDG 8: Decent work and economic growth.

## Scope

Our people are Medicovert's most important asset, representing the foundation for Medicovert's growth and the cornerstone of delivering quality care. Medicovert is a large private sector employer of qualified clinical staff in Europe and India.

## Purpose

Medicovert strives to develop its workforce and ensure that they are equipped with the right tools, and qualified and empowered to their jobs well. In support of the World Bank and UN SDG 8, Medicovert also creates jobs to improve health outcomes. A central KPI is the number of training hours for co-workers (see page 59).

## Main challenges and opportunities

Medicovert recognises that its business performance, growth and brand value are dependent on its ability to develop the right culture to lead and engage its employees. The competition for talent, the post pandemic wave of people leaving the medical profession and the cost-of-living crisis seen across all markets, are the main challenges that Medicovert faces.

Medicovert's continued reputation as a respected employer and provider of high-quality medical standards, offers an excellent foundation to develop its brand as an employer of choice and to further attract both clinical and non-clinical talents to the organisation. Competitive, market-based remuneration, a culture of accepting and embracing new ways of working, digitalisation and clear management principles enable us to attract and retain the right people.

**"The competition for talent continues. Our good reputation and high standards help us attract and retain the right people with the right skill sets."**

Fredrik Rågmark, CEO

## Employer responsibility principles

Medicovert has unified group HR processes, from recruitment to appraisals and leadership development. Group policies on code of conduct, anti-bribery and whistleblower steer the work. The management process follows these four principles:

1. Adhere to the Medicovert values in all we do
2. Attract, retain and develop our people
3. Create a diversified, inclusive and equal opportunities workplace
4. Ensure safe work conditions, and employee health and wellbeing

### 1. Adhering to Medicovert values in all we do

The Medicovert values are considered as a strong cornerstone to many of the key HR-related processes and provide a strong foundation for not only attracting but also retaining and recognising our people. From recruitment to performance management and to rewarding our employees and teams, the Medicovert values are the



measurement by which these processes are driven as a baseline. We continue to apply these principles in the way we acknowledge the contribution of our people in the businesses through our Annual Employees and Teams of the Year Awards. In addition, the Medcover values are used to define the performance impact of our employees in how they deliver their goals and objectives. The performance indicators are based on definitions of – *WOW, Great, Good, Below or Seriously below expectations* – and employees are measured based on these indicators.

## 2. Attract, retain and develop our people

In all of the markets where Medcover operates, there is high competition when it comes to not only attracting but also retaining staff. Differentiating ourselves from our competitors in our markets to emphasise the attractiveness that we offer as an employer is key as the war for talent continues. We strive for this through:

- Employer branding campaigns
- Target-specific recruitment
- Training & development priorities

Our main employer branding strategies and initiatives focus on modern and flexible working environments that encourage both clinical and non-clinical professionals. In 2023, a campaign in Healthcare Services in Poland was deployed specifically focusing on attracting young mothers back to work by offering them flexible working solutions and facilities (clinical and non-clinical staff).

Another example of targeted campaigns to attract people to our business was implemented in Diagnostic Services in Poland, supporting medical professionals in their return to the profession post-pandemic, with a targeted structure of mentoring and supporting them with their return to work after leaving the profession.

In Romania, to attract people to our business, a focused employer branding campaign was launched in 2023 that highlighted our attractiveness as an employer based on the following commitments:

1. We enhance the employee experience by use of technology and internal communication
  2. We increase employer branding for future medical staff through academic partnerships
  3. We develop people management competency to become employer brand ambassadors
- Medcover continues with target specific campaigns throughout 2024.

Continued professional training and development remains a priority at Medcover. Ensuring that our medical professionals maintain their professional clinical qualifications is a minimum requirement across all our markets.

Medical and nursing directors are responsible for the training provided to the clinical staff and as an organisation, we offer people opportunities to even further develop outside of their specific field. Medcover runs a multitude of continuous training programmes to enhance and support clinical and non-clinical skills and qualification enhancements and the digital learning platform provides an efficient and effective tool to support this.

Retaining and optimising the engagement levels of our people is impacted by some of the training we provide specifically to our people managers. These trainings target the development of skills within that population to enable people managers to be their best.

## 3. Diversity, inclusion, and equal opportunities

Promoting diversity, offering equal opportunities and ensuring all people feel included remain a commitment of Medcover. Healthcare Services in Poland signed up to the diversity charter (international initiative patroned by EU platform of diversity charters). The Charter is a commitment signed by employers who decide to prohibit discrimination in the workplace and work to create and promote diversity and express the company's readiness to involve

## Medcover values



Passion for quality



Teamwork



Entrepreneurship



Empowerment



Integrity



all employees and business and social partners in these activities. In parallel, we have also started communications and webinars on diversity and inclusions, focusing in 2023 on LGBT+ and employees with disabilities topics.

These topics continue to be part of the onboarding process of new co-workers who must read, sign and go through the training on the Medicover code of conduct and anti-bribery policies. Within each of these policies the Medicover values lie at the foundation of all aspects. In living these values, Medicover is committed to equal opportunities and has a zero tolerance to discrimination, bullying, sexual harassment or any other unethical behaviour and employees are continually made aware of the channels open to them to report any deviations from these standards e.g. Medicover whistleblower policy and process.

#### **4. Ensure safe work conditions, and employee health and wellbeing**

Medicover continues to monitor and adapt to the requirements of both the business and people pertaining to working environment and conditions. Flexible working policies are in place across all markets and are dependent on local operations and best practices in those markets. We continually monitor what works best for our operations, our people and their wellbeing.

Employee health and wellbeing is fundamental to people policies and activities across Medicover. In Poland throughout 2023, a new holistic employee wellbeing program was implemented for the employees. The program is based on a "Healthy workplace" concept and focuses on five pillars: medical care & prevention, sport and physical activity, mental health, healthy food and passions & entertainment and this initiative provided a broad portfolio of different activities. In Romania, the established wellbeing program continued with relevant services for our employees there.

Workplace health and safety is part of the induction training for all employees. Some countries have health & safety management systems certified under ISO 45001 and/or ISO 15189.

#### **Partners**

Medicover is closely integrated with the healthcare systems in the countries where it is present. Healthcare services are subcontracted from over 3,200 partner clinics, while Diagnostic Services provides laboratory services to over 57,000 referring clinical professionals. Many of these partners are small businesses, i.e., the number of care providers that Medicover enables, and supports is much greater than the number of employed care providers.

#### **Progress and outcome 2023**

In 2023, co-workers amounted to 45,316 in 21 countries representing 81 nationalities and 71 per cent women. This firmly establishes Medicover as a diverse company. In total we had 16,709 new co-workers 9,882 clinical and 6,827 non-clinical – joining Medicover during the year. We are also very proud to have created 3,833<sup>1)</sup> brand new positions in 2023, 3,376 in Healthcare Services and 433 in Diagnostic Services. This is a testament to Medicover's evolving and growing business.

Around 64 per cent of Medicover's co-workers are clinical staff, such as nurses, doctors and lab specialists. As an investment in the people pipeline for clinical professionals, a key performance indicator is the number of job opportunities created for clinical professionals under the age of 30. In 2023 Medicover employed 4,991<sup>2)</sup> new professionals matching that KPI. This helps with the strategy of ensuring key talent longer-term in the organisation.

Medicover continues to strive in terms of compliance and adhering to our values in all that we do. All co-workers read and sign the Medicover code of conduct and anti-bribery policy as part of their induction process into the organisation. Additionally, with the rollout of the digital learning platform, Medicover ensures that

<sup>1)</sup> Of which 24 new positions in Medicover group functions.

<sup>2)</sup> The number also includes positions that were formerly filled by the 'over 30' age structure.

co-workers are trained on the key principles pertaining to these policies and measures to be taken in case of violations (Medicover whistleblower policy). As of 2023, more than 40,000 active co-workers have signed the policies and undertaken the training.

Developing our people and updating their skills and competencies remains a priority in Medicover. In 2023, close to 484,000 hours of training was provided to employees through a range of channels offering clinical and non-clinical skills training and development. This training was delivered using different channels such as face-to-face and online training and focused on skill enhancement, personal and competency development. In 2023, the Medicover people manager academy was launched and will continue in 2024 to deliver trainings to managers across the organisation to enable them to be their best when managing their teams effectively.

#### Employee health and wellbeing

The safety, health and wellbeing of co-workers remains a focus of how Medicover operates.

With the continued war in Ukraine, Medicover's businesses there continue to prioritise safety as operations re-start and continue in that market. As an organisation, we have hired 690 new people into the businesses in Ukraine in 2023 and remain committed to helping our business and people thrive under the difficult circumstances.

In other markets, we now have established wellbeing strategies and programmes. These programmes, through different activities and channels, offer support to co-workers in the areas of medical care & prevention, sport and physical activity, mental health, healthy food and passions & entertainment with a broad portfolio of different activities.

Post Covid-19, we are starting to see a normalisation of co-worker turnover in most markets. India remains steady at 65 per cent and in other markets, we have seen a reduction from 30 per cent in 2022 to 22 per cent in 2023. The impact of target focused strategies on supporting mental health, thriving workplaces and competitive compensation is starting to be seen. In India, Medicover hospitals were awarded the prestigious Great Place to Work certificate symbolising the organisation's commitment to workplace satisfaction.

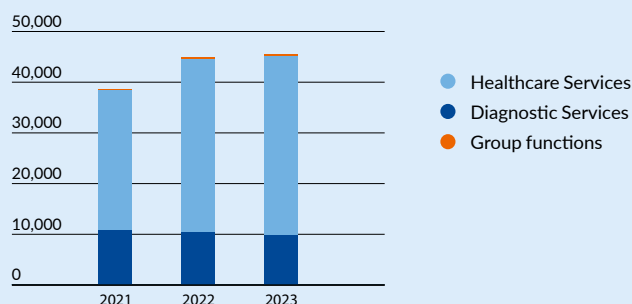
#### Working for diversity and equal opportunities

Our demonstration for having an inclusive and diverse workforce, where everyone feels equal and opportunities for all, continues through communications and webinars on diversity and inclusions. Additionally, unconscious-bias is a key element in the Medicover people manager academy, helping managers overcome their bias in the areas of recruitment, communication & team development.



# Our people in numbers

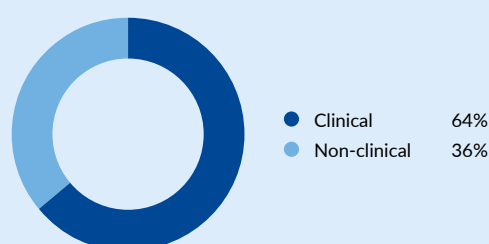
## Number of co-workers



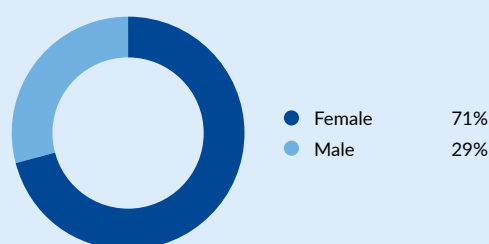
## Training hours for Medcover co-workers

Training	Hours
<b>E-learning</b>	<b>65,765</b>
Clinical	33,991
Non-clinical	31,774
<b>Induction and integration and legal requirements</b>	<b>100,195</b>
Clinical	56,031
Non-clinical	44,164
<b>Level I: Skills and competencies</b>	<b>183,598</b>
Clinical	109,859
Non-clinical	73,739
<b>Level II: Qualification enhancement</b>	<b>83,904</b>
Clinical	57,178
Non-clinical	26,726
<b>Level III: Personal development</b>	<b>50,434</b>
Clinical	28,022
Non-clinical	22,412
<b>Total number of training hours</b>	<b>483,895</b>

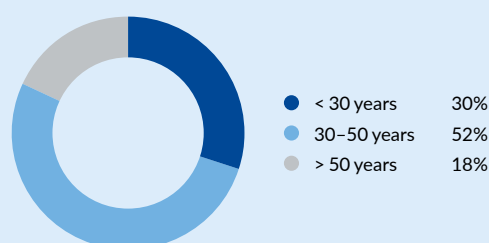
## Co-workers by category



## Co-workers by gender



## Age structure



## Injuries

	2023	2022	2021	2020
Number of fatalities as a result of work-related injuries	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities) <sup>1)</sup>	0	2	0	0
Number of recordable work-related injuries	198 <sup>2)</sup>	124	120	98

<sup>1)</sup> Work-related injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

<sup>2)</sup> The increase relates to minor injuries in the dental business.

## Management by gender

	Female	Male
Executive management team	14%	86%
Divisional/Group senior management	30%	70%
Country senior management	48%	52%
Director	47%	53%
Manager	58%	42%
<b>All management</b>	<b>55%</b>	<b>45%</b>

## Voluntary turnover, moving annual total

	2023	2022	2021	2020
Female	30%	36%	23%	19%
Male	33%	36%	28%	23%
<b>Total</b>	<b>31%</b>	<b>36%</b>	<b>25%</b>	<b>20%</b>

The high level of voluntary turnover is largely driven by turnover in India, where the primary reasons for resignations are returning to education or personal/family reasons.



# Prevention and education



Medicover strives to help people stay healthy by promoting prevention and early detection as well as contributing through outreach programmes and educational initiatives, aimed at improving health outcomes. These activities mutually contribute to the World Bank's UHC, communities, and UN SDG 4.

## Scope

A fundamental feature of any health, wellbeing and healthcare organisation must be to assist its customers in sustaining good health, and to restore them to good health and quality of life if they become ill. One of the principal reasons for the rising cost of healthcare around the world, in addition to growing numbers of elderly people, is the burden of chronic disease, much of which is caused, at least in part, by a near epidemic of obesity and poor physical fitness. Other factors include smoking, drug taking, alcohol misuse and stress, which is a contributing factor to mental disorders, as well as a burnout.

It has been estimated that more than two-thirds of the potential reduction in the global disease burden from known interventions would come from environmental, social, behavioural and preventative interventions. This illustrates the importance of prevention and education.

## Purpose

The purpose is to actively support the reduction of society's disease burden by helping people stay healthy and improve health outcomes.

## Main challenges and opportunities

Over the past century, vaccines, antibiotics, sanitation and nutrition have doubled life expectancy. This has been a powerful catalyst for economic growth. However, the increase has not been matched by a fully corresponding quality of life. Data shows that the increase is slowing down, but more importantly it also shows

that a large proportion of the life expectancy gain is years of poor health, meaning we live longer but without the ability to carry out normal functions of daily living and live a full life.

Post Covid-19, the topic of health is now part of economic growth discussions. Poor health reduces economic potential by keeping people out of the workforce, reducing productivity and lowering earning potential. And the opposite applies to people following a healthy lifestyle at an early age to avoid developing lifestyle diseases over time.

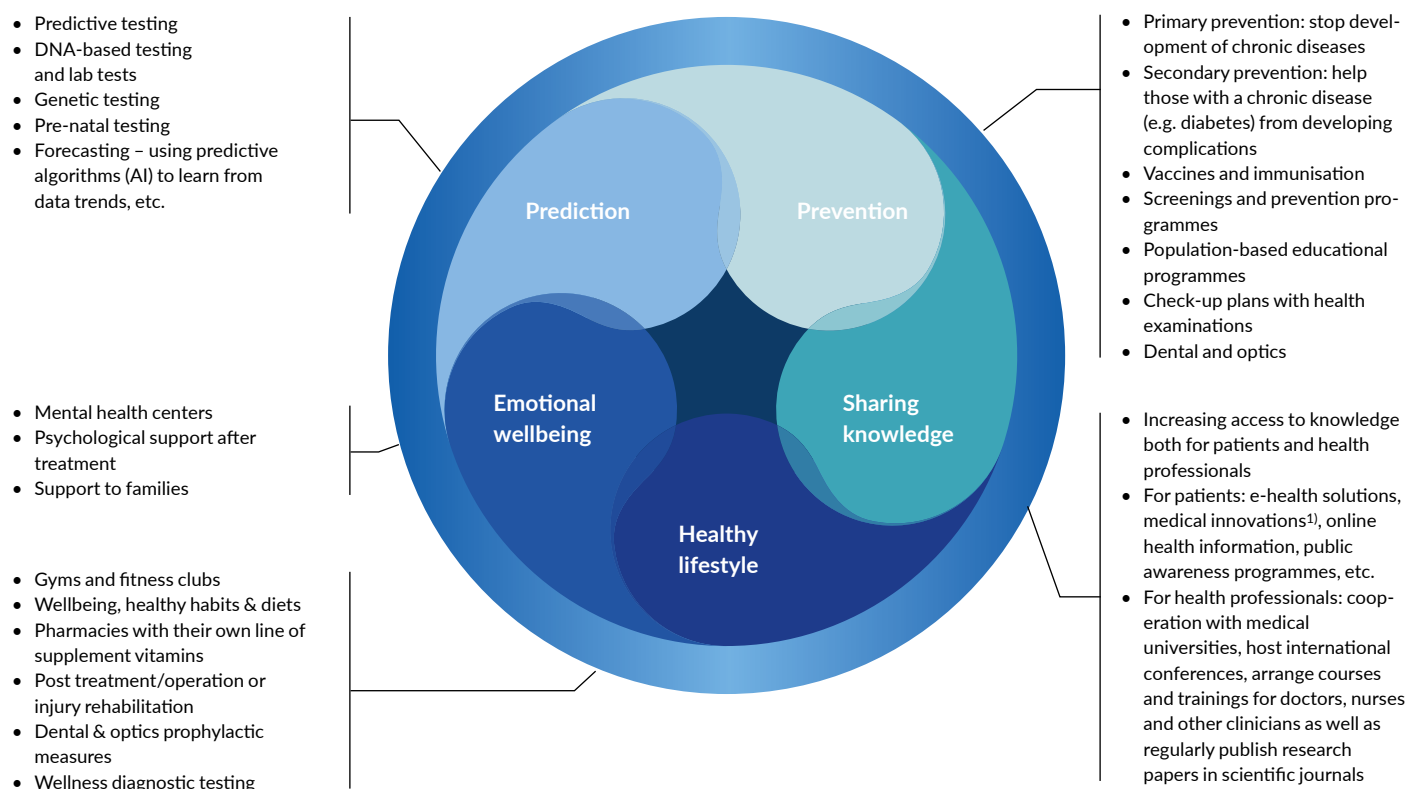
The market trends are strong: an increased focus on prevention and early detection, growing health and wellness awareness, and the expansion of personalised and precision medicine. Meanwhile, the prevalence of chronic diseases continues to increase.

## Management principles

Working at Medicover entails having a positive impact on people's lives. Preventive care and health promotion are well-integrated into Medicover's services to all customers. Medicover works diligently to ensure skills development for its staff and partners, so that these in turn may support customers and society at large to stay healthy.

## Helping people stay healthy

To help people stay healthy Medicover offers health promotion programmes (e.g., covering obesity, mental health, burnout), screening tests for groups at increased risk (such as cervical cancer or prostate cancer), outreach programmes to raise awareness, early detection tests and solutions for maintaining a sensible diet and



physical activity level. The model above shows core elements of this prevention and education area.

In Diagnostic Services, with laboratory tests in all major clinical pathology areas, customers are clearly seeking ways to learn and gain awareness of personal risk factors for developing a given disease, and this is driving a shift towards advanced diagnostic and genetic testing.

The other trend, specifically in focus for Healthcare Services, is the rise in healthy lifestyles, increasing the need for gyms, nutrition habits, emotional wellbeing and dental and optics prophylactic measures.

## Progress and outcome 2023

### Prediction

Medicover Genetics' R&D team has continued to pioneer advanced predictive testing with genetic tests and designs to develop advanced genetic tests for the screening and early detection of genetic alterations that could lead to diseases. The test portfolio now includes NIPT, oncology, reproductive health, and neonatal and postnatal genetic testing. In the area of cancer diagnostics,

<sup>1)</sup> E.g. Magnetic Resonance-guided Focused Ultrasound (MRgFUS) and the da Vinci-robot.

<sup>2)</sup> PAP: a procedure to test for cervical cancer in women. PSA: blood test to help detect prostate cancer. WES: Whole Exome Sequencing, sequences the complete coding region of the genome.

<sup>3)</sup> Source [www.who.int/health-topics/cancer](http://www.who.int/health-topics/cancer)

Medicover Genetics uses its proprietary technology to identify known biomarkers in cell-free DNA circulating in the blood that correlate with disease onset and/or progression of certain cancers. With a simple blood draw, patients diagnosed with cancer can obtain fast, safe and accurate results that can guide therapy selection for primary and metastatic disease, as well as treatment re-evaluation for therapy resistance.

The estimated number of disease screenings and early detection tests for cancer (PSA, PAP, WES<sup>2)</sup>, pathology tests) in Poland, Ukraine and Romania in 2023 was around 1.8 million. Furthermore, the R&D team has continued its research on novel biomarkers to further improve cancer screening and prognosis.

### Prevention

Medicover in Romania was actively engaged in the prevention of oncological and cardiac diseases through early check-ups and diagnoses. A children's diabetes prevention programme was also launched in Romania, laying the foundation for a healthier future, and a programme oriented towards health assessment and lab tests was provided for individuals in remote areas of Romania lacking medical assistance.

Cancer is the second main cause of death in the whole world after cardiovascular diseases, and the percentage of people suffering from cancer is increasing significantly<sup>3)</sup>. Poland is no exception, and the Covid-19 pandemic led to a reorganisation of the health-care system, which disrupted oncological care. Against that backdrop and challenging situation, Medicover Poland developed an

oncological prevention and care programme<sup>1</sup>). Launched in 2023, the programme has the objective of broadening public awareness and knowledge in Poland, allowing more people to stay informed to navigate this complex issue, including how to start comprehensive and coordinated treatment right away.

Approximately 100,000 people in Poland suffer from Parkinson's disease (PD). Tremor, one of several symptoms of this progressive neurological disease, particularly lowers the patient's quality of life and affects 75 per cent of patients. Another similar condition, essential tremor (ET), characterised by both hands shaking, occurs ten times more frequently than PD and may also appear in young people. In February 2023, Medicover's hospital in Warsaw became the first private medical facility in Poland to offer the MRgFUS treatment<sup>2</sup>, which allows for treatment of ET and PD. The non-invasiveness and high degree of the safety of the treatment make it a groundbreaking alternative to surgical methods and pharmacotherapy, which have been used to treat tremors until now.

The same hospital regularly performs operations assisted by the da Vinci robot for the treatment of endometriosis, colorectal cancer and prostate cancer.

In Poland and Romania Medicover provided over 26,000 health screenings as well as over 455,000 occupational health examinations in 2023.

### Healthy lifestyle

Medicover continued to grow and strengthen its healthy lifestyle offer during the year. The aim is to be a B2B partner in supporting employee health, safety and commitment. The holistic combination of medical and sports packages, benefit platforms and tailored diets lies behind the dynamic growth in the sports & fitness sector. With the B2B healthy company concept, Medicover advises companies on dedicated solutions in all areas of employee health – from physical and mental to social health. The concept encompasses medical

**“For Medicover, actively supporting the reduction of society's disease burden and harnessing the opportunities in the business model are both a purpose and an opportunity.”**

Fredrik Rågmark, CEO

care and prevention, sports and physical activity, mental health, nutrition and diet, hobbies and entertainment and a dedicated HR platform.

With its lifestyle medicine concept, Medicover focuses on raising awareness of healthy daily habits, prevention of lifestyle diseases and their effective non-pharmacological treatment.

To further increase knowledge, Medicover organises certification training conducted by the Polish Society of Lifestyle Medicine. As a result Medicover doctors in various specialisations have acquired new qualifications, including family medicine, internal diseases, endocrinology, diabetology, paediatrics and orthopaedics.

### Emotional wellbeing

Medicover's Mind Health mental health centres are growing steadily in Poland, and there are currently 16 mental health centres and one psychiatric hospital. The centres provide comprehensive support in various types of challenges, such as depression, addictions and chronic stress. They have a holistic approach and place emphasis on cooperation between psychologists, psychotherapists and psychiatrists.

The Mind Health psychiatric hospital in Warsaw offers comprehensive assistance in line with the latest medical knowledge. The

<sup>1</sup> <https://www.medicover.pl/en/cancers>

<sup>2</sup> Magnetic Resonance-guided Focused Ultrasound





hospital provides specialised treatment in a clinical psychiatric ward and an addiction treatment ward. It was opened as the first private psychiatric hospital in Poland with mental healthcare services in the field of general psychiatry, psychological diagnostics and addiction psychotherapy, and is open 24/7.

In 2023, Mind Health launched an “OFF SCREEN” social campaign to raise awareness about how social media shapes users’ self-perception. As part of the campaign, Mind Health opened a free telephone line with a dedicated psychologist.

### Sharing knowledge

Medicover is highly active in promoting and raising awareness of health issues in general but particularly those pertaining to genetic diseases. Over the past year, Medicover has become a trusted partner in knowledge-sharing, offering an extensive range of training to healthcare professionals, including advanced genetic counselling training. Increasing the number of specialists providing genetic counselling contributes actively to improved patient care, leading to a better quality of life for our customers.

In 2023, Medicover Genetics authored and contributed to three peer-reviewed publications in prestigious scientific journals, underscoring the company’s commitment to groundbreaking research and contribution to scientific discourse. It also collaborated with the ministry of health in Cyprus on national epidemiological studies, and initiated a nationwide essay competition on DNA.

In Romania, Medicover continued to offer training programmes to healthcare professionals and hosted the annual Synevo Days event, bringing together more than 600 medical professionals from all over the country. It also partnered with NGOs<sup>1)</sup> and government agencies to develop several social projects under the umbrella name Community Solutions. Ten projects have been granted €15,000 each by Medicover, translating into a social impact of

reaching 100,000 individuals in Romania benefitting from support in healthcare, environment and education.

In Germany Medicover held 35 external webinars covering clinical and laboratory focused topics, as well as hosting several on site symposia, such as the IMD congress and the Medicover Symposium Gynecology. In 2023, Medicover trained over 3,500 doctors in Germany.

To support internal knowledge sharing between medical doctors and scientists Medicover in Germany held monthly online focus-groups throughout the year, drawing over 80 participants on average. In addition, there were over 40 webinars and tutorials training over 450 nurses and technicians.



The annual Synevo Days, bringing together more than 600 medical professionals from all over Romania.

<sup>1)</sup> Non-governmental organisations



# Care for the environment



A healthy planet is as important as a healthy population. Immediate actions are needed to support a stable planet by minimising negative impacts. Medcover is committed to the Paris Agreement and strives to minimise its environmental impact in support of UN SDG 13.

## Scope

A healthy environment is a prerequisite for human health and wellbeing. Medcover is committed to playing its part in the achievement of UN SDG 13. Medcover's mission to improve access to care means that its growth is mostly in markets where current access to healthcare is relatively weak. These are often markets that still tend to be more reliant on fossil fuels.

## Target

Medcover is committed to decarbonising its business activities in line with the Paris Agreement and completing the transition to a net zero business by 2050. The first step is the current 2030 target: -50 per cent CO<sub>2</sub> in scope 1 and 2 per EURm revenue, compared to 2020.

## Main challenges and opportunities

With a risk-based approach, it is vital to recognise that hospitals, clinics, and laboratories need energy to operate healthcare and diagnostic services. Potential power cuts and energy shortages are managed with hospitals and critical clinic facilities being exempt from power cuts. To bridge any short blackouts, backup energy generators are used for operations continuity in critical facilities.

To understand and manage its environmental impact, Medcover screens its activities according to the greenhouse gas (GHG) protocol standard. Most of its carbon footprint stems from supply chain emissions, i.e., scope 3. Next comes the use of energy in facilities, scope 2. Scope 1 is the smallest category. The negative impact from energy usage is linked to the use of fossil sources in local energy

grids. However, most of Medcover's operations are in countries committed to a roadmap aligned with the Paris Agreement, i.e., a transition to renewable energy sources to reduce emission volume. If national governments keep to their commitments, Medcover will be able to transition in tune with that change.

Another area of industry-related impact is waste and water management. Both areas are strictly regulated for healthcare and diagnostic services in all Medcover markets and will be reported on according to the EU's corporate sustainability reporting directive (CSRD). Risks related to climate change mitigation and adaptation are described in the risk management report on page 86–94.

## Management principles

Medcover's environmental and climate change policy aligns to the Paris Agreement with five priority principles:

- Conduct all activities in compliance with relevant environmental legislation and regulations.
- Consider environmental opportunities and risks when making business decisions.
- Monitor, measure and seek to reduce emissions and pollution from operations.
- Follow a sustainable energy model based on efficiency and renewable energy sources where available.
- Seek to minimise the indirect environmental impact of Medcover throughout its value chain.

## Climate change mitigation

The objective of Medcover's green roadmap is to decarbonise while maintaining growth in care services. To be able to decarbonise strategically, several steps are considered.

The first priority is to shift to, and increase the use of, green and renewable energy in operations. With the falling cost and rising competitiveness of wind power, solar farms and other clean energy sources, combined with a rise in energy prices, this will become easier over time.

The second priority is to raise internal awareness so that employees understand why and how environmental impacts arise from Medcover operations in each division and country. Equally important is to report quality data for comparability on performance measurement. A new sustainability data management system ready to use in 2024, will support performance tracking.

The third step concerns the supply chain, as it represents the largest emission source for Medcover, albeit indirect. Those emissions come mainly from pharmaceuticals and reagents used to provide healthcare and diagnostic services. It is important to establish strategic collaboration with key suppliers to support their mitigation activities.

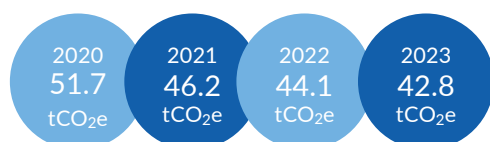
Management of water and waste is also on Medcover's agenda. In the waste category, the main impact arises from medical and possibly infectious waste (such as discarded gloves or body fluids) created in the various types of medical operations and procedures. This waste is strictly regulated by authorities and controlled by legal bodies in all Medcover markets. However, Medcover recognises that, with the upcoming CSRD, it is an area that needs to be tracked with indicators to be able to report on the activities according to future standardised metrics.

## Progress and outcome 2023

### Target outcome

Progress on the 2030 target resulted in a 17 per cent reduction compared with the 2020 baseline. Healthcare Services' share of emissions in Scope 1 and 2 was 80 per cent, while Diagnostic Services' share was 20 per cent.

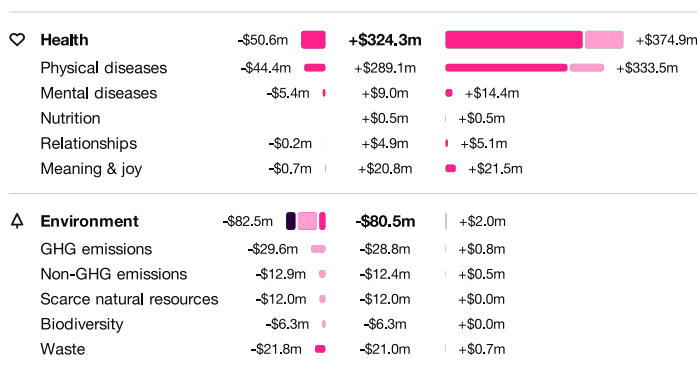
The largest challenge within scope 2 emissions is the strong expansion of healthcare and diagnostic services in regions which need more healthcare but, at the same time, have a high share of fossil energy in its national energy grid, such as India and Poland. Medcover is seeking to mitigate this with green energy procurement when possible. Of the total scope 2, renewable electricity represents approximately 11 per cent in 2023.



CO<sub>2</sub>e in scope 1 & 2 per EURm revenue.

## Environmental impact

There are always trade-offs being made in a business. Medcover's environmental impacts are modest relative to its other impacts. With the full value chain impact modelling provided by Upright, it is possible to visualise comparable data on the positive value creation from the healthcare and diagnostic services, versus the related negative environmental impacts. The comparison provides an important perspective for any stakeholder interested in having a deeper understanding of impact magnitudes.



Medcover's impact on health and environment along the value chain. Light pink represents upstream, black is internal and dark pink is downstream.

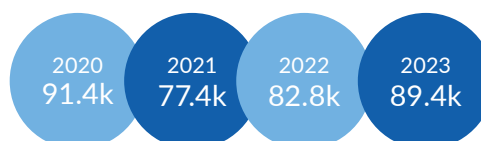
## Medcover's environmental and climate change policy

Medcover operations followed the policy along with relevant environmental legislation and regulations including responsible waste and water management. Environmental opportunities and risks are being considered in business decisions. With the implementation of a sustainability data management system, Medcover has established a common methodology based on an integrated reporting standard and frameworks for measuring, monitoring and identifying activities for climate change mitigation. Working on sustainable energy models, and gaining energy control and energy efficiency is a priority. Refer to the Taxonomy report on page 72 for information on 2023 capital expenditure.

## Energy intensity

An ongoing challenge for Medcover is that its facilities are mostly leased and for many rental agreements energy is incorporated as part of the agreement. This results in qualified estimations on actual kWh volume. Gaining control over actual consumption data is work in progress for those specific lease agreements.

The main factor for the increase in energy intensity is that Medcover has increased its capacity (facility space in m<sup>2</sup>) and that space is not yet fully utilised. As the space is utilised the revenue increase will catch up and energy intensity will fall.



kWh consumption in scope 1 & 2 per EURm revenue.

### Scope 3 emissions

In 2022, Medcover started its screening of supply chain emissions. The screening was based on a spend analysis identifying Medcover's most relevant and material categories. The same spend assessment process was followed for the 2023 inventory, covering at least 90 per cent of Group's purchases<sup>1)</sup>. The spend categories were then mapped to the respective GHG Protocol Scope 3 categories, using 2022 emission factors.

The outcome shows that scope 3 represents 83 per cent of Medcover's total emissions in 2023. The most material category continues to be Purchased goods and services: 82 per cent. Within that category, there are two main sub-categories: pharmaceutical products (used in healthcare): 37 per cent and reagents (used in laboratories): 29 per cent.

## 2023 case stories



### Over 3,000 trees planted

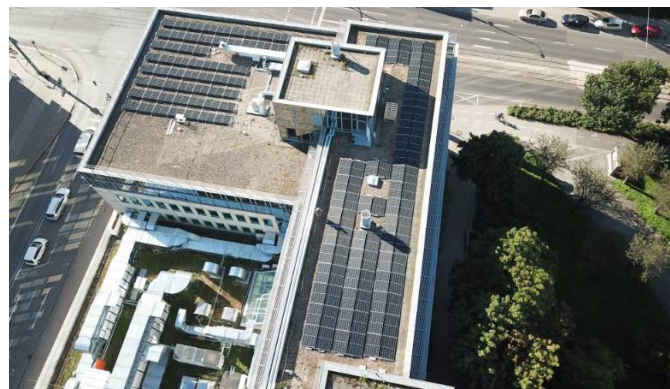
The Saale Hospital Calbe in Germany planted over 3,000 trees in the UNESCO World Heritage Garden Kingdom of Dessau-Wörlitz, Saxony-Anhalt. 2,300 oaks, 620 fluttering elms, and 400 winter lime trees were planted. The initiative contributes to the reforestation of approximately 600 hectares of forest over the next decade.



### 246 solar panels power Greifswald lab

The IMD Labor Greifswald lab is an accredited leading provider of advanced diagnostic laboratory services in Germany, offering more than a thousand routine and specialised analyses covering all major areas of expertise in laboratory medicine, transfusion medicine, microbiology, virology, mycology and parasitology.

A major investment and installation of 246 roof top solar panels was done in 2023. Projections on panel output amount to 99.63 kWp<sup>2)</sup>. This should enable the lab to generate 25 per cent of its electricity need from green and renewable energy sources. EMAS<sup>3)</sup> certification is scheduled for 2024.



### Running on 100 per cent renewable energy

IMD Labor Oderland converted a 4,000 m<sup>2</sup> bank building into a state-of-the-art modern large scale automated diagnostic laboratory. The new lab is equipped with the latest technology and infrastructure, such as hosting the first automated laboratory line for microbiology "BD Kiestra" in Germany. The original lab holds an EMAS certification since 2008.

The lab's green transition investments include an air conditioning and ventilation system that uses CFC-free technology<sup>4)</sup>, a pure water-cooling system<sup>5)</sup> that is the first of its kind in Europe, as well as pioneering a heat pump that operates on propane gas, eliminating the need for traditional harmful refrigerants. The new lab is run on 100 per cent certified renewable energy, with 162 solar panels (65kWp) generating up to 10 per cent of the lab's total electricity need.



### Solar power plant in Romania

Medcover Cluj Hospital in Romania installed a solar power plant on the hospital's technical platform. The plant is expected to generate an estimated 117.5 MWh annually, powering up to 9 per cent of the hospital's annual electricity need.

<sup>1)</sup> Excluding accounts with no bearing on GHG Protocol scope 3 categories.

<sup>2)</sup> Watt peak. The rate at which solar panels generate energy at peak performance.

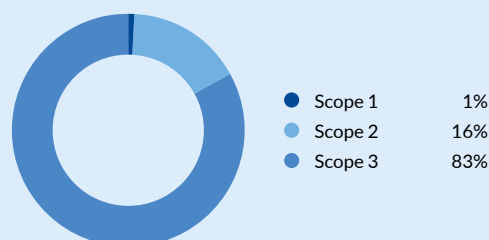
<sup>3)</sup> European Eco-management and audit scheme

<sup>4)</sup> Free of environmentally harmful refrigerants, i.e. those with global warming potential.

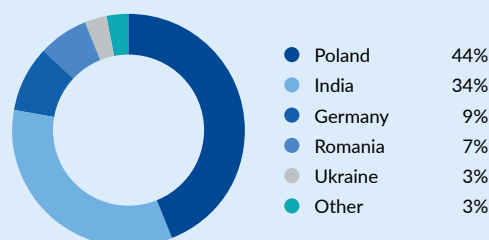
<sup>5)</sup> Locking in efficiency and energy savings, reduced carbon footprint, space efficiency, reduced maintenance, longer equipment lifespan, silent operation and heat recovery potential.

# Carbon accounting 2020–2023

Breakdown of share of emissions in scope 1, 2 and 3, 2023



Emissions by country in scope 1 and 2, 2023



Breakdown of share of scope 3 emissions in the most material categories, 2023



Breakdown of share of emissions in the scope 3 category: purchased goods and services, 2023



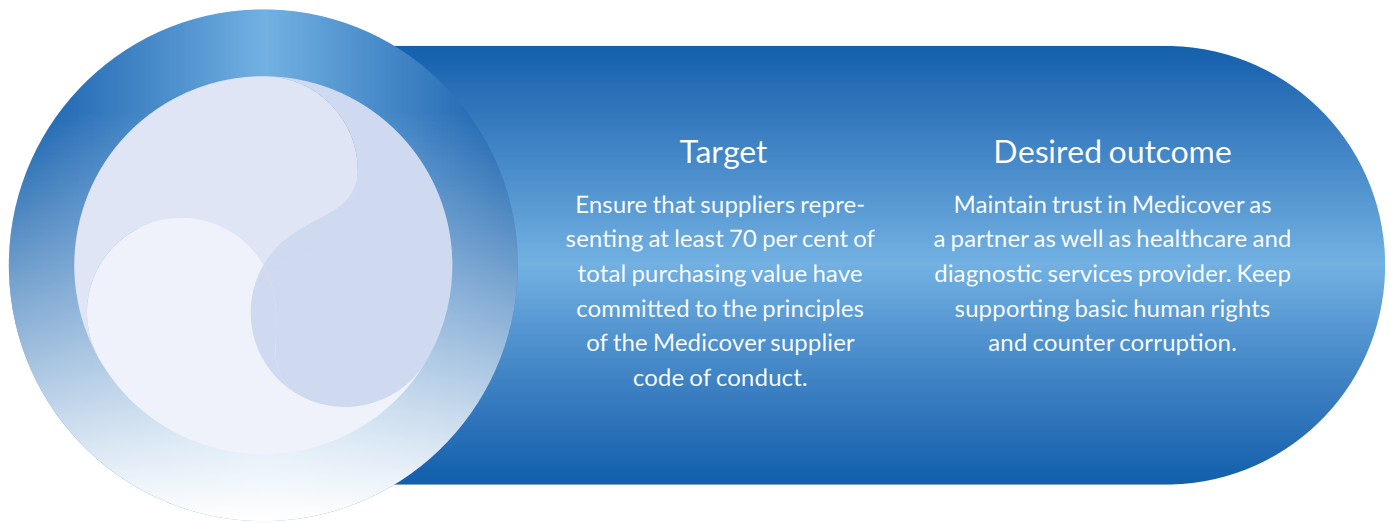
Emissions in numbers, according to the GHG protocol

Category	Description	Unit	2023 <sup>1)</sup>	2022	2021	2020
Emissions intensity	CO <sub>2</sub> e in Scope 1 & 2/EURm revenue	tCO <sub>2</sub> e/EURm	42.8	44.1	46.2	51.7
Energy intensity	Energy consumption/EURm revenue	kWh/EURm	89,373	82,788	77,401	91,400
Scope 1	Direct GHG emissions, scope 1	tCO <sub>2</sub> e	5,762	6,773	4,997	4,928
Scope 2	Indirect GHG emissions, scope 2	tCO <sub>2</sub> e	69,027	59,791	58,612	46,602
Energy use	Total energy consumption	MWh	156,080	125,027	106,613	91,147
Scope 3, category 1	Purchased goods and services	tCO <sub>2</sub> e	294,185	262,937	341,767	-
Scope 3, category 4	Upstream transportation and distribution	tCO <sub>2</sub> e	22,360	19,301	21,735	-
Scope 3, category 2	Capital goods	tCO <sub>2</sub> e	9,944	9,387	21,760	-
<b>Total scope 1 &amp; 2</b>	<b>GHG emissions in scope 1 &amp; 2</b>	<b>tCO<sub>2</sub>e</b>	<b>74,789</b>	<b>66,564</b>	<b>63,609</b>	<b>51,530</b>
<b>Total scope 3</b>	<b>GHG emissions in scope 3</b>	<b>tCO<sub>2</sub>e</b>	<b>360,036</b>	<b>314,820</b>	<b>390,857</b>	<b>N/A</b>
<b>Total all scopes</b>	<b>GHG emissions, all scopes</b>	<b>tCO<sub>2</sub>e</b>	<b>434,825</b>	<b>381,384</b>	<b>454,466</b>	<b>N/A</b>

<sup>1)</sup> Medicover uses a third-party supplier for its calculations of emissions in Scope 1 and 2. Approximately 40 per cent of consumption data was estimated based on internal benchmarks. For scope 3 in 2023, calculations were based on 11 months actual spend, and one month extrapolated spend. Belarus operations excluded in scope 1 and 2.



# Governance and business ethics



The way Medcover works is as important as the results achieved. Robust, effective governance is key to ensuring that the organisation delivers on its promises. This also reflects the support for UN SDG 16.

## Scope

The way Medcover works is as important as the results achieved. The organisation must be open, ethical, inclusive, accountable and effective to be deserving of trust at all times. This also reflects the support for SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

## Target

Ensure that suppliers representing at least 70 per cent of Group purchasing value have committed to the principles in the Medcover supplier code of conduct, either by signing Medcover's code or committing to follow an equivalent code.

## Main challenges and opportunities

In the risk-based approach, Medcover acknowledges that any successful healthcare company is dependent on its ability to deliver high-quality care to maintain the trust of patients and stakeholders. It is therefore important to recognise that addressing old and new risks and opportunities is an ongoing process. As Medcover operates in many different countries and cultures, a harmonised approach is needed to ensure the same minimum standards when addressing the most material sustainability governance topics: business and medical ethics, corruption and cybersecurity.

## Management principles

Robust, effective governance with the main group policies is key to ensuring that the organisation delivers on its promises. The tone from the top, risk awareness, policies signed and communicated, training, zero tolerance to infringements and unethical behaviour and proactive compliance are all common minimum standards. All reported incidents are to be appropriately addressed and managed.

The Medcover Code of Conduct (MCoC) is the foundation of the governance approach. The MCoC includes our commitment to employees and other key stakeholders, as well as the ethical standards expected of everyone working at Medcover. It also provides guidance in sound decision-making.

Also integrated into the governance approach is the effective and dynamic risk management process, the backbone of a robust governance structure. The continuous process identifies, assesses, measures, manages and monitors company risks. Relevant risks are addressed contextually throughout the sustainability report. More information on the corporate governance report and the risk management report can be found on pages 95–103 and 86–94.

## Sustainability governance

The governance of Medcover's sustainability model, strategy and roadmap are set and managed by the board's sustainability committee. See further description on page 50.

## Business ethics

Medicover has zero tolerance for corruption and bribery. The company operates in some countries that score low on the Transparency International's Corruption Perceptions Index. Its anti-bribery policy, which applies to all employees, expands on the principles in the MCoC. The anti-bribery and anti-corruption e-learning is tailored specifically to the business and is focused on key risks identified during group-wide risk-mapping.

## Governing codes of conduct

Medicover has three codes of conduct. The first one is the MCoC, which covers all co-workers and specifies our commitment and responsibilities regarding international and fundamental principles on human rights, labour rights, the environment and the fight against corruption. The MCoC is an integral and obligatory element in onboarding employees into the organisation. It is standard practice for all new employees to read and sign the policy and this is an important step in the process of joining Medicover. To maintain the code's living culture, training is provided across all markets where the learning management system is implemented.

The second code is Medicover's code of medical ethics. All clinical staff are required to provide care in accordance with it, supplemented where necessary by additional more detailed codes (e.g., fertility services, clinical genetics). The code is based on the four main ethical principles existing in modern medicine: do no harm, beneficence, autonomy and justice. It covers all clinical professionals employed or contracted by Medicover and clearly states all responsibilities.

The third code is Medicover's Supplier Code of Conduct (SCoC), which embeds the same principles as the MCoC. All suppliers are expected to comply with the code or alternatively demonstrate their own code that reflects the same principles as Medicover's code.

Medicover's commitments are further set out in the environmental and climate change policy, the anti-bribery policy and the whistleblower policy. All key policies are publicly available online in 14 languages. In the event of discrepancy between a Medicover policy and local law, the stricter shall prevail.

## The whistleblower policy and channel

All employees are encouraged to report serious wrongdoing related to the business activities of Medicover or the life or health of individuals. Concerns can be raised to the employee's managers, division heads, HR or legal representatives, or through the Medicover whistleblower channel, a system provided by a third-party supplier. Concerns about serious wrongdoings can be raised anonymously

and are promptly investigated. Anyone raising concerns in good faith is protected against retaliation under the Medicover whistleblower policy.

## Information and cybersecurity governance

Medicover builds redundancy and robustness in its IT systems, with a high focus on security and protection against external and internal threats. Information and cybersecurity governance is led by the chief information security officer, who reports to the Chief Information Officer (CIO). The CIO is part of executive management and presents regularly to the board. The cybersecurity council, with representatives from key business units, coordinates and harmonises work on increasing the maturity level in cybersecurity. The state of cybersecurity is monitored with dedicated key risk indicators, regularly measured, reported to management, followed up and improved.

With increased digital care and cloud-based solutions, the demands on information and cybersecurity are increasing. Regulatory requirements for data protection and cybersecurity resilience have been constantly increasing in recent years. Functioning processes and systems are of the utmost importance. Medicover has a comprehensive management system for information security that covers the entire Group and is based on ISO 27001. Several of Medicover's subsidiaries are certified under the standard.

Medicover entities in certain markets are subject to the NIS<sup>1)</sup> directive and have successfully implemented the relevant requirements. Medicover entities are currently working on alignment with NIS2 directive requirements. The directive is expected to be implemented in local legislation in late 2024 and will be applicable to the largest entities.

Medicover information security policy and Medicover personal data protection policy have been implemented to ensure that the highest cybersecurity and data privacy standards are followed by



<sup>1)</sup> The directive on security of network and information systems, which sets standards for critical infrastructure providers in EU.



employees across the Group. Procedures for handling security incidents and breaches are in place and include reporting to authorities as required by relevant regulations.

## Progress and outcome 2023

### Medicover supplier code of conduct

The roll-out of the SCoC, which started in 2020, has continued in 2023, reaching all markets where Medicover operates. As of 2023, suppliers representing 89 per cent of purchase value of the 10 largest suppliers in each market have committed to the principles of the code, either by signing Medicover's code or committing to adhere to an equivalent code. Progress against the main target, that suppliers representing 70 per cent of total purchase value have committed to the code or an equivalent code, now stands at 46 per cent, which represents a commitment from 1,695 suppliers.

### Medicover code of conduct

At year-end 2023, over 40,000 co-workers had signed the MCoC, and with the continuing roll-out, Medicover will ensure that current and future employees have an even better understanding of the policy. A clear majority of Medicover's employees are already committed to the MCoC, and the Group continues to roll out e-learning for all.






### Information and cybersecurity

Medicover continues to increase its maturity in cybersecurity and data privacy. During the year, cybersecurity standards and technologies have been consistently updated and rolled out to newly acquired businesses. Based on the risk assessment and recommendations from the incidents, countermeasures are regularly assessed and updated. A central security operation centre monitors and reacts to security incidents 24/7. The cybersecurity key risk indicators are implemented to monitor the state of cybersecurity and privacy.

During 2023, Medicover has significantly improved vulnerability management, data protection and authentication controls. Medicover has established a personal data protection policy and standards which ensure consistent standards for data protection and privacy. The Group is currently working on implementation of binding corporate rules to ensure lawfulness of data transfer among Medicover entities.

# Measuring our impact

Key performance indicators are grouped according to Medcover's sustainability framework. The KPIs have been reported on since 2020 and offer four years of comparable data for transparent reporting on progress.

	Care provision	2023	2022	2021	2020	Variance from 2020 baseline	
							%
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>Increase healthcare funding and improve access to healthcare and early diagnosis</b>						
	Non-public healthcare spending channelled through Medcover	EUR 1,383m	EUR 1,187m	EUR 1,095m	EUR 781m	↑	77%
	Total number of people receiving services in: Diagnostic Services	10 million	11 million	12 million	9 million	↑	
	Healthcare Services	>7 million	>6 million	>4 million	>3 million	↑	
	Growth in number of facilities in Healthcare Services	+23	+196	+98	+39	↑	
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	Growth in number of BDPs in Diagnostic Services	+16	+24	+119	+63	↑	
	Productivity increase for Medcover's corporate clients in Poland through care provided to their employees <sup>1)</sup>	8,016 work years per annum	7,097 work years per annum	8,370 work years per annum	5,870 work years per annum	↑	
	<b>People and partners</b>						
	<b>Workforce equipped, trained and empowered to perform well</b>						
	New employment opportunities created for clinical professionals under the age of 30	4,991	4,854	5,460	4,078	↑	
 <b>4</b> QUALITY EDUCATION	Number of clinical staff using Medcover's systems to interact with patients or check diagnostic results	30,144	30,947	27,285	23,598	↑	
	Number of training hours provided to co-workers	483,895	340,370	274,000	185,000	↑	162%
	<b>Prevention and education</b>						
	<b>People lead healthier lives</b>						
	Number of diagnostic tests provided	>119 million	>119 million	>133 million	>103 million	↑	16%
 <b>13</b> CLIMATE ACTION	Number of schoolchildren who have participated in Medcover sponsored health education or screening in Poland and Romania over the last 10 years	317,470	222,800	203,000	158,000	↑	
	Number of times a Medcover site was accessed for free healthcare information	232 million	156 million	170 million	94 million	↑	
	<b>Care for the environment</b>						
	<b>Minimise environmental impact<sup>2)</sup></b>						
	Energy consumption in scope 1 & 2/EURm revenue	89,373 kWh	82,788 kWh	77,401 kWh	91,400 kWh	↓	
 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	GHG emissions in scope 1 & 2/EURm revenue	42.8 tCO <sub>2</sub> e	44.1 tCO <sub>2</sub> e	46.2 tCO <sub>2</sub> e	51.7 tCO <sub>2</sub> e	↓	17%
	<b>Governance and business ethics</b>						
	<b>Open, inclusive and ethical at all times</b>						
	Number of active co-workers who have signed the Medcover code of conduct and anti-bribery policy	More than 40,000	More than 32,000	More than 28,000	More than 16,000	↑	150%
	Number of Medcover suppliers who have signed the supplier code of conduct	1,695	927	570	253	↑	

<sup>1)</sup> The number of productive days is based on absenteeism and presenteeism of Medcover's clients in Poland compared with the general working population for seven of the most common reasons for sick leave.

<sup>2)</sup> The environmental metrics and other non-financial metrics in this report cover all of Medcover's business operations and are derived from Medcover internal data supplemented by estimates for locations and service lines where accurate source data was not available. Data on refrigerants is excluded.



# EU Taxonomy

In accordance with the EU Taxonomy Regulation, Medcover is subject to the obligation to disclose the proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) that is EU taxonomy-eligible and taxonomy-aligned with regard to the environmental objectives.

Medcover's core business as a healthcare and diagnostics company is not an eligible economic activity as defined in the taxonomy, the proportion of Taxonomy-eligible economic activities in total revenue is 0 per cent. In its value chain, Medcover undertakes a number of supporting activities necessary to conduct the Group's core business activities and are essential to Medcover's revenue generating activity. The CapEx and OpEx associated with these supporting activities include expenditures from Taxonomy-eligible activities (such as economic activities referred to in Annex 1 of the Delegation Regulation – 7 *Construction and real estate activities*) which have the potential to contribute to the environmental objectives climate change mitigation and adaption with investments in other than revenue-generating activities.

Regarding the activities reported under CapEx and OpEx in the tables below, Medcover has concluded that these activities are not taxonomy aligned as insufficient information was obtained from the relevant stakeholders to fully carry out the technical screening assessments.

The EU taxonomy also prescribes certain requirements related to minimum safeguards. Medcover's position as per the end of 2023 is that the Group meets these in general. However additional sustainability due diligence processes across the value chain will be implemented to be operationally aligned also with the CSRD requirements.

The following three tables present the proportion of turnover, capital expenditure and operational expenditure associated with economic activities covered by the taxonomy for 2023

Turnover				Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)											

<sup>1)</sup> Reporting of turnover corresponds to the Group's revenue in the consolidated income statement.

Capital Expenditure				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Taxonomy-aligned proportion of CapEx, year 2023	Taxonomy-aligned proportion of CapEx, year 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		EURm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL/ N/EL	EL/ N/E	EL/ N/E	EL/ N/E	EL/ N/E	EL/ N/E											
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	6.1	3%	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of energy efficient equipment	CCM 7.3 CCA 7.3	1.7	1%	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	0.0	-	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	0.3	-	EL	EL	N/A	N/A	N/A	N/A											
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	61.9	35%	EL	EL	N/A	N/A	N/A	N/A											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		70.0	39%																	
Total (A.1 + A.2)		70.0	39%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		108.5	61%																	
Total (A+B) <sup>1)</sup>		178.5	100%																	

<sup>1)</sup> Reporting of capital expenditure relates to additions including those from business combinations to intangible assets (excl. goodwill), property, plant and equipment and right-of-use assets. Refer to the consolidated financial statements, notes 15–17.

Operational Expenditure				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute OpEx	Proportion of mitigation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		EURm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Taxonomy-aligned proportion of OpEx, year 2023	Taxonomy-aligned proportion of OpEx, year 2022	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL/ N/EL	EL/ N/E	EL/ N/E	EL/ N/E	EL/ N/E	EL/ N/E											
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	7.7	6%	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of energy Efficient equipment	7.3	-	-	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	-	-	EL	EL	N/A	N/A	N/A	N/A											
Installation, maintenance and repair of renewable energy technologies	7.6	-	-	EL	EL	N/A	N/A	N/A	N/A											
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	94.6	74%	EL	EL	N/A	N/A	N/A	N/A											
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		102.3	80%																	
Total (A.1 + A.2)		102.3	80%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		25.6	20%																	
Total (A+B) <sup>1)</sup>		127.9	100%																	

<sup>1)</sup> Reporting of operating expenditure encompasses costs relating to building renovation measures, short-term leases, maintenance and repair and other direct expenditures relating to the day-to-day servicing of property, plant and equipment. This item does not correspond to the Group's total operational expenditure. Other direct costs relating to the day-to-day servicing of property, plant and equipment mainly include costs for heat and light, security, cleaning, fuel costs for vehicles and salaries for maintenance staff.

# Methodology

In the sustainability report, Medcover refers to the Upright Project and emission calculations based on the GHG protocol. Here follows a description of each methodology.

## Emission calculation methodology

Medcover has used the Position Green platform for calculating its emissions in Scope 1 and 2. Position Green follows the Greenhouse Gas Protocol and uses science-based emissions data to calculate a company's greenhouse gas emissions. Each set of activity/consumption data that is entered into Position Green is paired with a corresponding emission factor to calculate the total carbon footprint:  $\Sigma (\text{Activity data} \times \text{Emission factor}) = \text{Company Carbon Footprint}$ . Position Green utilises multiple databases for emissions factors, both licensed and public. These databases undergo annual updates, which are also incorporated into the software.

Medcover's total carbon emissions for Scope 1 and 2 are supported by data collection (i.e. litres, tonnes, kilometres, kWh or € spend for instance) from all economic activities and each set of activity data is matched with the most suitable emissions factor. Emissions factors represent values that quantify the environmental impact of products, processes and consumption.

For Scope 1, vehicles and fuel use, the UK Department of Environment, Food and Rural Affairs' most recent conversion factors are used.

For Scope 2, electricity and other types of energy purchases, Position Green's carbon accounting solution assesses the market-based and location-based emissions. The market-based approach makes use of supplier-specific residual mix emission factors where provided by the utility provider, renewable certificates if these were purchased, or residual mix emission factors and finally, in the absence of all else, grid emission factors. For location-based emissions, the average supplier mix of the country is used.

Scope 3: For 2022 spend-based calculations, EXIOBASE Multi-Regional Environmentally Extended Input Output (EEIO) Model was used to calculate upstream emissions for categories where this method is allowed. Based on every transaction with a supplier, that transaction's associated product category or service activity, and the Multi-regional EEIO emission factor, a third party estimated the 'cradle-to-gate' emissions generated by the purchase of the product or service. For 2023, using the same mapping criteria of spend categories to the scope 3 categories, last year's implied emission conversion factor profiles were applied to each scope 3 category based on their respective location/country.

## The Upright Project

### *Upright's model and methodology*

Upright's quantification model is based on machine learning, open-source science, and the products and services that companies produce and offer. Using Natural Language Processing (NLP) techniques, the model has been taught to understand causality in scientific articles and summarise what science knows about all the impacts that the products and services have on environment, health, society and knowledge. Because all companies undergo the same methodology of analysis, the net impact profiles produced by the model are all comparable to one another.

Because the analysis is based on products and services, impacts here are defined strongly through what companies produce and offer, rather than how (i.e. governance and compliance). Net impact concentrates on the scientifically examined largest impacts a company's core business has on the surrounding world. It answers the question: "What does the company achieve with the resources it employs? How effectively does it turn its resources into desired outcomes?" Because of this, the net impact profile is a comprehensive picture of a company's value creation and can be interpreted as providing an overall picture of what resources a company uses and what it achieves by using them. Analysis of a net impact profile should focus on the shape – meaning the relative strengths of the various impacts and the resulting overall picture.

### *About the Upright Project*

The Upright Project is a technology company based in Helsinki ([www.uprightproject.com](http://www.uprightproject.com)). Its mission is to create incentives for companies to optimise their net impact. Upright produces data on the comprehensive net impact of companies, with the aim of looking both at the negative as well as the positive impacts at the same time and enabling smarter decision-making for institutional investors, consumers and employees. In addition, Upright's data offering covers the SFDR PAI<sup>1)</sup> indicators, EU taxonomy metrics and UN SDG metrics for unlisted and listed companies. The Upright platform's data universe is +50,000 companies, and the clients include +200 organisations in 17 countries.

<sup>1)</sup> SFDR: Sustainable Finance Disclosure Regulation. PAI: Principal Adverse Impact.

# Financial information and reports

## Content

The Medcover share	76
Management report	80
Risks and risk management	86
Corporate governance report	95
Board of directors	104
Executive management	106
Financial reports	108
Board of directors' assurance	153
Auditor's report	154
The auditor's report on the statutory sustainability report	159
5-year financial summary	160
Definitions	162
Glossary	163
Information to shareholders	164



# The Medcover share

Medcover's class B shares (MCOV B) have been listed on Nasdaq Stockholm since 23 May 2017. Market cap at year end was SEK 23.0bn.

## Share capital and structure

The total share capital in Medcover was EUR 30.7m (EUR 30.4m). The quota value is EUR 0.2 per share. Medcover has three classes of shares: 76,671,376 class A shares which carry one vote, 72,980,997 class B shares which carry one tenth vote and 3,882,822 class C shares which carry one tenth vote. The total number of shares amounted to 153,535,195 and total number of votes is 84,357,757.9.

## Share performance and volume

During the year the highest closing price paid was SEK 201.00 on 20 February and the lowest closing price paid was SEK 121.10 on 26 October. The highest price paid during the year was SEK 204.20. The Company's market capitalisation at year-end amounted to SEK 23.0bn (SEK 21.2bn). The share price increased by 7.4 (-62.2) per cent during the year. The total share turnover on Nasdaq Stockholm amounted to 2,346,878,578 SEK with a daily average volume of 59,359 shares. Trading on Nasdaq Stockholm amounted to 43 per cent of total trading.

## Shareholders and ownership structure

On 29 December 2023 Medcover had 5,512 (6,778) shareholders, a decrease by 18.7 per cent. Ownership outside of Sweden corresponded to 27.6 per cent of the total share capital (259 shareholders) and 21.3 per cent of the voting rights. Financial and institutional shareholders held 91.0 per cent of share capital and 92.1 per cent of the voting rights and private shareholders 9.0 per cent of share capital and 7.9 per cent of voting rights.

## Dividend

According to the Company's dividend policy the board of directors could consider an annual dividend of up to 50 per cent of net profit. A proposed dividend will take into account Medcover's long-term development opportunities and its financial position. Class A and class B shares are entitled to dividends, but class C shares are not entitled. The right to a dividend is granted to those persons who are listed as shareholders in the share register maintained by Euroclear Sweden AB on the record date. The board of directors proposes a dividend of EUR 0.12 (EUR 0.12) per share for 2023 and is subject to approval on the annual general meeting on 26 April 2024. The proposed dividend is 102 (148) per cent of the net profit, which is in excess of the dividend policy.

## Silent period

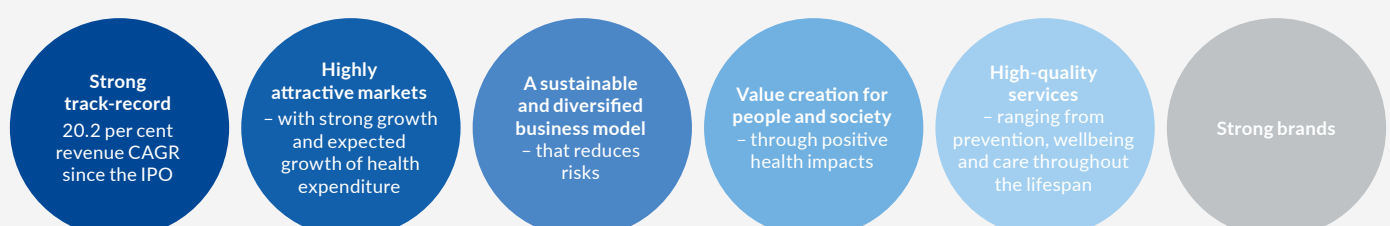
Medcover maintains a silent period beginning 30 days prior of the publication of interim and year-end reports. During the silent period no meetings with investors, analysts or media are arranged.

## Long-term performance-based share programmes

The annual general meetings in 2023–2018 and the extraordinary shareholders' meeting in 2017 have decided on long-term performance-based share programmes for key employees. The following table shows the main characteristics for the programmes. For more information, refer to note 9.

## Why invest in Medcover?

Clear strategic roadmap and solid position for continued profitable organic growth. On track towards EUR 2.2bn and beyond by 2025 and an adjusted organic EBITDA in excess of EUR 350m.



	Plan 2023	Plan 2022	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2017
Approval date, AGM	27 April 2023	27 April 2022	29 April 2021	30 April 2020	3 May 2019	26 April 2018	31 March 2017
Maximum number of shares to be allotted	1,210,882	1,286,000	1,197,600	1,112,000	1,060,000	1,004,000	938,000
% of total shares	0.79	0.84	0.78	0.72	0.69	0.66	0.62
% of voting rights	0.14	0.15	0.14	0.13	0.12	0.12	0.11
Number of employees – offered to participate	89	91	73	58	53	50	45
Number of participants at inception date	81	77	67	54	46	43	32
Estimated number of B shares to be allotted, subject to possible recalculation	1,071,496	1,021,570	997,310	827,149	724,429		
as percentage of total shares	0.70	0.67	0.65	0.54	0.47		
as percentage of voting rights	0.13	0.12	0.12	0.10	0.09		
Number of participants at year-end 2023	79	71	59	42	32		
Vesting date						27 April 2023	27 April 2022
Number of B shares allotted						686,016	596,664
Number of B shares allotted for dividend compensation						12,790	6,352
<b>Total number of B shares allotted</b>						<b>698,806</b>	<b>603,016</b>
% of total shares						0.46	0.40
% of voting rights						0.08	0.07
Number of participants at vesting date						30	22

	Number of shares	Capital, %	Voting rights, %
Class A shares	76,671,376	50.0	90.9
Class B shares	72,980,997	47.5	8.6
Class C shares <sup>1)</sup>	3,882,822	2.5	0.5
<b>Total</b>	<b>153,535,195</b>	<b>100.0</b>	<b>100.0</b>

<sup>1)</sup> Owned by Medicovert

Source: Euroclear Sweden AB, 29 December 2023

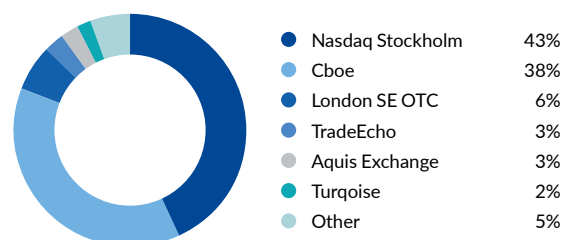
	Number of shareholders	% of shareholders	Capital, %	Votes, %
Private shareholders	4,990	90.5	9.0	7.9
– of which based in Sweden	4,940	89.6	8.9	7.9
Institutional shareholders	522	9.5	91.0	92.1
– of which based in Sweden	277	5.0	63.5	70.9
<b>Total</b>	<b>5,512</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
– of which based in Sweden	5,217	94.6	72.4	78.8

Source: Euroclear Sweden AB, 29 December 2023

Number of shares	Number of shareholders	% of shareholders	Capital, %	Votes, %
1–500	4,508	81.8	0.3	0.05
501–1,000	337	6.1	0.2	0.03
1,001–5,000	335	6.1	0.5	0.10
5,001–10,000	92	1.7	0.4	0.10
10,001–50,000	114	2.1	1.7	0.38
50,001–100,000	34	0.6	1.6	0.48
100,001–	92	1.6	95.3	98.86
<b>Total</b>	<b>5,512</b>	<b>100.0</b>	<b>100.0</b>	<b>100.00</b>

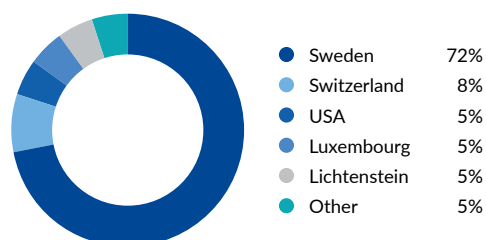
Source: Euroclear Sweden AB, 29 December 2023

## Share trading on different market places



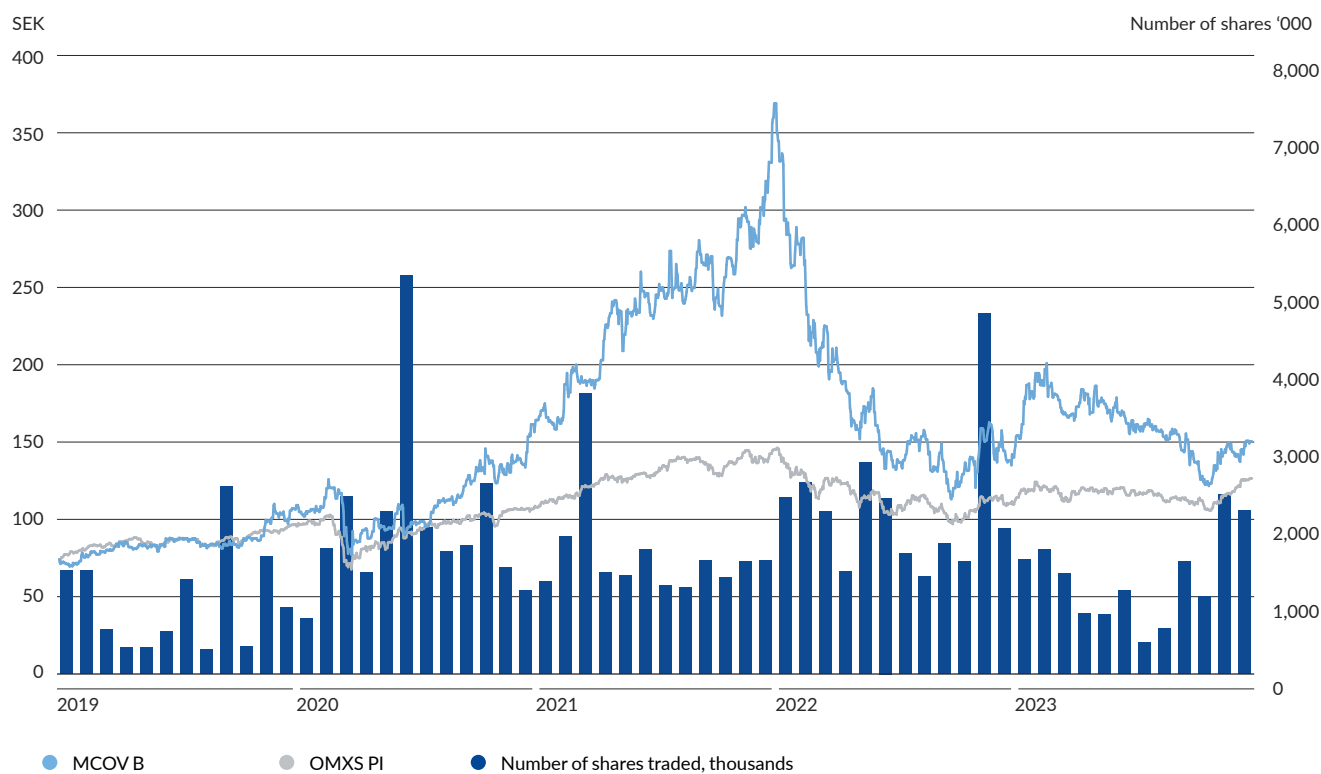
Source: Bloomberg, 1 January – 31 December 2023

## Share capital by country



Source: Euroclear Sweden AB, 31 December 2023

## The share



Source: Bloomberg

## 15 largest shareholders

	Class A shares	Class B shares	Class C shares	Total shares	Capital, %	Votes, %
Celox Holding AB	47,157,365			47,157,365	30.7	55.9
Christina af Jochnick Family	18,880,915	406,640		19,287,555	12.6	22.4
Robert af Jochnick Family <sup>1)</sup>	9,342,361	4,497,384		13,839,745	9.0	11.6
Fjärde AP-Fonden		13,823,464		13,823,464	9.0	1.6
AMF Aktier och Fonder		5,421,704		5,421,704	3.5	0.7
Lannebo Fonder		2,386,498		2,386,498	1.6	0.3
Vanguard Funds		2,327,105		2,327,105	1.5	0.3
Mertzig Equity Fund Sweden		2,000,000		2,000,000	1.3	0.2
SEB Investment Management		1,813,002		1,813,002	1.2	0.2
Norges Bank		1,679,211		1,679,211	1.1	0.2
Fredrik Rågmark		1,564,045		1,564,045	1.0	0.2
Joe Ryan		1,374,498		1,374,498	0.9	0.2
Worldwide Asset Management		1,356,090		1,356,090	0.9	0.2
ING Luxembourg SA		1,350,977		1,350,977	0.9	0.2
Kabouter Management		899,582		899,582	0.6	0.1
Others	1,290,735	32,080,797	3,882,822	37,254,354	24.2	5.8
<b>Total</b>	<b>76,671,376</b>	<b>72,980,997</b>	<b>3,882,822</b>	<b>153,535,195</b>	<b>100.0</b>	<b>100.0</b>
Of which shares held by Medicover			3,882,822			

<sup>1)</sup> Including NG Invest Beta AB (10.3 per cent of votes, 6.9 per cent of share capital). Source: Vantage by Euroclear Sweden AB, 29 December 2023.

Date	Event	Number of shares			Share capital	
		Change in number of class A shares	Change in number of class B shares	Change in number of class C shares	Number of shares following the transaction	Change, €
22/08/2016	Foundation		6,500		6,500	6,500
02/01/2017	Share issue in kind	17,539,222	1,873,923		19,419,645	19,413,145
02/01/2017	Reduction of share capital		-6,500		19,413,145	-6,500
10/03/2017	Share split (5:1)	70,156,888	7,495,692		97,065,725	
30/03/2017	Share issue in kind		6,970		97,072,695	1,394
22/05/2017	New share issue in connection with the Offering		36,262,500		133,335,195	7,252,500
2017	Conversions <sup>1)</sup>	-6,347,949	6,347,949		133,335,195	
31/10/2018	Share issue			2,400,000	135,735,195	480,000
2018	Conversions <sup>1)</sup>	-2,143,365	2,143,365		135,735,195	
2019	Conversions <sup>1)</sup>	-433,365	433,365		135,735,195	
30/06/2020	Share issue		15,000,000		150,735,195	3,000,000
2020	Conversions <sup>1)</sup>	-219,550	219,550		150,735,195	
2020	Conversion <sup>2)</sup>		15,356	-15,356	150,735,195	
03/11/2021	Share issue			1,200,000	151,935,195	240,000
2021	Conversions <sup>1)</sup>	-982,605	982,605		151,935,195	
2022	Conversions <sup>1)</sup>	-194,400	194,400		151,935,195	
2022	Conversion <sup>2)</sup>		603,016	-603,016	151,935,195	
2023	Conversion <sup>1)</sup>	-703,500	703,500		151,935,195	
2023	Conversion <sup>2)</sup>		698,806	-698,806	151,935,195	
06/11/2023	Share issue			1,600,000	153,535,195	320,000

<sup>1)</sup> Conversion from A to B shares.

<sup>2)</sup> Conversion from C to B shares.



# Management report

The board of directors and CEO for Medicover AB (publ) hereby present the annual report and consolidated financial statements for the financial year 2023.

## Operations

Medicover is a healthcare and diagnostic services provider mainly operating in Poland, Germany, Romania, India, Ukraine, and other smaller markets, in Central and Eastern Europe as well as the Nordic countries.

## Business concept

Medicover offers a broad range of high-quality healthcare and diagnostic services through a comprehensive network of hospitals, clinics, blood-drawing points and laboratories. The Group operates through two divisions, Healthcare Services and Diagnostic Services.

## Operations and organisation

### Market

Medicover's services can be sub-divided into two main private payment models depending on the relationship between the amount to be paid and the services to be provided: Fee-For-Service ("FFS") with each of the services paid out of pocket by individuals and funded pay subscriptions/health plans under insurance contracts or prepaid arrangements. As much as 79 per cent of the Group's revenue in 2023 originated from private pay, reflecting Medicover's low reliance on public funding. The Group has a strong position in Poland and Germany with these two markets accounting for 66 per cent of the Group's revenue.

### Healthcare Services

Offers services ranging from primary care to specialist outpatient and inpatient care as well as preventive care, sports and wellbeing. The division generated 68 per cent of the Group's revenue. 31 per cent of total Healthcare Services revenue was generated by

Medicover's integrated healthcare model, which is predominantly an employer funded employee benefit healthcare package (subscription/health plan). 54 per cent of the division's revenue was generated through the strong and expanding FFS and other services and the remaining 15 per cent from public funded sources.

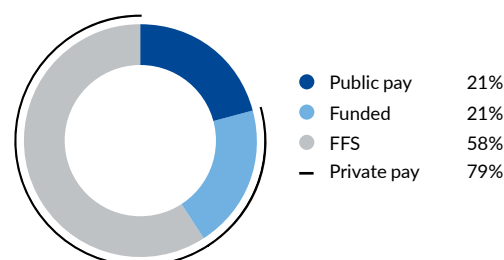
## Diagnostic Services

Offers a broad range of diagnostic laboratory testing across all major clinical pathology specialties. The division generated 32 per cent of the Group's revenue. Of this, 68 per cent was generated from private pay and the remaining 32 per cent through public pay, out of which 29 per cent from the German market.

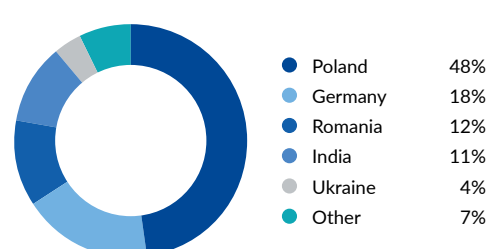
## Important events during the financial year

- The sale related to the Group's business in Belarus was closed in February 2023 for which €13.6 million of cash was received resulting in a gain of €7.8 million.
- Larger openings during the year include a new multispecialty 200-bed hospital in Bucharest (Romania) and a greenfield 100-bed women and child specialty hospital in Hyderabad (India).
- Inflation has moderated after reaching its peak early on in 2023 and has been evident in strong wage growth. Overall price indexations have contributed to revenue and compensated for cost increases.
- Medicover's co-workers in Ukraine continue their extraordinary commitment and deliver good performance despite the ongoing war.

Revenue by payer



Revenue by country



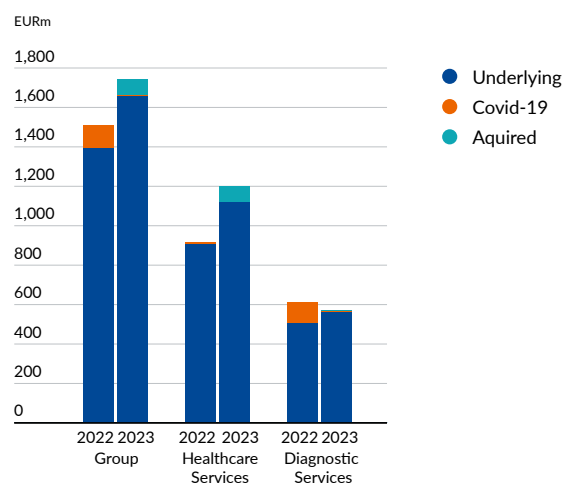
## Financial Overview

From 1 January 2023, the Group applies IFRS 17 *Insurance contracts* and the comparative figures for 2022 have been restated. For further information, refer to note 2.

### Revenue

The Group's revenue was €1,746.4 million (€1,510.2 million), a growth of 15.6 per cent. Organic growth was 11.6 per cent. Revenue from Covid-19 services has largely disappeared and amounted to €5.8 million (€119.3 million). Organic growth excluding Covid-19 revenue grew very strongly by 20.6 per cent. Acquired revenue amounted to €86.2 million. Foreign exchange fluctuations had a negative impact of 0.4 per cent with weakness mainly for the Ukrainian hryvna and Indian rupee offset by the strengthening of the Polish zloty.

### Revenue



### Healthcare Services

Revenue reached €1,197.7 million (€917.1 million), up 30.6 per cent with a strong organic growth of 21.0 per cent. Members in the integrated healthcare model grew by 6.2 per cent to 1,775K (1,672K). Acquired revenue amounted to €81.6 million. Foreign exchange fluctuations had a positive impact of 0.7 per cent due to the significant strengthening of the Polish zloty, partially offset by the weakness mainly for the Indian rupee.

### Diagnostic Services

Revenue amounted to €571.2 million (€612.5 million), down 6.7 per cent with an organic reduction of 2.5 per cent. Revenue from Covid-19 services amounted to €5.8 million (€106.3 million). Organic growth excluding Covid-19 revenue amounted to a strong 16.6 per cent. The Belarus business was disposed with one month of revenue reflected in the year for € 1.6 million (€ 20.6 million). The laboratory test volume was 119.2 million (119.3 million). Acquired revenue amounted to €4.6 million. Foreign exchange fluctuations had a negative impact of 2.0 per cent with weakness mainly for the Ukrainian hryvna.

### Operating profit and EBITDA

Operating profit was €61.4 million (€55.2 million). Future performance targets related to six acquisitions made in prior years were not achieved. The associated contingent consideration of €10.9 million has been derecognised in administrative costs. The Group recognised total expenses of €-9.4 million (€-9.6 million) as equity settled share-based payments charges relating to long-term performance-based share programmes. Acquisition related expenses were €-0.7 million (€-7.2 million). Medical costs were €-1,387.0 million (€-1,174.9 million) corresponding to 79.4 per cent of revenue. Distribution, selling and marketing costs increased by €11.4 million to €-77.9 million (€-66.5 million). Administrative costs increased by €6.5 million to €-220.1 million (€-213.6 million). EBITDA was €243.8 million (€217.1 million), an EBITDA margin of 14.0 per cent (14.4 per cent). Adjusted EBITDA amounted to €253.9 million (€233.9 million), a margin of 14.5 per cent

### Revenue growth 2023

Growth components (€ million)	Revenue 2022	Organic growth	Acquisition/disposal impact <sup>3)</sup>	Currency effects	Total growth	Revenue 2023
Medicover	1,510.2	174.6	67.7	-6.1	236.2	1,746.4
As % of revenue		11.6%	4.4%	-0.4%	15.6%	15.6%
Healthcare Services <sup>1)</sup>	917.1	193.0	81.6	6.0	280.6	1,197.7
As % of revenue		21.0%	8.9%	0.7%	30.6%	30.6%
Diagnostic Services <sup>2)</sup>	612.5	-15.3	-13.9	-12.1	-41.3	571.2
As % of revenue		-2.5%	-2.2%	-2.0%	-6.7%	-6.7%

<sup>1)</sup> Including inter-segment revenue of €1.4 million in 2023 (€1.1 million).

<sup>2)</sup> Including inter-segment revenue of €21.3 million in 2023 (€18.5 million).

<sup>3)</sup> Including €-18.5 million impact of the sale related to the Diagnostic services' business in Belarus.

(15.5 per cent). Adjusted EBITDAaL increased to €155.0 million (€147.7 million), a margin of 8.9 per cent (9.8 per cent).

#### **Net financial items**

Net financial result amounted to €-45.9 million (€-32.7 million). €-51.4 million (€-34.5 million) was related to interest expense and commitment fees on the Group's debt and other discounted liabilities. €-24.6 million (€-22.1 million) of the interest expense was related to lease liabilities. Foreign exchange gains were €1.1 million (€-3.3 million) of which €-4.8 million was relating to accumulated translation differences on net assets relating to the disposal of the business in Belarus and €9.6 million (€-2.3 million) was related to euro-denominated lease liabilities mainly in Poland.

#### **Profit for the year**

Profit before income tax increased to €23.6 million (€19.5 million). Income taxes amounted to €-5.2 million (€-5.8 million) with an effective tax rate of 21.8 per cent (29.6 per cent). Other income/ (costs) of €8.0 million (€-3.2 million) mainly included a gain of €7.8 million relating to the sale of the business in Belarus. Profit for the year was €18.4 million (€13.7 million).

#### **Cash flow from operating activities**

Cash generated from operations before working capital changes amounted to €219.4 million (€209.8 million), being 89.9 per cent of EBITDA (96.7 per cent). Tax paid was €28.8 million (€19.1 million). Net working capital increased by €14.4 million (€39.9 million). Net cash from operating activities was €205.0 million (€170.2 million).

#### **Cash flow used in investing activities**

Payment for acquisition of intangible assets and property, plant and equipment was €110.5 million (€140.6 million). Cash flow from acquisitions of subsidiaries amounted to €19.6 million (€229.1 million) relating to acquisitions closed in the year and payments for earlier closed transactions. €13.6 million net of cash was received for the disposal of the business in Belarus. Net cash used in investing activities amounted to €119.8 million (€184.8 million).

#### **Cash flow used in financing activities**

Net loans drawn amounted to €64.6 million (€89.4 million). Lease liabilities repaid were €65.5 million (€50.6 million). Interest paid amounted to €46.5 million (€32.4 million), of which €24.6 million (€22.1 million) related to lease liabilities. A dividend of €17.9 million (€17.8 million) was distributed to shareholders. Net cash used in financing activities amounted to €73.7 million (€24.3 million).

#### **Financial position**

The Group's equity amounted to €528.3 million (€508.5 million). Total equity attributable to owners of the parent includes a negative movement of €13.5 million relating to fair value changes of put

option liquidity obligations with non-controlling interests. A dividend of €17.9 million (€17.8 million) was distributed to shareholders, equivalent to €0.12 (€0.12) per share. Other comprehensive income includes a positive exchange rate movement of €31.0 million mainly relating to the strengthening of the Polish zloty.

Loans payable amounted to €564.9 million (€515.7 million). €235.0 million (€235.0 million) is at fixed interest rates and €18.7 million (€36.0 million) is non-interest bearing (deferred/ contingent consideration payable). Loans payable net of cash and liquid short-term investments amounted to €505.2 million (€466.6 million). The Group has utilised €102.0 million (€13.4 million) under its 2 billion SEK social commercial paper programme. At the end of the year, the Group has undrawn committed credit facilities of €240.0 million, liquid short-term investments and cash and cash equivalents of €59.7 million, totalling €299.7 million (€263.3 million). Lease liabilities amounted to €438.8 million (€424.3 million).

The increase is mainly due to additional units added over the year. The total financial debt was €1,003.7 million (€940.0 million).

#### **5-year financial summary**

For a 5-year financial summary of the consolidated income statement, statement of financial position, cash flow statement and key financial data, refer to pages 160 and 161.

#### **Share capital**

The share capital as at 31 December 2023 was €30.7 million (€30.4 million) represented by 153,535,195 shares divided into 76,671,376 class A shares, 72,980,997 class B shares and 3,882,822 class C shares. During the year 1.6 million class C shares were issued. All C shares are held by the Company for the purposes of fulfilment of the long-term performance-based share programmes.

The quota value was €0.2 per share. Each class A share carries one vote. Each class B and class C share carries one tenth of a vote. Medicover's class B share has been listed on Nasdaq Stockholm since May 2017.

The five-year vesting period for one of the Group's equity settled share-based programme, Plan 2018, was completed during the year. The performance targets were achieved in full and 698,806 class C shares were converted to class B shares and distributed to the participants.

Celox Holding AB, the largest shareholder, owned 47,157,365 shares with 30.7 per cent of the capital and 55.9 per cent of the voting rights. The Christina af Jochnick family owned 19,287,555 shares with 22.4 per cent of the voting rights. The Robert af Jochnick family owned 13,839,745 shares with 11.6 per cent of the voting rights.

## Co-workers

Medicover recognises that its business performance, growth and brand value are dependent upon its ability to develop the right culture to lead and engage its employees. For more information about Medicover's co-workers, refer to "People and partners" section. As at 31 December 2023, Medicover had 45,316 co-workers, split into 71 per cent women and 29 per cent men, and 29,994 FTE's on average over the year. Within the positions of managerial responsibility in the Group, such as managers, directors and others in a leading position, women held 55 per cent and men 45 per cent of the positions.

## Sustainability report

Medicover AB has prepared a sustainability report according to the Swedish Annual Accounts Act. The report contains material information about the Group's efforts and commitments within sustainability: environment, social conditions and personnel, respect for human rights and anti-corruption. The statutory sustainability report is available on the following pages:

- Business model: 8–11
- Sustainability: 46–71, 74
- EU Taxonomy: 72–73
- Risks and risk management: 86–94

The Medicover Code of Conduct is the foundation of the Company's sustainability efforts, guiding the business and supporting sound decision-making. The Code of Conduct is based on the UN Global Compact and reflects the Company's important sustainability aspects. Medicover's other sustainability related steering documents are the Medicover Supplier Code of Conduct, the Medicover Environmental and Climate Change Policy, the Medicover Whistle-blower Policy and the Medicover Anti-Bribery Policy.

The auditor's report on the statutory sustainability report can be found on page 159.

## Remuneration to the board members

Fees and other remuneration to the members of the board of directors are resolved by the annual general meeting (AGM). At the AGM held on 27 April 2023, it was resolved that remuneration for the time until the end of the next AGM for board members elected by the general meeting shall be paid to cover duties and responsibilities of all board and committee members. For details, refer to note 8.

## The board of directors' proposal for guidelines for executive remuneration

The board of directors proposes that the AGM resolves to adopt the following guidelines, without change in all material respects, for remuneration to senior executives.

The executive management fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. these are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM 2024. Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. The guidelines do not apply to any remuneration decided or approved by the general meeting.

## *The guidelines' promotion of the company's business strategy, long-term interest and sustainability*

For information regarding the company's business strategy, refer to "Strategy" section.

A prerequisite for the successful implementation of the Medicover's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Group is able to recruit and retain qualified personnel. To this end, it is necessary that the Group offers competitive remuneration. These guidelines enable the Group to offer the executive management a competitive total remuneration.

Long-term share-related incentive plans have been implemented in the Group. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term share-related incentive plan proposed by the board of directors and submitted to the AGM 2024 for approval is excluded for the same reason. The proposed plan is similar to the existing plan for 2023. The plans include among others executive management in the Group. The performance criteria used to assess the outcome of the plans are linked to the business strategy and thereby to the Group's long-term value creation, including its sustainability. The proposed plan performance criteria comprises growth in EBITDA and average return on invested capital over a 5-year period. The plans are further conditional upon the participant's own investment and certain holding periods of several years.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

## *Types of remuneration*

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 75 per cent of the fixed annual cash salary. Further variable cash remuneration may



be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 20 per cent of the fixed annual cash salary. For other executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 20 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. Executives who are expatriates may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 75 per cent of the fixed annual cash salary.

#### **Termination of employment**

Upon termination of an employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other executives. Upon termination by the executive, the notice period may not exceed twelve months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employ-

ment and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

#### **Criteria for variable cash remuneration**

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Medcover's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Group.

#### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### **The decision-making process to determine, review and implement the guidelines**

The board of directors has established a remuneration committee.

The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programmes for variable remuneration for executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Group. The members of the remuneration committee are independent of Medcover and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### ***Derogation from the guidelines***

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Medicovert's long-term interests, including its sustainability, or to ensure the Group's financial viability.

As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **Research and development**

Medicovert has over many years developed its inhouse IT-systems to support medical and business operations, driving effectiveness, safety and efficiency. These tools have driven higher satisfaction and retention. These systems are developed with Medicovert's experienced software development teams. In addition, the Group develops in-vitro genetic testing solutions. During 2023 €11.6 million (€18.0 million) relating to development expenditure has been capitalised as intangible assets. Medicovert researches novel tests and test protocols for laboratory tests, as well as new approaches for delivery of medical services with a strong focus on digital healthcare. All such research costs are expensed in the period incurred.

### **Parent company**

The parent company's business mainly consists of corporate management and holding company functions. Revenue for 2023 was €0.9 million (€0.7 million). Profit for the year amounted to €12.2 million (€-4.2 million). Equity amounted to €600.2 million (€596.9 million) at 31 December 2023.

### **Dividend policy**

According to the Company's dividend policy the board of directors could consider an annual dividend of up to 50 per cent of net profit. A proposed dividend will take into account Medicovert's long-term development opportunities and its financial position.

### **Proposed distribution of earnings**

The board of directors proposes to the AGM that a dividend of €0.12 per share is distributed for the financial year 2023. The decision is subject to the shareholders' approval at the AGM on 26 April.

The proposed dividend is 102 per cent of the net profit, and in excess of the stated dividend policy, corresponding to a total of €18.0 million. 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 30 April and the dividend is expected to be paid out by Euroclear on 8 May. More information is included in note P13.

# Risks and risk management

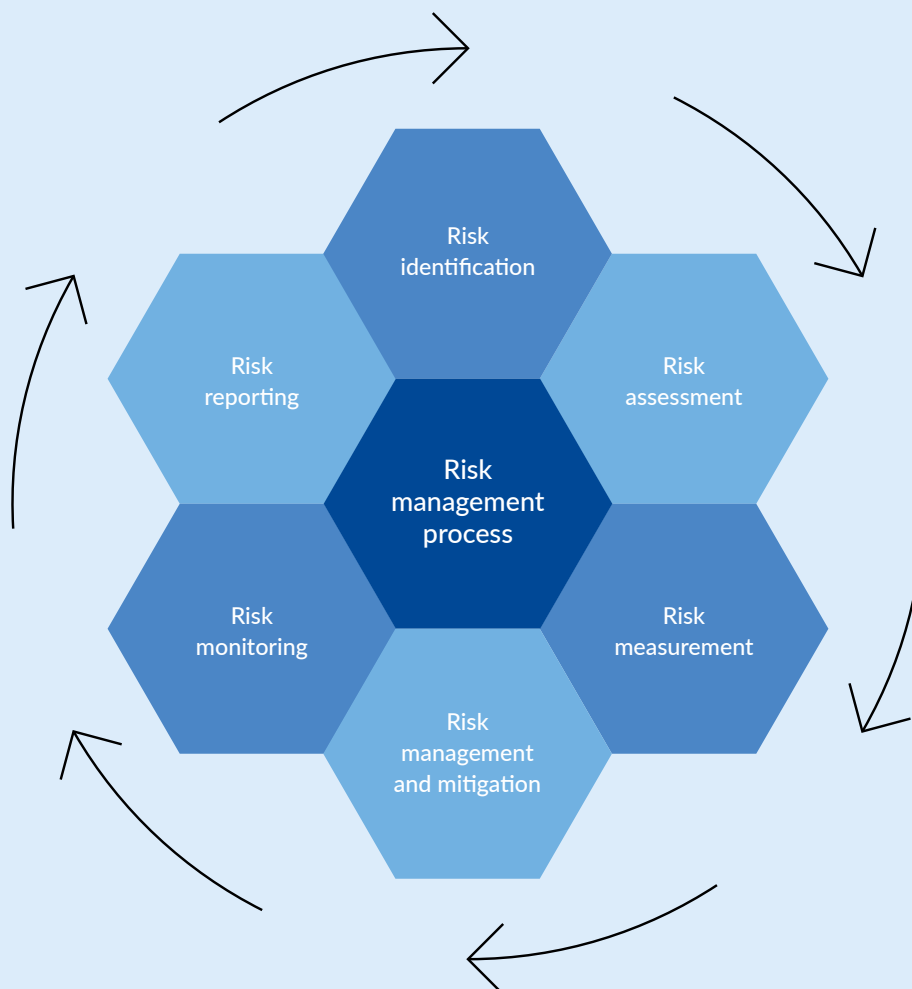
Medicover's risk management framework comprises corporate governance processes and procedures and a robust risk management process. It aims to ensure a thorough and consistent risk management approach, which is embedded in the decision-making process across the Group.



## RISK MANAGEMENT PROCESS

As a company with global operations, Medcover is naturally exposed to risks associated with the business activities in the countries and sectors it operates. These risks can impact the company's operations, performance, and financial position. Management of these risks, enables to execute strategy, maintain ethical reputation, reach financial targets, and secures continuous development and profitability in the long term.

The risk management process supports an effective management of the risks faced. All identified risks are categorised in the central risk registry, which ensures that risks are managed within acceptable limits and mitigating actions are implemented where necessary. It also ensures the timely notification and reporting to the respective stakeholders and encourages dynamic risk-based decision making and effective day-to-day risk management.



### Risk identification, assessment and measurement

Systematic risk identification is performed by risk owners at the operational level, supported by the risk management function. The objective is to register all risks that may impact the Group. Once risks are identified, assessment is applied to understand how and why each risk is material, considering the co-interactions between individual risks and the specific circumstances that apply. Based on information available, assessment, and ranking of each risk is performed according to the potential impact and likelihood of materialising. The outcome of these first steps of the process is an aggregate inherent risk score.

### Risk management and mitigation

The inherent risk score forms the basis, upon which the mitigating efforts are based. Controls and mitigation measures are deployed to minimise the inherent risk, both in terms of impact and likelihood. The measures in place are constantly evaluated and adapted, keeping pace with the evolving business environment and the new threats that emerge. The outcome is a residual risk score which is compared to the amount of risk the company is prepared to take in order to prioritise the most significant risks and the risks that deviate from the company's risk appetite. Executive management and the risk management function regularly evaluate, in cooperation with the operational functions, the need for new or additional measures to further improve the Group's overall risk position.

### Risk monitoring and reporting

The process and the progress regarding specific risks is monitored on an ongoing basis. As the risk landscape changes, risks are added to the portfolio as soon as these are identified and reported, while risks that become obsolete are removed or downgraded. The risk management function monitors the internal and external risk scene regularly and remains in an open dialogue with key stakeholders to keep the risk registry updated. Risks graded as "High or Critical" at the residual level are reported to executive management and to the board, both to raise awareness, and additionally to initiate the necessary measures to mitigate these risks proactively. This structured process ensures that ad-hoc and systematic risk reporting is provided to management. The annual risk management report is prepared by the Group risk manager and approved by the board's audit committee.

## RISK REGISTRY AND PRINCIPAL RISKS

All identified risks are separated into risk clusters and presented in the following table. There are 65 risks in total of which none are critical, two risks are rated as high, 28 risks are rated as medium

and the remaining 35 risks are rated as low at the residual risk scoring stage.

Operational risks	Ability to recruit and retain staff	Access to medical services and continuity of care	Armed conflict
	Business continuity	Clinical license, certification and accreditation	Clinical quality
	DDoS-attack (Distributed denial of service attack)	Energy availability and pricing	Health and safety policy violation
	Health data loss	Innovation lag	Insurance cover risk
	Insurance risk (insurance business)	Internal and external fraud	Internal control environment
	IT insider threat	IT systems failure (hack, virus, bugs)	Management succession gap
	Market risk	Natural disaster/force majeure	Not implementing clinical and diagnostic innovation trends
	Outdated hardware or software	Over-dependence on key personnel	Pandemic (restriction on activity due to lockdowns)
	Pandemic and disease contagion	Patient safety and clinical quality	Physical security
	Physical threats	Policies and procedures unawareness	Premises availability
	Reputational risk	Suppliers and outsourcing risk	Supply chain shortage
	Terrorist attack	Third party failure	Training and development gap
	War-zone staffing	Workplace violations	
Strategy and M&A risks	Acquisition execution failure	Competitive position	M&A due diligence
	Market competition	Post acquisition integration	Vision and strategy failure
Financial risks	Budget and forecasting errors	Credit rating	Credit risk
	Foreign currency risk	Interest rate risk	Liquidity and refinancing risk
	Reporting errors	Tax compliance	Tax law and regulation change
Legal, compliance and political risks	Anti-bribery and corruption	Anti-money laundering	Competition law
	GDPR	Healthcare policy change	Non-EU data protection
	Other legislative and regulatory compliance	Political risk	Public liability
	Sanctions		
Environmental risks	Climate change (outside-in)	Environmental risk and climate change (inside-out)	

18 risks in darker shade are analysed in the next section.

### Risk rating

A risk matrix is used to measure and evaluate the significance of the risks identified. All risks are rated (scores in the range of 1–25) and categorised in one of the four risk profiles: Low, Medium, High or Critical. The rating and classification are performed first at the inherent risk level and after thorough evaluation of the mitigating measures and controls in place, at the residual risk level.

### Risk profile

#### Critical

Risks that will have a substantial impact. These will severely restrict the ability to achieve strategic objectives and even endanger the existence of the company if left untreated. Action is required immediately.

#### High

Risks that will have a serious impact. These will restrict the ability to achieve some objectives, require action, systematic monitoring and management.

#### Medium

Manageable risks with some sizeable impact. These still require action and management, however, are lower in the priority line.

#### Low

Risks that are at an acceptable level, that the Group can manage with little overall impact. Some action might still be required, with periodic evaluation.



# PRINCIPAL RISKS AND RISK MANAGEMENT

## Operational risks










Description of risk	Risk management and mitigation
<b>Ability to recruit and retain staff</b> <p>It is important to be able to recruit and retain qualified and well-educated staff, such as physicians, nurses, technicians and other healthcare and diagnostic professionals as well as administrative employees, to fulfil the growth projections. There is a risk that Medcover, in some geographies, could suffer from a lack of supply of suitable staff and high turnover due to reduced funding for education, emigration of skilled staff and competition for the available staff with other private and state providers, as well as organisations from other industries for back-office roles (i.e. IT, finance). This increases wage inflation, especially for clinical staff, and creates higher pressure on margins.</p> <p>Recent high inflation levels put more upward pressure on general wage costs, and this impacts further the ability to recruit and retain staff. Additionally public authorities in some countries where Medcover operates have pre-defined wages for certain healthcare professions, which have experienced significant upward adjustments in recent years, resulting in even higher pressure on wage cost. In addition, governments are expanding the definition of "medical jobs" which are included in the mandatory pay regulatory aspect, thus the scope of impact will be even wider as the Group's business offering is extended into different areas of medical treatment, such as dental care.</p> <p>Mobility and hybrid working is another factor that makes the situation even more dynamic. In particular for back-office functions, the ability to attract and retain people can be very influenced by the willingness and capability to allow and encourage hybrid working.</p>	<b>Ranking:</b> ○ ○ ● ○ <b>Trend:</b> ↑ <p>Medcover strives to be a workplace where all staff feel respected and recognised, and as a place where professional aspirations can be met. This is achieved through investment in systems to facilitate work, continuing education and development and peer-based networks providing support and advice. Initiatives have been taken to be a training and development centre for clinical staff, with programmes in Poland, Romania, India, and Ukraine.</p> <p>The Group's continued work with digitalisation and automation, ensures that clinical staff's time is more leveraged, and the working environment is safer, enabling staff to serve a greater number of patients. Medcover strives to keep people happy, motivated, and productive, and aims to provide competitive market-based remuneration levels, and also maintain its reputation as a respected employer. The salary review processes include an industry market comparison to benchmark data in many markets. This allows for educated decisions and proper planning.</p> <p>A culture of accepting and embracing new ways of working (i.e. hybrid, remote etc) is an added tool in the efforts to attract and retain people. The company also reviews and expands where it recruits, as existing operational markets, might not provide with adequate staffing needed for Medcover's growing business. Additionally, the Group launched Managers' Academy to train and develop managers, as managing staff effectively is key to retaining people.</p>
<b>Armed conflict</b> <p>Medcover operates in some countries which are currently experiencing, or may experience armed conflict, most notably Ukraine. During armed conflicts there is a risk that facilities and assets are requisitioned, damaged or destroyed; that staff are killed, injured, or displaced. Impacts are likely to be negative affecting the ability to continue operations, the economy, funding, currency stability and ultimately impairment of assets and curtailment of operations.</p> <p>Disruptions to operations and to supply chains may also occur as a direct or indirect result due to issues such as international embargos, sanctions or other issues arising from the conflict.</p>	<b>Ranking:</b> ○ ○ ● ○ <b>Trend:</b> ↑ <p>The Group's diversification across several countries and within those countries in several areas of the broad healthcare sector, mitigates to a degree individual country risk. As a healthcare service provider, in most conflict situations Medcover's facilities and staff are not directly targeted. Furthermore, healthcare activities are almost always exempted from embargos and sanctions. This mitigates the risks to a degree. Medcover takes 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.</p>
<b>Clinical license, certification &amp; accreditation</b> <p>The risk relates to non-compliance with legal requirements, failure of re-certification or re-accreditation. Not having relevant quality improvement programmes, implementation/monitoring of the effectiveness of corrective and preventive actions nor audit programmes supporting quality management processes increases this risk.</p>	<b>Ranking:</b> ● ○ ○ ○ <b>Trend:</b> — <p>Medcover has a well-organised quality control system ensuring constant monitoring of compliance with internal and external requirements, which allows to maintain or obtain new certifications confirming compliance with the highest standards. Regular compliance and clinical quality audits are carried out in accordance with the prepared and approved audit plan. All activities are recorded and analysed in order to improve the processes. All post-audit recommendations and corrective or preventive actions taken are monitored and their results assessed and analysed. There is an embedded information exchange and management system to ensure a consistent approach to the quality process and compliance with applicable legal requirements. All identified non-conformities are immediately analysed and corrective action is taken promptly.</p>

### Risk profile

● Low
 ● Medium
 ● High
 ● Critical

### Expected trend within the next 12 months

↓ Decreasing
 — Stable
 ↑ Increasing

Description of risk	Risk management and mitigation
<b>Clinical quality</b>  The risk relates to providing services not compliant with the applicable standards of medical, nursing and other clinical care and diagnostic services in accordance to evidence-based medicine. Non-compliance with Medcover Clinical Governance Policy and Medcover Code of Conduct and Code of Medical Ethics can result in delivery of unsafe, inappropriate, or ineffective healthcare and diagnostics.	<b>Ranking:</b>     <b>Trend:</b> —
The risk relates to providing services not compliant with the applicable standards of medical, nursing and other clinical care and diagnostic services in accordance to evidence-based medicine. Non-compliance with Medcover Clinical Governance Policy and Medcover Code of Conduct and Code of Medical Ethics can result in delivery of unsafe, inappropriate, or ineffective healthcare and diagnostics.	Medcover has a strong reporting culture and a structure that enables monitoring of compliance with high clinical standards. All employees are required to familiarise themselves with the applicable rules in accordance with the company's policies. There are embedded reporting systems for key performance indicators and clinical quality indicators. Policies, standards and algorithms of conduct are regularly reviewed and updated in accordance with the latest recommendations of international organisations and national state institutions. The process of providing clinical services, including the process of treatment, diagnostics, and nursing services is subject to constant monitoring and periodic audits; corrective actions are implemented, and their effectiveness is assessed. There are training programmes embedded in the structures of the organisation aimed at improving the qualifications of staff in order to ensure the continuous improvement of standards of care and ensuring the safety of patients and staff.
<b>Health data loss</b>  Health data loss is the risk of losing control over sensitive patient data. It can either be data loss, data leak, unauthorised use of data or data unavailability. It may result in operational issues or serious treatment complications as well as compliance, contractual and reputational impact. Under EU's GDPR regulation, and other national codes any sensitive health data loss or abuse can potentially have extensive consequences and penalties, particularly in the case of negligence or disregard for obligations.	<b>Ranking:</b>     <b>Trend:</b> —
Health data loss is the risk of losing control over sensitive patient data. It can either be data loss, data leak, unauthorised use of data or data unavailability. It may result in operational issues or serious treatment complications as well as compliance, contractual and reputational impact. Under EU's GDPR regulation, and other national codes any sensitive health data loss or abuse can potentially have extensive consequences and penalties, particularly in the case of negligence or disregard for obligations.	Medcover has several controls in place to protect against data loss, notably: regular testing for internet facing applications and web application firewall (WAF) to protect critical internet facing systems, hard disk encryption for laptops, data encryption in transit, data loss prevention systems in biggest units, encryption at rest for Clinical Information System (CIS) database and others. In addition, Medcover has implemented Multi Factor Authentication in the largest units, to prevent unauthorised access to databases. All controls are complemented by data protection policies and rigorous testing to ensure data availability and protection.
<b>Insurance risk (insurance business)</b>  The Group conducts insurance activities in the field of medical insurance. Part is through insurance contracts which are written by the Group's regulated insurance entity and thereby subject to regulatory oversight under insurance legislation and part is conducted by other entities within Healthcare Services. Insurance risk includes the underwriting and pricing of new insurance contracts (subscription risk). It also includes the risk that the insurance contract liability will not cover the future payments for claims and expenses incurred (provision risk).	<b>Ranking:</b>     <b>Trend:</b> —
The Group conducts insurance activities in the field of medical insurance. Part is through insurance contracts which are written by the Group's regulated insurance entity and thereby subject to regulatory oversight under insurance legislation and part is conducted by other entities within Healthcare Services. Insurance risk includes the underwriting and pricing of new insurance contracts (subscription risk). It also includes the risk that the insurance contract liability will not cover the future payments for claims and expenses incurred (provision risk).	The company has extensive experience in assessing the risk of medical insurance contracts. The Group assesses both new business and renewals against internally generated actuarial risk profiles and has procedures in place to estimate future profitability and cash flows on both proposed and existing business. The risk profiles are adapted for each market the Group operates. Benefits which could lead to larger individual claims are capped. Certain benefits incorporated into the insurance contracts issued are backed by other insurers on a non-recourse basis, mainly in the area of travel insurance. Reinsurance is not used to transfer insurance risk as the scope of large-scale losses is naturally limited by the facility based clinical service model and the restrictions incorporated into the insurance contracts. The Group's insurance contracts are heavily dispersed across a wide range of employers in Poland, Hungary, and Romania, with no large concentrations of risk. Provision risk is very low as premiums are usually paid in advance and in case of non-payment contracts are considered void and can be cancelled.
<b>IT systems failure (hack, virus, bugs)</b>  There is a risk that IT systems (local and group) may suffer interruptions or disturbances as a result of hacker attacks, infringements, computer viruses, bugs, technology failures or other factors, resulting in unavailability, disruption, or unauthorised access to sensitive information. Any improper functioning of Medcover's IT systems may prevent staff from providing medical services, entail the loss or corruption of data, or generally cause disruptions to the Group's activities. It could also lead to reputational losses.	<b>Ranking:</b>     <b>Trend:</b> ↓
There is a risk that IT systems (local and group) may suffer interruptions or disturbances as a result of hacker attacks, infringements, computer viruses, bugs, technology failures or other factors, resulting in unavailability, disruption, or unauthorised access to sensitive information. Any improper functioning of Medcover's IT systems may prevent staff from providing medical services, entail the loss or corruption of data, or generally cause disruptions to the Group's activities. It could also lead to reputational losses.	Medcover builds redundancy and robustness into its IT systems with a high focus on security and protection against external and internal threats. Regular testing of IT systems (disaster recovery testing, security testing) and processes are conducted to ensure contingency and effectiveness of backup plans. Medcover continuously upgrades and invests in its IT system equipment and software solutions to maintain an environment that is able to resist new and developing threats. Some key measures in place include security policies, incident response plans, endpoint detection and response, firewalls, privileged access management, vulnerability management and security testing, backup, email screening software, and data leak prevention. In house software is developed following and operating under best practice standards with extensive testing and quality control procedures. A static application security testing (SAST) system is implemented to check the code security and quality.

Description of risk	Risk management and mitigation
<b>Market risk</b>	<b>Ranking:</b> <b>Trend:</b> —
<p>Economic factors are an important driver for demand and pricing of services. In Healthcare Services, employer funded healthcare packages are a significant source of revenue. A competitive employment market supports demand for employment and retention benefits such as healthcare packages. Also, economic growth increases disposable income and the ability to afford healthcare services. Recent high inflation levels, pose a significant risk for the company, with regards to whether it can pass this additional inflation cost to the customers, without losing market share and in due time. It also poses a risk to recruit and retain staff and keep paying employees a fair and competitive salary.</p>	<p>Medicover has grown through more than 25 years of economic cycles of strong growth and retrenchment and has developed the ability to manage such cycles. Medicover's approach is to maintain the affordability of its services to match the local markets' ability to pay for them. These are to a large degree the services of local medical professionals providing healthcare exposed to the same economic cycles, hence there is a natural matching to local affordability. Economic crises also impact funding for publicly paid healthcare which leads to more people seeking treatment from private providers as healthcare is an inelastic expense, which mitigates the impact of economic downturns on Medicover. Having international scale and geographical spread across several markets, both developing and mature, helps diversify and spread the risk of any one country's economy. The Group has also diversified its revenue sources to avoid over-dependence on either public payors or the employer funded segments. 58 per cent of revenue derives from Fee-For-Service in a wide range of markets, providing a high degree of diversification against market risk.</p> <p>The company has successfully managed to pass inflation cost to the final customers in line or above national levels in the private pay markets. The main challenge is the publicly funded business in Germany, where the company is reliant on public regulated reimbursement rates, which are kept constant for the time being contracting margins. The company has intensified its efforts to increase efficiency and productivity and is working with suppliers to keep supplies cost inflation to a minimum. Nevertheless, there is no clear indication at the moment as to when the reimbursement rates will be adjusted to compensate for inflation.</p>
<b>Natural disaster/force majeure</b>	<b>Ranking:</b> <b>Trend:</b> ↑
<p>The risk relates to a natural disaster such as earthquake, fire, flooding, or any force majeure situation incurring loss of access to premises, destruction of equipment, or even life-threatening situations. As Medicover's operations expand in a number of countries, and in various locations within those countries the risk is not universal and cannot be quantified. Some locations are more prone to natural catastrophes (i.e. floods). The risk is greater in operational facilities, (i.e. hospitals) where business continuity and physical presence is essential and cannot be replaced by remote work. The risk is steadily rising in recent years, as extreme weather conditions are increasing around the world, due to global warming and climate change.</p>	<p>All risks insurance cover is in place to effectively cover the financial cost of possible property and equipment damage, or loss of life after a natural catastrophe. Local operational teams screen foreseeable threats like flooding or earthquake risk, and take preventive measures, where possible. Due to the critical nature of the majority of Medicover's operations, the major facilities located in areas with higher risk of earthquakes are designed for continuity of operations. Employees in non-operational roles can work fully remotely if a natural catastrophe damages office space, not affecting day to day work. Cloud-based servers and data storage ensure that any destruction of local IT facilities will not result in loss of data and inability to operate. Power generators are in place where deemed necessary, to support operations in case of power failure as a result of a natural catastrophe.</p>

## Strategy and M&A risks

Description of risk	Risk management and mitigation
<b>Post acquisition integration</b>	<b>Ranking:</b> <b>Trend:</b> —
<p>There is a risk that it might not be possible to integrate the acquired operations as planned, thus incurring higher costs than projected or not achieving synergies in full or within the anticipated time frame. In addition, there is the risk of lack of controls and procedures in the acquired businesses, hence not aligned with existing group controls, which increases subsequent risk management, reporting and requires additional investments to upgrade standards.</p>	<p>Medicover establishes a detailed integration plan for each acquisition, where the risk of increased costs related to integration is measured and managed. If necessary, specific persons are appointed to oversee the integration. The internal audit function performs regular audits of the newly acquired businesses to ensure sufficient controls are in place, which are aligned with existing group controls. Where deficiencies are detected, corrective actions are proposed, and swift implementation is required. The board reviews major acquisitions to assess performance compared to initial projections. This increases accountability regarding integration and in case of underperformance identifies the reasons and suggests solutions.</p>

## Financial risks

Description of risk	Risk management and mitigation
<b>Credit risk</b>	<b>Ranking:</b> ● ○ ○ ○ <b>Trend:</b> —
<p>Credit risk is the risk of losses if a counterparty does not fulfil its commitments. The credit risk that the Group is exposed to, mainly relates to trade receivables that are not paid and assets held by counterparties that are not paid or recoverable, including credit risk in the banking institutions the company works with.</p>	<p>Customers' compliance with agreed credit terms is monitored closely. A wide diversification of customers reduces the relative size of any individual customer's balances outstanding. Where concentrations do exist is with government or quasi government institutions which are either guaranteed by the state or have an implied state guarantee. The largest customer credit concentrations are with the Kassenärztliche Vereinigungen, the German doctor's association for distributing compensation for ambulatory healthcare services, and the state reimbursement schemes for Telangana and Andhra Pradesh in India. This reduces the risk of irrecoverable amounts significantly.</p> <p>Counterparties with whom assets are deposited or loaned, such as banks or custodians are monitored for credit worthiness and ratings in accordance with the treasury policy. In addition, treasury avoids large cash concentrations on a single financial institution and diversifies assets where possible into two or more banks. Furthermore, treasury avoids keeping excess cash locally and tries to manage it centrally in the Group cash pool, resulting in better oversight over the available cash and minimising excess local cash concentrations.</p>
<b>Foreign currency risk</b>	<b>Ranking:</b> ○ ● ○ ○ <b>Trend:</b> ↑
<p>The Group operates across several countries and undertakes transactions denominated in foreign currencies. It is consequently exposed to exchange rate fluctuations. Changes in exchange rates can negatively affect the Group's profits when revenue from sales and costs for providing services are denominated in different currencies (transaction risk). The Group's operations and equity are exposed to currencies in the several markets it operates. In case of local currency devaluation, net equity of the Group could be impacted by a reduction in the euro value of the Group's net investment in those countries. In addition, an adverse effect may be recorded in the financial results when income statements of foreign subsidiaries are translated into euro and on the value of the Group's equity when net assets of foreign subsidiaries are translated into euro (translation risk). All in all, the Group is exposed to considerable foreign currency risk, in particular in emerging markets, with higher risk concentration in Polish zloty, Romanian leu, Ukrainian hryvna and Indian rupee.</p>	<p>The Group operates in each country predominantly in local currency and the exposure to transaction risk is reduced by matching inflows and outflows of the same currencies. Foreign subsidiaries operate in the local market with staff employed providing services to the local population. Staff is the largest cost and as such a natural hedge of the transaction risk is achieved to a large degree. Property leases in certain markets, mainly Poland and Romania are often denominated in euro which introduces another element of volatility in foreign exchange results, however generally a non-cash transaction. Lease indexation for euro-denominated leases is based on eurozone CPI, which over time has generally proven to be balancing out with any losses due to local currency devaluation against the euro.</p> <p>The Group does not actively hedge the net investment position in foreign subsidiaries (translation risk). The Group's view is that the ability to earn income and increase prices in line or above inflation, within the relevant markets compensates over time for currency devaluation. Although an immediate impact or reduction in operating cash flows can be felt, over a period of 12–24 months, these effects are compensated through the relatively fast flow of import cost inflation. Multinational operations act as a diversification tool for the currency risk, as some currencies may appreciate and some may depreciate against the euro in the same period, -balancing out the risk to a degree.</p>
<b>Interest rate risk</b>	<b>Ranking:</b> ○ ● ○ ○ <b>Trend:</b> —
<p>The risk that changes in interest rates have a negative impact on the Group's financials. Medicover borrows under fixed and floating interest rates. Recent interest rate hikes and monetary tightening increase the borrowing cost and interest rate risk becomes of much higher importance.</p>	<p>Group treasury monitors interest rate projections with a view to decision-making regarding investments and acquisitions, and how these would be financed in the future. In the current climate of high interest rates, treasury increases the scrutiny of loan facilities and intensifies the efforts to correctly forecast and fund future needs. The combination of fixed and floating interest rates on the loan facilities, compensates to a degree the recent increase in the cost of borrowing for the company. At year-end more than 50 per cent of the Group's total debt is at fixed interest rate terms in the medium to long-run.</p>





Description of risk	Risk management and mitigation
<b>Liquidity and refinancing risk</b>	Ranking:     Trend: —
Liquidity risk relates to the ability to pay obligations as these become due, and refinancing risk relates to the ability to refinance loans or other debt as it matures.	<p>The Group minimises the liquidity risk by maintaining a sufficient cash position, centralised cash management, investments in liquid securities and by having sufficient credit lines in place to meet potential funding needs. Medcover is in a position where it does not have significant liabilities coming due in any concentration, and most of the debt portfolio relates to long-dated maturities. The debt-to-maturity ratio at year stands at 3.8 years.</p> <p>The Group is cash generative at an operating cash flow level and has central control over investment activity. This provides a large degree of control over managing cash flows in the short term and enables the Group to match its investment plans to available financing resources. The Group also maintains a revolving credit facility, to be used at times when liquidity is running low as an extra safety measure against liquidity risk. At year-end the revolving credit facility amounted to €300 million of which €225 million was unutilised.</p>

## Legal, compliance and political risks

Description of risk	Risk management and mitigation
<b>Anti-bribery and corruption</b>	Ranking:     Trend: —
The risk arises from the failure to comply with anti-bribery and corruption laws and regulations, as employees are tempted to pay or accept bribes or become involved in other corrupt practices. Many of the countries where the Group conducts business have low scores in the transparency international's corruption perceptions index. Being in violation of international laws and regulations exposes the company to a financial, litigation and reputational risk, not only in the countries where the Group operates likewise internationally.	Medcover's Anti-Bribery Policy together with Medcover Code of Conduct and Medcover Supplier Code of Conduct set the rules to be followed in order to prevent bribes and misconduct in all activities under Medcover's control. Medcover has zero tolerance of any form of bribery or corruption, and regularly conducts antibribery training for its employees. In addition, e-learning on Medcover's Code of Conduct and Medcover's Anti-Bribery Policy are available for employees. Risk assessments and periodic audits are used to deter corruption and identify any instances of non-compliance. Employees are encouraged to report serious wrongdoings in accordance with Medcover's Whistleblower Policy. All employees are required to read and sign the Anti-Bribery Policy and the Code of Conduct.
<b>Political risk</b>	Ranking:     Trend: —
Medcover operates across several countries and is exposed in each of these markets to political risks such as reimbursement structures and tariffs, legislative frameworks and enforcement of contracts and permits, corruption, weak institutions and conflicts. These factors may make it difficult to operate, delay investments, increase costs and impact financial returns and business stability.	The company takes a neutral political view in the countries it operates and avoids being involved in any form of political issues. The Group's diversification across several countries and within those countries in several sectors mitigates to a degree individual country political risk. Healthcare is an area which fortunately is not often used as a target area for political interference, resulting in a reduced risk exposure. The Group is committed to keep a politically neutral stance.



## Environmental risks

Description of risk	Risk management and mitigation
<b>Climate change (outside-in)</b>	<b>Ranking:</b>  <b>Trend:</b> 
Climate change may impact Medcover, in particular in markets already exposed to extreme weather events, such as India. Climate change in terms of rising sea level, extreme heat and or rain downpour might influence the viability of Medcover's facilities or those of Medcover's customers, forcing them to relocate. Furthermore, changes in temperature or pollution levels might lead to changing patterns of illness, requiring Medcover to adapt and provide new services, increase capacity, or develop new skills.	The executive management team discusses these risks on an ongoing basis in order to be prepared, to strengthen its adaptation capacity and create a resilient business model. Assessment is performed considering the severity and likelihood of negative impacts. The Group seeks to increase the ability of its operations and premises to adapt to and be resilient to climate change. The Group's environmental and climate change policy is setting the direction for the operations. The sustainability committee oversees this process.
<b>Environmental and climate change (inside-out)</b>	<b>Ranking:</b>  <b>Trend:</b> 
The Group's impact on the environment stems mainly from energy consumption in clinics, laboratories and hospitals and the use of pharmaceuticals and chemicals in the healthcare and diagnostic services. Any negative impact from energy consumption is directly linked to fossil fuel sources in respective national energy grids. Another area of impact is waste and water management. These two areas are strictly regulated for healthcare services in all Medcover markets.	<p>To mitigate any negative impact, Medcover is striving to improve its energy- and resource efficiency, as well as transition away from fossil fuel reliance in the long-term. Medcover screens its carbon footprint in the three scopes of the GHG Protocol. The carbon footprint data clearly shows that Scope 3 emissions upstream in Medcover's supply chain, is by far the largest share of the total volume of emissions. To mitigate and reduce carbon footprint in its supply chain, the company aims to raise awareness and seek strategic collaboration with suppliers having the largest carbon footprint. Regarding carbon footprint for Scope 1 and 2 Medcover mitigates the impact, by fully complying with all environmental and sanitary regulations applicable to its activities. Medcover transparently monitors and reports on progress towards achieving carbon footprint reduction as a signatory to the UN Global Compact. The majority of Medcover's operations are in countries committed to a roadmap aligned with the Paris Agreement, i.e. green transition to renewable energy sources to reduce emission volume.</p> <p>In terms of waste and water management the company fully complies with applicable laws and regulations in the countries it operates.</p>

# Corporate governance report

## Background

Medicover AB (publ) is a public limited liability company, with corporate registration number 559073-9487 and with its registered office in Stockholm. Class B shares in Medicover AB (publ) are traded on Nasdaq Stockholm.

## Corporate governance

The external framework for Medicover's corporate governance includes the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Nordic Main Market Rulebook for Issuers of Shares and the Swedish Corporate Governance Code (the "Code"). The current version of the Code is available on the Swedish Corporate Governance Board's website: [www.bolagsstyrning.se](http://www.bolagsstyrning.se). The Code is based on the principle of 'comply or explain'. This means that companies which apply the Code may deviate from certain individual rules but are required to explain the reasons for each such deviation. Medicover deviates from the Code in one respect (point 2.4), in that the chair of the board is also chair of the nomination committee. This deviation is explained under "Nomination committee".

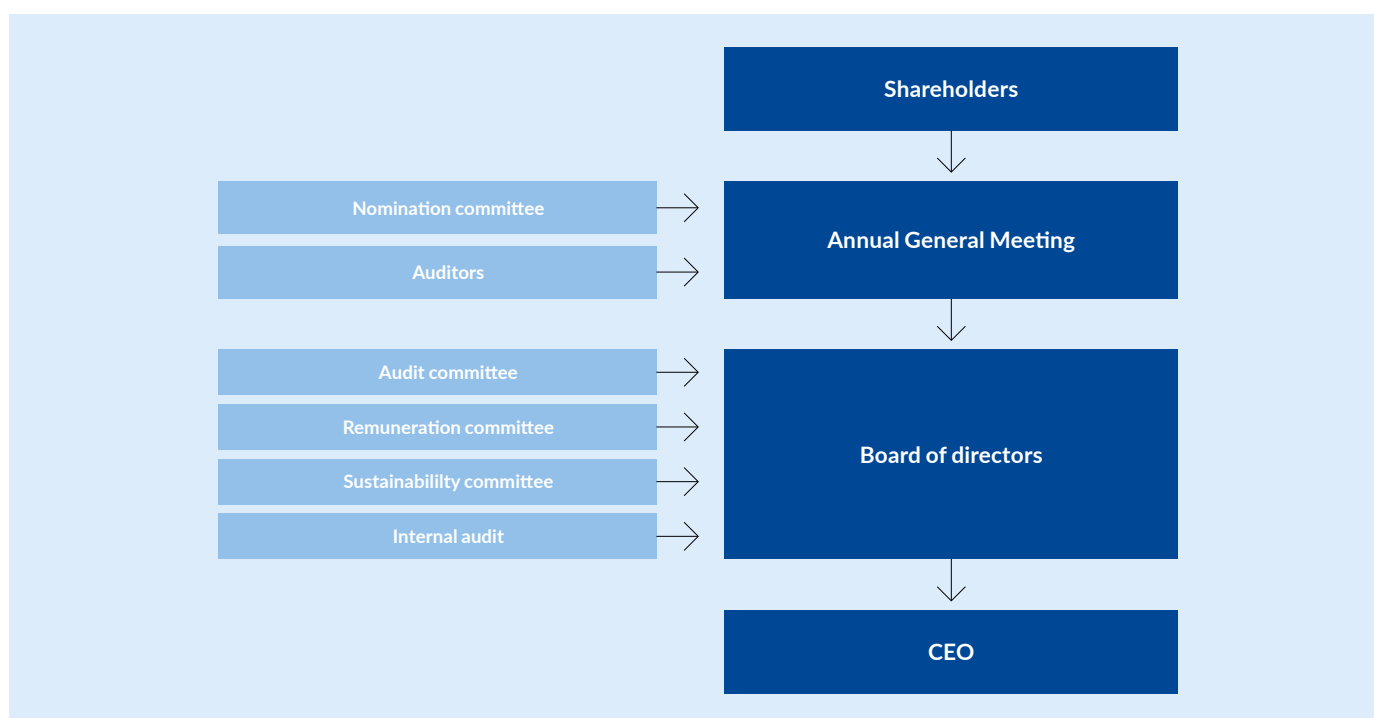
Internal regulations that affect the governance environment are the articles of association, rules of procedure for the board, rules of procedure for and instructions to the audit committee, the remuneration committee and the sustainability committee, instructions for the CEO and various other policy documents.

## Articles of association and classes of shares

The Company's articles of association provide for the possibility to issue three classes of shares (class A shares, class B shares and class C shares) and contain a conversion clause based on which class A shares and class C shares may be converted to class B shares. Each class A share entitles its holder to one vote, while each class B share – just as each class C share – entitles to one tenth of a vote. Each class A share and each class B share respectively entitles its holder to dividends (assuming a resolution regarding dividends has been passed), but holders of class C shares are not entitled to any dividend. In case of liquidation of the Company, class C shares carry equivalent rights to the Company's assets as other shares, however only up to an amount equalling the quota value of the share. There are no other differences between class A shares, class B shares and class C shares.

The Company's articles of association do not contain any limitations in terms of the number of votes each shareholder may exercise at general meetings or any specific provisions on the appointment and dismissal of board members or on amendments to the articles of association.

## Governance model



## Shares and shareholders

As at 31 December 2023, Medicover AB (publ) had 153,535,195 shares, consisting of 76,671,376 class A shares, 72,980,997 class B shares and 3,882,822 class C shares.

Medicover's class B shares have been listed on Nasdaq Stockholm since 23 May 2017.

The Company had a total of 5,512 shareholders at the end of 2023 (as compared to 6,778 at the end of 2022). The largest shareholder is Celox Holding AB with 47,157,365 class A shares, equivalent to 30.7 per cent of the total number of shares and share capital and 55.9 per cent of the total number of votes. The second largest shareholder is NG Invest Beta AB with 10,574,760 shares in total (8,443,571 class A shares and 2,131,189 class B shares), equivalent to 6.9 per cent of the total number of shares and share capital and 10.3 per cent of the total number of votes. No other shareholder than Celox Holding AB and NG Invest Beta AB has a direct or indirect shareholding that represents 10 per cent or more of the total number of votes in the Company. On 31 December 2023, the Company held all 3,882,822 class C shares. For additional information on the share and owners, see pages 76–79 and Medicover's website [www.medicover.com](http://www.medicover.com).

## General meetings

The general meeting is Medicover's highest decision-making body, at which Medicover's shareholders are entitled to exercise their right to vote at annual general meetings ("AGM") and extraordinary general meetings ("EGM") in accordance with the Swedish Companies Act.

The convening notice of general meetings shall be published in the Swedish Official Gazette and on the Company's website, within such time as set forth in the Swedish Companies Act. It must be announced in Svenska Dagbladet that a notice has been issued.

Only shareholders who are listed in the share register and that have notified the Company of their intention to attend before the deadline stipulated in the convening notice are entitled to participate at the general meeting and vote for their shares. Shareholders who are unable to attend in person may be represented by an authorised proxy. The Company's articles of association allows the board to collect powers of attorney in accordance with the Swedish Companies Act and to decide before a general meeting that shareholders shall be able to exercise their right to vote by post in advance of the general meeting.

Information from Medicover's most recent AGMs and EGMs held after the listing at Nasdaq Stockholm can be found in the corporate governance section of Medicover's website [www.medicover.com](http://www.medicover.com). In the same section, information is also provided regarding the shareholders' right to have matters addressed at general meetings and the deadline by which Medicover must receive shareholder requests to be able to ensure the matter is included in the convening notice of the meeting.

The AGM is the general meeting at which the annual report is presented. Among other matters, the Company's board and the chair of the board are elected at the AGM. The AGM also appoints the Company's auditors, and resolves upon fees for the auditors, and fees for the board and committee work. The Company's financial year runs from 1 January (inclusive) up until and including 31 December, and the AGM must be held within six months of the end of the financial year. The meeting date and venue is announced on

Medicover's website no later than in connection with the publication of the third quarter interim report.

At the AGM the shareholders have an opportunity to ask questions about Medicover's operations, and the board members are present to respond to shareholder questions. The auditor will also attend the AGM.

## 2023 AGM

The most recent AGM was held on 27 April 2023 in Stockholm (the "2023 AGM"). Shareholders who wished to participate at the 2023 AGM, could either participate at the venue of the meeting in person or by proxy or participate through advance voting. All the board members were present at the 2023 AGM. The chair of the nomination committee, the CEO, the CFO, the General Legal Counsel and the Company's auditor were also present.

In total, 111,393,001 shares and 78,756,877 votes were represented at the meeting, out of which 75,130,641 were class A shares (representing 49.4 per cent of the shares and 89.1 per cent of the votes in the Company) and 36,262,360 were class B shares (representing 23.9 per cent of the shares and 4.3 per cent of the votes in the Company).

The following main resolutions were passed:

- Adoption of the annual report, allocation of the result and discharge from liability with respect to the board members and the CEO.
- Approval of the remuneration report for the financial year 2022 prepared by the board.
- Determination of the number of board members to be elected by the AGM and remuneration to the board members and the auditor.
- Re-election of the ten members of the board and re-election of the auditor.
- Adoption of instructions to the nomination committee.
- Adoption of guidelines for remuneration to senior executives.
- Adoption of a long term performance-based share programme (the "Plan 2023") (for further information regarding the Plan 2023, see note 9), authorisation for the board to issue and repurchase class C shares and decision to – following conversion into class B shares – transfer such shares to participants in the Plan 2021, Plan 2022 and Plan 2023 and in order to secure possible social charges arising as a result of the Plan 2022 and Plan 2023, and approval of the inclusion of the CEO (who is also a board member of the Company) in the Plan 2023.
- Authorisation for the board to issue class B shares.
- Authorisation for the board to repurchase class B shares.

## Authorisations – approved by the 2023 AGM

At the 2023 AGM, resolutions authorising the board to issue class B shares, to issue class C shares and repurchase all class C shares, and to repurchase class B shares were passed:

- Authorisation for the board to, on one or several occasions, increase the Company's share capital by issuing new class B shares. Such share issue resolutions may be made with or without deviation from the shareholders' preferential rights and with or without provisions for contribution in kind, set-off or other conditions. The authorisation may only be utilised to the extent that it corresponds to a dilution of not more than 10 per

cent of the total number of shares outstanding at the time of the 2023 AGM, after full exercise of the authorisation. The purpose of the authorisation is to increase the financial flexibility of the Company and the acting scope of the board. If the board resolves on an issue in deviation from the shareholders' preferential rights, the reason for this must be to strengthen the financial position of the Company in a time and cost-effective manner or in connection with acquisition agreements, or, alternatively, to procure capital for such acquisitions. In case of such deviation from the shareholders' preferential rights, the new share issue shall be made at market terms and conditions.

- Authorisation for the board to resolve, on one or several occasions, to increase the Company's share capital by not more than EUR 320,000 by the issue of not more than 1,600,000 class C shares (100,000 class C shares for the Plan 2021, 750,000 class C shares for the Plan 2022 and 750,000 class C shares for the Plan 2023), of which not more than 58,780 class C shares may be issued to secure social charges arising as a result of the Plan 2022 and the Plan 2023 (25,000 class C shares for the Plan 2022 and 33,780 class C shares for the Plan 2023), each with a quota value of one fifth of a EUR (0.2). With deviation from the shareholders' preferential rights, the participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of shares to employees under the Plan 2023, as well as the long term performance-based share programmes adopted by the annual general meetings held on 29 April 2021 (the "Plan 2021") and 27 April 2022 (the "Plan 2022"), and to secure potential social charges arising as a result of the Plan 2022 and Plan 2023.
- Authorisation for the board to resolve, on one or several occasions, to repurchase its own class C shares. The repurchase may only be effected through a public offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the repurchase authorisation is to ensure delivery free of charge of the class B shares that the participants in the Plan 2021, Plan 2022 and Plan 2023 will be granted the opportunity to receive (so called performance shares) as well as to secure potential social charges arising as a result of the Plan 2022 and Plan 2023.
- Authorisation for the board to resolve, on one or several occasions, to repurchase its own class B shares. The repurchase shall maximum comprise so many class B shares that the Company's holding does not at any time exceed ten per cent of the total number of shares in the Company, and may only take place on Nasdaq Stockholm and only at a price within the price range applicable at any given time, i.e. the range between the highest purchase price and the lowest selling price. The purpose of the authorisation for such repurchase is to promote efficient capital usage in the Company and to provide flexibility as regards the Company's possibilities to distribute capital to its shareholders.

The authorisations are valid until the next AGM. The board has on 6 November 2023 resolved to issue and repurchase 1,600,000 class C shares (increasing the share capital by EUR 320,000) in accordance with the above-mentioned authorisations to do so. As of 31 December 2023, neither the above mentioned mandate to issue new class B shares nor the above-mentioned mandate to repurchase class B shares has been utilised.

## 2024 AGM

Medicover's 2024 AGM will be held on Friday 26 April 2024 in Stockholm. The notice of the 2024 AGM was published in March 2024. Shareholders wishing to have a matter addressed by the AGM must submit a request in writing to the board well in advance of the AGM. Further information is available on Medicover's website [www.medicover.com](http://www.medicover.com).

## Nomination committee

The nomination committee fulfils the duties falling upon it according to the Code. Without any limitation of the foregoing, this includes preparing and submitting for the AGM:

- motivated proposals regarding a) the number of members of the board, b) election of a chair and other members of the board, and c) fees and other remuneration for the chair and the other members of the board as well as remuneration for committee work;
- with the support of the Company's audit committee, a proposal regarding the election of and remuneration to the external auditor;
- a proposal regarding the chair of the annual general meeting; and
- a proposal on instructions to the nomination committee.

The 2023 AGM resolved that the nomination committee will consist of the chair of the board and one representative of each of the four largest shareholders. According to the instructions to the nomination committee adopted at the 2023 AGM, the representative of the largest shareholder shall be appointed as chair of the nomination committee, unless the nomination committee unanimously appoints another member. If any of the largest four shareholders renounces its right to appoint one representative to the nomination committee, such right shall transfer to the shareholder who then in turn, after these four, is the largest shareholder in the Company.

The chair of the board, Fredrik Stenmo, being appointed as chair of the nomination committee is a deviation from the Code. The reason for the deviation is that it seems natural that a representative of the largest shareholder in terms of votes and capital should chair the nomination committee as the shareholder also has a decisive influence on the composition of the nomination committee through its voting majority at general meetings.

As announced in a press release on 20 September 2023, the current nomination committee consists of:

- Fredrik Stenmo (chair of the board and the nomination committee), representing Celox Holding AB and the Christina af Jochnick family's total shareholding.
- Hans Ramel, NG Invest Beta AB.
- Jannis Kitsakis, Fjärde AP-Fonden.
- Angelica Hanson, AMF och AMF Fonder.

### ***Independence of the nomination committee***

According to the Code, the majority of the nomination committee's members must be independent of the company and its executive management, and at least one of these must also be independent of the company's largest shareholder in terms of voting power. As for the four members of the Company's nomination committee, all four are independent of the Company and its executive management and three are also independent of the Company's largest shareholder in terms of voting power, so the independence requirements of the Code are fulfilled.

### ***Nomination committee's work in preparation for the 2024 AGM***

The nomination committee has held one meeting in 2023 and two in 2024, and has in addition to the meetings had contact by email and phone. The work has been conducted in a good and friendly spirit of broad consensus. The chair of the board has provided the nomination committee with information on the board and board committee work during the year. The chair of the board has also accounted for the board evaluation (self-assessment) performed. The committee has discussed the board's composition, addressing the existing and possible future requirements with respect to new experience and expertise. One of the current ten board members has expressed that he is not available for re-election. The nomination committee proposes that all other current board members be re-elected and that the number of board members be decreased from ten to nine members as one of the current members is not available for re-election. Special attention has been paid to the importance of diversity and gender balance when preparing the proposal on board members for the 2024 AGM, and the nomination committee has applied point 4.1 of the Code as diversity policy when preparing the proposal. Medicover's board consists of 40 per cent women and that will increase to 44 per cent if the annual general meeting votes in favour of the nomination committee's proposal. The committee has concluded that the Company fulfils the Code's independence requirements as a majority of the proposed board members are independent in relation to the Company and its executive management, and as at least two of the board members who are independent of the Company and its executive management are also independent in relation to the Company's major shareholders. Furthermore, when making its proposal regarding the appointment of the external auditor, the recommendation from the audit committee has been taken into account.

No fees have been paid for the work of the nomination committee.

The shareholders have had the possibility to submit proposals to the nomination committee. The nomination committee's proposals to the 2024 AGM are presented in the convening notice to the AGM on Medicover's website [www.medicover.com](http://www.medicover.com), where also the nomination committee's statement explaining its proposal regarding the board, information regarding the proposed board members and further information about the nomination committee's work are available.

### ***Board of directors***

The board's overall task is to manage the Company's affairs in the interests of the Company and all its shareholders and to ensure and promote a good company culture, and the board shall ensure that the organisation of the Company is structured so that the accounting, management of funds and the Company's overall financial situation is controlled in a satisfactory way. In addition to establishing the overall goals and strategy of the Company, other key tasks of the board include to identify how sustainability issues impact risks to and business opportunities for the Company, to ensure that there is an appropriate system for follow-up and control of the Company's operations and thereto associated risks to the Company and to ensure a satisfactory process for monitoring the Company's compliance with relevant laws and other regulations, as well as the application of internal guidelines. The board shall carry out its work in accordance with applicable EU rules and legislation, the Swedish Companies Act and other Swedish legislation, the Company's articles of association, the rules of procedure for the board and other policies, Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the Code as well as any other applicable guidelines and directives. The chair of the board shall ensure that the work of the board is evaluated annually by a systematic and structured process in accordance with the Code.

The board appoints, and if necessary dismisses, the CEO, who is responsible for day-to-day operations based on guidelines and instructions prepared by the board. The CEO informs the board regularly about events of significance for Medicover, including information on the Company's progress and the group's earnings, financial position and liquidity.

The board shall supervise the performance of the Company and ensure that the CEO fulfils the imposed obligations. The distribution of responsibilities between the board and the CEO is set out in the instructions for the CEO.

### ***Composition of the board***

According to the Company's articles of association, the board should (to the extent elected by the general meeting) consist of at least three and no more than twelve members.

At the 2023 AGM it was determined that the number of members of the Company's board shall continue to consist of ten members elected by the AGM, including the chair of the board. All ten board members were re-elected at the 2023 AGM; Fredrik Stenmo (chair), Peder af Jochnick, Robert af Jochnick, Anne Berner, Arno Bohn, Sonali Chandmal, Michael Flemming, Margareta Nordenvall, Fredrik Rågmark (CEO) and Azita Shariati. Apart from the CEO, none of the board members are employed by Medicover. All board members have attended Nasdaq's stock market training course for boards and management.

The average age of the board members elected by the 2023 AGM was 63 at year-end 2023. Information about remuneration for board members resolved upon at the 2023 AGM is available in the table on page 123.



### Independence of the board

According to the Code, the majority of the board members elected by the general meeting must be independent of the company and its executive management and at least two of these must also be independent of the company's major shareholders. As for the Company's ten board members, all but one (the CEO) are independent of the company and its executive management and seven are independent of the company's major shareholders. This means that the independence requirements of the Code regarding board members are fulfilled. The independence status of each board member is indicated on pages 104–105.

### The board's rules of procedure and written instructions

Annually, at the inaugural board meeting the board reviews and adopts the rules of procedure for the board, rules of procedure for and instructions to the audit committee, the remuneration committee and the sustainability committee, instructions for the CEO and instructions for financial reporting.

### The chairman of the board

The chair of the board shall ensure that the work of the board is carried out efficiently and that the board fulfils its commitments. In addition to directing and organising the work of the board in order to provide the best possible conditions and to lead board meetings, the chair shall keep himself/herself informed of the group's operations and development through regular contact with the CEO. The chair must regularly confer with the CEO on any strategic issues and represent the Company in matters related to the ownership structure. The chair may also participate, when

necessary, in more important external contacts as well as – in consultation with the CEO – in other, particularly important issues. The chair shall in cooperation with the CEO secure that well adapted information is communicated to the board before board decisions are made.

### Structure of the board work

As outlined in the rules of procedure for the board, the board will hold an inaugural meeting immediately after each AGM or, if so required, immediately after an EGM, and never less than six ordinary meetings in a year. The board may convene additional meetings when necessary or when requested by a board member or the CEO.

The ordinary meetings address established reporting and decision items. The CEO provides ongoing information about Medcover's progress. The board makes decisions on general matters such as strategic, structural and organisational issues as well as on large investments, acquisitions and divestments. The chair is also actively involved in these issues in between board meetings. The Company's auditor attends at least one board meeting per year and meets with the board without the CEO or any other member of the executive management present.

### Work of the board in 2023

In 2023, 11 board meetings were held. Focus was given primarily to interim reports and the M&A activity of Medcover, in addition to the usual reporting and decision items. The attendance of the board members at the board meetings is indicated in the following table:

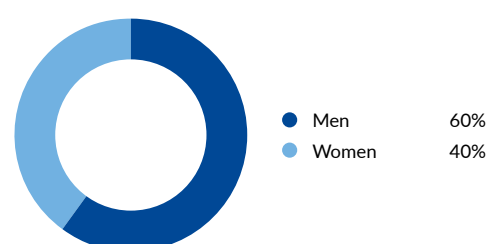
Member	Attendance				Fees <sup>1)</sup> (EUR)			
	Board	Audit committee	Remuneration committee	Sustainability committee	Board	Audit committee	Remuneration committee	Sustainability committee
Fredrik Stenmo, chair	11/11	5/5	4/4	3/3	76,200	11,600	8,450	5,250
Peder af Jochnick	10/11				54,600			
Robert af Jochnick	11/11				54,600			
Anne Berner <sup>2)</sup>	11/11			1/1	54,600			5,250
Arno Bohn	11/11		4/4		54,600		8,450	
Sonali Chandmal	11/11	5/5		3/3	54,600	11,600		5,250
Michael Flemming	11/11	5/5			54,600	23,700		
Margareta Nordenvall	11/11	5/5			54,600	11,600		
Fredrik Rågmark, CEO	10/11			3/3				
Azita Shariati <sup>3)</sup>	11/11		2/2		54,600		8,450	

<sup>1)</sup> Fees approved by the 2023 AGM for the period from the 2023 AGM until the next AGM.

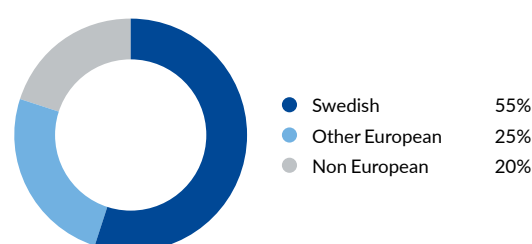
<sup>2)</sup> Was appointed to the sustainability committee at the inaugural board meeting immediately following the 2023 AGM and has participated in the only sustainability committee meeting held following such appointment.

<sup>3)</sup> Was appointed to the remuneration committee at the inaugural board meeting immediately following the 2023 AGM and has participated in both remuneration committee meetings held following such appointment.

### Gender split board of directors



### Board of director's nationalities



### Board work evaluation

The chair of the board is responsible for evaluating the board's work. This includes gaining an understanding of the issues that the board thinks warrant greater focus, as well as determining areas where additional competence is needed within the board and whether the board composition is appropriate. The evaluation also serves as guidance for the work of the nomination committee. In 2023 the board has evaluated its work through a so called self-assessment. The result from these evaluations is that the board is performing well and that the board is well composed with good competencies.

### Board committees

The board has appointed an audit committee and a remuneration committee. The committee members are selected among the board members for a one-year term in accordance with the principles stipulated in the Swedish Companies Act and the Code. In addition, the board has also established a sustainability committee as a sub-committee of the board.

### Audit committee

The audit committee has in 2023 comprised four members; Michael Flemming (chair), Fredrik Stenmo, Sonali Chandmal and Margareta Nordenvall. The audit committee has the following main responsibilities:

- Preparations for the board's work on assuring the quality of the Company's and the group's accounting, financial reporting and internal control as well as financial risk and risk management.
- Monitoring and addressing issues concerning the efficiency of the Company's internal controls, regulatory compliance and risk management, in general as well as, in particular, in respect of the financial reporting.

- Monitoring and evaluating the work of the auditor, and monitoring the impartiality and independence of the auditor.
- Informing the board of the outcome of the auditors' audit and explaining how the audit contributed to the integrity of financial reporting and what the role of the committee was in that process.
- Assisting in conjunction with preparation of, and recommending the nomination committee, proposals to the AGM's resolution regarding election of an auditor, including administering the selection procedure.
- Monitoring accounting developments in areas that may affect Medcover.

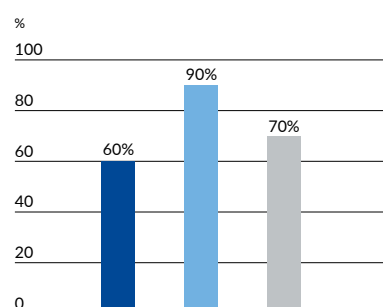
The committee held five meetings in 2023 with particular emphasis on interim reports, audit reports, internal control, risk overview and management, and audit (internal and external). The attendance of the committee members is indicated in the table on page 99.

According to the Code, if the board has established an audit committee, the majority of the audit committee's members must be independent in relation to the company and its executive management. At least one of those members who are independent in relation to the company and its executive management must also be independent in relation to the company's major shareholders.

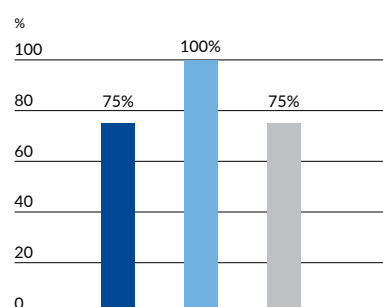
As for the four members of the Company's audit committee, all are independent of the company and its executive management and all but one (Fredrik Stenmo, chair of the board) are independent of the company's major shareholders. This means that the Code's independence requirements regarding the audit committee members are fulfilled. The independence status of each committee member is indicated on pages 104–105.

## Independency

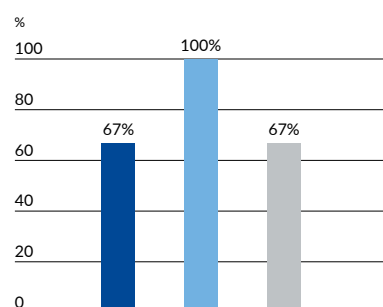
### Board of directors



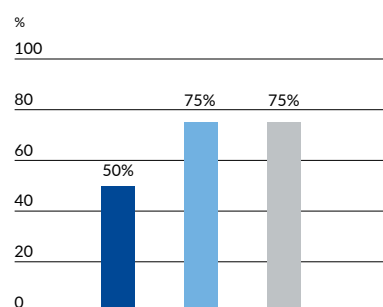
### Audit committee



### Remuneration committee



### Sustainability committee



- Independent from company, management and major shareholder
- Independent from company and management
- Independent from major shareholder

## Board and Audit Committee (AC) activities 2023

### February

- **Ordinary AC meeting.** Q4 and FY 2022 interim report; audit wrap up; recommendation re auditor.
- **Ordinary board meeting.** Business update; financial update; report from audit committee; Q4 and FY 2022 interim report; review of financial targets; sustainability review; report from remuneration committee; evaluation, succession planning and remuneration review for CEO and EMT; board evaluation.

### April

- **Ordinary AC meeting.** Q1 2023 interim report.
- **Ordinary board meeting.** Business update; financial update; report from audit committee; Q1 2023 interim report; report from sustainability committee; acquisition review; risk management review; people / organisation update.
- **2023 AGM**
- **Ordinary board meeting (inaugural).** Confirmation of the board's composition following the AGM; authority to sign for the company; election of members of board committees; adoption of rules of procedure for the board and related policies and instructions.

### September

- **Extra board meeting.** Business update; acquisition review.
- **Extra board meeting.** Acquisition approval.

### December

- **Ordinary board meeting.** Budget 2024; acquisition approval.

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

### March

- **Ordinary AC meeting.** Audit report 2022; annual report 2022.
- **Ordinary board meeting.** Audit report 2022; report from audit committee; external auditor review of audit process without management; annual report 2022 and proposal for allocation of the results; ; business update; report from sustainability committee; Plan 2023 proposal to AGM; convening notice to AGM and related documents, including remuneration report; report from CMO; qualification of commercial paper programme as socially sustainable and application to Nasdaq Stockholm.

### May

- **Extra board meeting.** Plan 2018 conditions fulfilment assessment; calculation and allocation to participants.

### July

- **Ordinary AC meeting.** Q2 2023 interim report; report from internal audit.
- **Ordinary board meeting.** Business update; financial update; report from audit committee; Q2 2023 interim report.

### November

- **Ordinary AC meeting.** Auditor review report re. Q3 2023 interim report, Q3 2023 interim report; internal audit update YTD 2023 and plan (incl. budget) 2024; risk self-assessment; risk overview and risk management.
- **Ordinary board meeting.** Annual review of policies adopted by the board; business update; financial update; report from audit committee; Q3 2023 interim report; report from sustainability committee; report from remuneration committee; approval of parent guarantee.
- **Extra board meeting.** Issue and repurchase of class C shares (2023 AGM authorisation).

### Remuneration committee

The number of members of the remuneration committee has in 2023 been increased from two members to three, when Azita Shariati at the inaugural board meeting held on 27 April 2023 was elected as new member and Fredrik Stenmo (chair) and Arno Bohn were re-elected. The remuneration committee has the following main responsibilities:

- Preparing the board's decisions on issues concerning principles for remuneration, remuneration amounts and other terms of employment for executive management.
- Monitoring and evaluating programmes for variable remuneration to the executive management, both on-going programmes as well as such that have ended during the year.
- Monitoring and evaluating the application of the guidelines for remuneration to the executive management that the general meeting is legally obliged to establish, as well as the current remuneration structures and remuneration levels within the Company.
- For each financial year prepare the board's report disclosing, with respect to the relevant individuals, remuneration covered by the guidelines for remuneration to the executive management established by the AGM that has been paid or that is due.

In 2023, the committee held four meetings focusing on remuneration policies within the group, proposals for the long-term performance-based share programme approved by the 2023 AGM (Plan 2023), evaluation of the outcome for the long term performance-based share programme approved by the annual general meeting in 2018 (Plan 2018) and preparation of the remuneration report from the board. The attendance of the committee members is indicated in the table on page 99.

The Code states that, if a remuneration committee has been established by the board, the chair of the board may chair the remuneration committee but all other general meeting elected members of the committee must be independent in relation to the company and its executive management. As for the Company's remuneration committee, the chair of the board also chairs the remuneration committee. All three committee members are independent of the company and its executive management. This means that the Code's independence requirements regarding the remuneration committee members are fulfilled. The independence status of each committee member is indicated on pages 104–105.

### Sustainability committee

The number of members of the sustainability committee has in 2023 been increased from three members to four, when Anne Berner at the inaugural board meeting held on 27 April 2023 was elected as new member and Fredrik Stenmo (chair), Sonali Chandmal and Fredrik Rågmark (board member and CEO) were re-elected. The purpose of the committee is to ensure an aligned and well prepared and supervised sustainability model of the Company, with an emphasis on supervision of strategy, implementation of strategy and monitoring and evaluation of Medcover's work within the sustainability area. The sustainability committee has the following main responsibilities:

- Prepare the board's decisions on issues concerning sustainability.
- Monitor and evaluate the Company's goals within the sustainability area.

- Monitor and evaluate the application of the guidelines issued by the board within the sustainability area.
- For each financial year review the Company's sustainability report, which is to be included in the Company's annual report or approved by the board as a separate report in connection with the approval of the annual report of the Company.

The committee held three meetings in 2023, focusing on reviewing organisation and responsibilities, the sustainability report to be included in the annual report, CSRD roadmaps including double materiality analysis and proposed goals within the sustainability area and on setting priorities for 2023. The attendance of the committee members is indicated in the table on page 99.

### Executive management

The group's executive management team consists of seven members; in addition to the CEO, the team comprises the CFO, the COO for the Diagnostic Services division, the COO for the Healthcare Services division, the General Legal Counsel, the CIO and the CMO. The Chief People Officer will become part of the group's executive management team on 1 April 2024, and the team will thereby be increased to eight members. See pages 106–107 for more information on the individuals in the executive management team. The executive management team holds meetings on a regular basis at which the main topics discussed are the Group's financial progress, projects in process and other strategic issues.

All members of the group's executive management team have attended Nasdaq's stock market training course for boards and management.

For principles, remuneration and other fees for the CEO, see note 8 and the Company's remuneration report which is available on [www.medicover.com](http://www.medicover.com).

### Investment committee

The Company has established an investment committee, comprising seven members; the CEO, the CFO, the COO for the Diagnostic Services division, the COO for the Healthcare Services division, the General Legal Counsel, the CIO and the Group Strategy Advisor. The investment committee meets regularly to monitor the Group's financial progress and ongoing M&A projects and decide on key steps to be taken in such projects. The scope of the investment committee's work also covers operational matters and capex decisions.

### Auditor

Medcover's auditor is the accounting firm BDO Sweden AB, with the authorised auditor Karin Siwertz as auditor-in-charge. BDO Sweden AB was re-appointed at the 2023 AGM for the period until the end of the next AGM (choice of firm) with the request that Karin Siwertz be appointed as auditor in charge.

## Control environment

The internal control framework is governed by the Swedish Companies Act and the Code. Internal control is a process affected by the board, the audit committee, the CEO, the executive management and other employees and which is intended to provide a reasonable assurance that the Company's objectives are met, with respect to effective and efficient operations, reliable reporting and compliance with applicable laws and regulations. Internal control with respect to financial reporting is an integral part of the overall internal control, using for example such control activities as segregations of duties, reconciliations, approvals, safeguarding of assets and controls over information systems. Internal control over financial reporting is intended to provide reasonable assurance regarding the reliability of external financial reporting in the form of quarterly and annual reports and financial statements as well as ensuring that external financial reporting is prepared in accordance with law, applicable accounting standards and other requirements for listed companies.

The process for the Company's internal control is based on the control environment which establishes the character and provides the discipline and structure for the other four integral components of the process: risk assessment, control activities, information and communication, and monitoring.

## Risk assessment, control activities, information, communication and monitoring

The board has the overall responsibility for the Company's internal control. This is executed formally through written rules of procedure which define the board's responsibilities and how the responsibilities are divided between board members, the board committees and the CEO. However, it is the control environment as established by the board that is the key factor in the overall process. Written policies, guidelines and instructions, such as Medicover Corporate Information Technology Policy, Medicover Code of Conduct, Medicover Anti-bribery Policy, Medicover Whistleblower Policy and Internal Control Guidance are examples of the body of direction, guidance and support available to managers and staff of the Company. The audit committee is responsible for increasing the quality and improving the supervision and control of the Company's internal control and risk management particularly on matters regarding compliance and financial reporting.

Risk assessment is a component of internal control and is expected to be part of business unit managers' activities and approach to internal control. Within the area of financial reporting and compliance, managers identify risks and the potential impact and likelihood as part of the process of defining processes, roles, procedures and other internal control activities. For more information on the major risks and management of these risks see the risk section.

The managers of the Company's divisions and business units, together with their respective organisation, have a responsibility for internal control (including operational, compliance and financial monitoring). The Company has established common reporting

standards across all entities of the Company, overseen by dedicated controlling finance personnel with monthly reviews against plans and budgets and monitoring of variances and unusual or unexpected amounts or exceptions. Combined with monthly and periodic management reviews by the CEO and operational managers within the business units this regular information and communication across the business and close monitoring is part of the process of assurance that the objectives set by the board are achieved.

Communication of Medicover's internal control objectives and processes is assisted by a Medicover wide intranet and other communication channels. This is further supported by internal control education processes for managers run as a regular integral part of the internal audit activities as well as induction processes and compliance education under the Human Resources function.

## Internal audit

Medicover has established an internal audit function that is staffed with suitably qualified and experienced personnel. The head of internal audit is appointed by and reports to the audit committee who reviews and approves the resources dedicated to and the work and results of the function. The head of internal audit reports to the CFO for administrative issues.

The function has been in existence for many years gaining experience within Medicover and thereby giving a deep understanding of the operational units, business model, systems and internal controls. This has been instrumental in driving efficiency of operations and understanding of internal controls throughout the operational management. Part of the work of the function is to conduct an annual self-assessment based review of the internal control environment of the major business units, validate and report the results to the audit committee. Combined with materiality aspects and historical outcomes of internal audit reviews this forms part of the basis of developing the annual internal audit programme set by the audit committee.

The purpose of the internal audit function is to provide assurance to the board that the internal control environment around the Company's objectives is effective, efficient, in compliance with laws and provides reliable financial reporting. An aspect of achieving these objectives is through education of management and staff in respect of internal controls. Regular training sessions are conducted whenever internal audit conducts field audits.

The objectives are achieved through reviews of business unit's major cycles, such as the sales cycle through to cash, procurement through to payment, payroll and reporting. These reviews look at management's identification of risks, development of policies, controls and procedures to address risks, application and efficiency of these controls and procedures through testing and eventually action plans to address deficiencies and follow up of those action plans.



# Board of directors

## Fredrik Stenmo



Chairman of the board since 2017.  
Board member since 2005.  
Member of the audit committee, the remuneration committee, sustainability committee and nomination committee.  
Born 1971.  
**Nationality:** Swedish.  
**Education:** Law Degree, Lund University. Business Administration, Lund School of Economics.  
**Other assignments:** Chairman of the board of ORESA Ltd. Board member of the Jonas and Christina af

Jochnick Foundation, Celox Group Ltd and Celox Holding AB.  
**Professional experience:** Partner at FSN Capital and earlier experience from Bank Boston Capital and SEB.  
**Independency in relation to major shareholders:** No.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company<sup>1)</sup>:** 6,396,050 class A shares and 223,210 class B shares.

## Peder af Jochnick



Board member since 2012.  
Born 1971.  
**Nationality:** Swedish.  
**Education:** Graduate from Lund School of Economics. Graduate of Royal Swedish Naval Academy and National Defence Staff College.  
**Other assignments:** Chairman of the board of Grafair Flight Management AB, Grafair Bromma AB and Viceroy AB. Board member of Celox Holding AB and Scandinavian Risk Solutions AB.

**Professional experience:** CEO Scandinavian Risk Solutions AB, COO and Accountable Manager Air Express. Helicopter Pilot Scandinavian Air Ambulance.  
**Independency in relation to major shareholders:** No.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company<sup>1)</sup>:** 3,820,965 class A shares and 63,615 class B shares.

## Robert af Jochnick



Board member since 2007.  
Born 1940.  
**Nationality:** Swedish.  
**Education:** Graduate from Stockholm School of Economics and Law Degree, Stockholm University.  
**Other assignments:** Chairman of the board of NG Invest Alpha AB, NG Invest Beta AB and af Jochnick Foundation.

**Professional experience:** Co-founder of Oriflame and board member.  
**Independency in relation to major shareholders:** No.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** 250,000 class A shares and 1,569,545 class B shares.

## Anne Berner



Board member since 2022.  
Member of the sustainability committee.  
Born 1964.  
**Nationality:** Finnish and Swiss.  
**Education:** Master of Science, Hanken School of Economics in Helsinki and an MBA in leadership.  
**Other assignments:** Board member of SEB, IIF Group (Adven, Getec), Avesco AG (Switzerland), Finnish Cancer Institute and Foundation for Cardiovascular Research.  
**Professional experience:** Founder of the Association

for the Support of the New Children's Hospital in Helsinki and chair of the board. Member of Finnish Parliament and Minister of Transport and Communications in the Finnish government. Director of Ilmarinen, Soprano Oyi. Several directorships.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** –

## Arno Bohn



Board member since 2001.  
Member of the remuneration committee.  
Born 1947.  
**Nationality:** German.  
**Education:** Executive ISMP, Harvard Business School.  
**Other assignments:** Member of the Advisory Board of Hueck Folien GmbH. Vice chairman of the Supervisory Board of Market Logic Software AG. Board member of Segera Ltd.

**Professional experience:** Deputy CEO Nixdorf Computer AG, CEO Porsche AG, Corporate VP General Electric Co.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** 122,640 class A shares and 177,360 class B shares.

<sup>1)</sup> Including holding of closely related parties.

## Sonali Chandmal



Board member since 2017.  
Member of the audit committee and sustainability committee.  
Born 1968.  
**Nationality:** Belgian, Indian.  
**Education:** MBA Harvard Business School and, BA (economics) University of California, Berkeley.  
**Other assignments:** Partner at A Lamot & Company. Board member of Ageas SA/NV, Ageas Portugal Holdings SGPS, S.A., BW LPG Pte Ltd., Ackermans & van Haaren NV, Climate Governance asbl and of

Harvard Club of Belgium.  
**Professional experience:** Bain & Company 1997–2017.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** 25,000 class B shares.

## Michael Flemming



Board member since 2015.  
Chair of the audit committee.  
Born 1957.  
**Nationality:** South African.  
**Education:** Bachelor of Commerce, Bachelor of Law and B Proc; AMP, Harvard Business School.  
**Other assignments:** Board member of True North Development Ltd.  
**Professional experience:** Board member and CEO of Life Healthcare Ltd. Board member of Sanyati Holding Ltd, Capio AB (publ) and Metair Investments

Limited.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** –

## Margareta Nordenvall



Board member since 2001.  
Member of the audit committee.  
Born 1954.  
**Nationality:** Swedish  
**Education:** MD, PhD, The Karolinska Institute and MBA, Sloan, Massachusetts Institute of Technology.  
**Other assignments:** Several assignments for the Swedish Parliament Veterans Association.  
**Professional experience:** CEO Sophiahemmet AB. Board member of Feelgood AB, Focal Point AB and Mando AB. Member of Swedish Parliament. Board

member of Swedish Medical Science Ethic Council and National Institute of Public Health.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes  
**Shareholding in the company:** 78,830 class A shares and 11,170 class B shares.

## Fredrik Rågmark



CEO  
Board member since 1997.  
Member of the sustainability committee.  
Employed since 1995.  
Born 1963.  
**Nationality:** Swedish.  
**Education:** Law Degree, Stockholm University and BA Economics, Stockholm School of Economics.  
**Other assignments:** Several assignments within the company.  
**Professional experience:** Managing Director Oresa

Ventures, Business Development Manager, Oriflame Eastern Europe.  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** No.  
**Shareholding in the company:** 1,564,045 class B shares.

## Azita Shariati



Board member since 2022.  
Member of the remuneration committee.  
Born 1968.  
**Nationality:** Iranian and Swedish  
**Education:** Degree in nutrition economics from the University of Gothenburg.  
**Other assignments:** Board member Cirkus Cirkör.  
**Professional experience:** CEO Anicura AB. CEO Sodexo Nordic and long experience with several senior executive positions at Sodexo. Chair Almega FM, board member Almega Tjänsteförbunden,

Almaga Serviceentreprenörerna, Visita, Anna Lindh academy, Collector Bank, Proffice, Rädda Barnen, member of the council for the Swedish Agency for Participation, and member of Government Analysis Group "Work in the Future".  
**Independency in relation to major shareholders:** Yes.  
**Independency in relation to the company and management:** Yes.  
**Shareholding in the company:** 2,200 class B shares.

# Executive management



**Fredrik Rågmark**

CEO

Employed since 1995.  
Board member since 1997.  
Member of the sustainability committee.  
Born 1963.  
**Nationality:** Swedish.  
**Education:** Law Degree, Stockholm University and BA Economics, Stockholm School of Economics.  
**Other assignments:** Several assignments within the company.  
**Professional experience:** Managing Director Oresa Ventures, Business Development Manager, Oriflame Eastern Europe.  
**Shareholding in the company:** 1,564,045 class B shares.



**Jenny Brandt**

General Legal Counsel

Employed since 2010.  
Born 1974.  
**Nationality:** Swedish.  
**Education:** Master of Laws, Stockholm University and Master of Laws, Queen Mary & Westfield College, London.  
**Other assignments:** –  
**Professional experience:** Attorney at Law at Mannheimer Swartling law firm and Law Clerk at the District Court of Stockholm.  
**Shareholding in the company:** 52,586 class B shares.



**Joe Ryan**

CFO

Employed since 1996.  
Born 1965.  
**Nationality:** Irish.  
**Education:** BSc. and BEng., University of Manchester. Fellow of the Institute of Chartered Accountants of England and Wales (FCA). ACT Association of Corporate Treasurer. Senior Executive Programme, London Business School.  
**Other assignments:** Several assignments within the company.  
**Professional experience:** UK. Chartered Accountant BDO Binder Hamlyn. Internal audit, Philip Morris Inc. Switzerland.  
**Shareholding in the company:** 1,374,498 class B shares.



**John Stubbington**

COO, Healthcare Services

Employed since 2010.  
Born 1968.  
**Nationality:** British.  
**Education:** Accelerated Development Programme, London Business School.  
**Other assignments:** Several assignments within the company.  
**Professional experience:** Spent 18 years at BUPA in a number of varied positions including nine years working globally for their International Arm.  
**Shareholding in the company:** 443,825 class A shares and 282,928 class B shares



### Staffan Ternström

COO,  
Diagnostic Services

Employed since 2021.

Born 1965.

**Nationality:** Swedish.

**Education:** Bachelor degree in marketing from Gothenburg School of Economics and a degree in mechanical engineering from Polhems in Gothenburg

**Other assignments:** Chair of Ondosis, Non Executive board member Ferrosan Medical Devices.

**Professional experience:** President and CEO Handicare Group, Executive VP for Global Commercial Operations & Strategy at Mölnlycke Health Care AB, and several senior Executive positions at Johnson & Johnson.

**Shareholding in the company:** 50,000 class B shares



### Jarosław Urbanczyk

CIO

Employed since 2019.

Born 1968.

**Nationality:** Polish.

**Education:** University degree, Warsaw University of Technology, Warsaw School of Economics and IMD Top Executive Programme.

**Other assignments:** –

**Professional experience:** CIO American Home Products and Group CIO Skanska.

**Shareholding in the company:** 6,039 class B shares.



### Dr. Andrew Vallance-Owen

CMO

Employed since 2017.

Born 1951.

**Nationality:** British.

**Education:** MBE, DUniv (B'ham), MBA, FRCS Ed.

**Other assignments:** Chair of the boards of Fitness Genes and Cerina (mental health). Chair, Project Advisory Group, UK Government funded Interface Project – 'Quality, safety and clinical governance in NHS and independent hospitals – lessons from the interface'.

**Professional experience:** Chief Medical Officer and Group Medical Director, Bupa, Chair of UKTI's Healthcare Business Group and Specialist Medical Advisor to Healthcare UK. Senior Independent Director at the Royal Brompton and Harefield NHS Foundation Trust, Chair of UK's Private Healthcare Information Network. Chief Medical Officer, TestCard Ltd.

**Shareholding in the company:** –

# Financial reports

## Contents

<b>Consolidated financial statements</b>		
Consolidated income statement	109	
Consolidated statement of comprehensive income	109	
Consolidated statement of financial position	110	
Consolidated statement of changes in equity	111	
Consolidated cash flow statement	112	
<b>Notes to the consolidated financial statements</b>		
1 General information	113	
2 Material accounting policy information, accounting estimates and judgements	113	
3 Revenue	116	
4 Insurance contracts	117	
5 Nature of expenses	117	
6 Segment information	118	
7 Co-workers	121	
8 Salaries and other remuneration	122	
9 Share-based payments	124	
10 Fees to auditors	125	
11 Other income/costs	125	
12 Interest expense	125	
13 Income tax	125	
14 Earnings per share	126	
15 Intangible assets	127	
16 Property, plant and equipment	129	
17 Leases	130	
18 Business combinations	131	
19 Other financial assets	133	
20 Inventories	133	
21 Trade and other receivables	134	
22 Short-term investments and cash and cash equivalents	134	
23 Share capital	134	
24 Non-controlling interests	134	
25 Loans payable	135	
26 Other financial liabilities	135	
27 Deferred revenue	135	
28 Insurance contract liability	136	
29 Trade and other payables	136	
30 Liabilities arising from financing activities	136	
31 Financial assets and liabilities	137	
32 Capital management	138	
33 Financial risk management	139	
34 Assets pledged, commitments and contingent liabilities	142	
35 Related parties and related party transactions	142	
36 Subsidiaries	143	
37 Alternative performance measures (APMs)	144	
<b>Parent company financial statements</b>		
Parent company income statement	147	
Parent company balance sheet	148	
Parent company statement of changes in equity	149	
Parent company cash flow statement	150	
<b>Notes to the parent company financial statements</b>		
P1 Material accounting policy information	151	
P2 Intra-group transactions and guarantees	151	
P3 Nature of expenses	151	
P4 Fees to auditors	151	
P5 Salaries and other remuneration	151	
P6 Income from participation in group companies	152	
P7 Income tax	152	
P8 Equipment	152	
P9 Investments in subsidiaries	152	
P10 Receivables from group companies	152	
P11 Share capital	152	
P12 Loans payable	152	
P13 Proposed appropriation of the Company's profit	152	



# Consolidated income statement

€m, for the years ended 31 December	Note	2023	2022 <sup>1)</sup>
<b>Revenue</b>	3	<b>1,746.4</b>	<b>1,510.2</b>
<b>Operating expenses</b>			
Medical provision costs	5	-1,387.0	-1,174.9
<b>Gross profit</b>		<b>359.4</b>	<b>335.3</b>
Distribution, selling and marketing costs	5	-77.9	-66.5
Administrative costs	5	-220.1	-213.6
<b>Operating profit (EBIT)</b>		<b>61.4</b>	<b>55.2</b>
<b>Other income/(costs)</b>	11	<b>8.0</b>	<b>-3.2</b>
Interest income		4.4	2.7
Interest expense	12	-51.4	-34.5
Other financial income/(expense)		1.1	-0.9
<b>Total financial result</b>		<b>-45.9</b>	<b>-32.7</b>
Share of profit of associates		0.1	0.2
<b>Profit before income tax</b>		<b>23.6</b>	<b>19.5</b>
Income tax	13	-5.2	-5.8
<b>Profit for the year</b>		<b>18.4</b>	<b>13.7</b>
<b>Profit attributable to:</b>			
Owners of the parent		17.6	11.8
Non-controlling interests		0.8	1.9
<b>Profit for the year</b>		<b>18.4</b>	<b>13.7</b>
<b>Earnings per share</b>			
Basic/diluted, €	14	0.118	0.079

# Consolidated statement of comprehensive income

€m, for the years ended 31 December	2023	2022 <sup>1)</sup>
<b>Profit for the year</b>	<b>18.4</b>	<b>13.7</b>
<b>Other comprehensive income/(loss):</b>		
Items that may be reclassified subsequently to income statement:		
Exchange differences on translating foreign operations	31.0	-19.9
Cash flow hedge	-1.0	1.3
Income tax relating to these items	-0.2	0.3
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>29.8</b>	<b>-18.3</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>48.2</b>	<b>-4.6</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Owners of the parent	47.7	-4.4
Non-controlling interests	0.5	-0.2
<b>Total comprehensive income/(loss) for the year</b>	<b>48.2</b>	<b>-4.6</b>

<sup>1)</sup> 2022 is restated for IFRS 17 Insurance contracts. For further information, refer to note 2.

# Consolidated statement of financial position

€m	Note	31 Dec 2023	31 Dec 2022 <sup>1)</sup>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	15	517.0	495.9
Other intangible assets	15	122.2	126.0
Property, plant and equipment	16	464.1	445.0
Right-of-use assets	17	411.6	395.6
Deferred tax assets	13	27.3	16.2
Investments in associates		0.8	0.8
Other receivables		0.6	0.0
Other financial assets	19	16.4	18.5
<b>Total non-current assets</b>		<b>1,560.0</b>	<b>1,498.0</b>
<b>Current assets</b>			
Inventories	20	59.4	58.2
Other financial assets		4.7	0.0
Trade and other receivables	21	257.5	226.9
Short-term investments	22	8.9	8.7
Cash and cash equivalents	22	50.8	40.4
<b>Total current assets</b>		<b>381.3</b>	<b>334.2</b>
<b>Total assets</b>		<b>1,941.3</b>	<b>1,832.2</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent	23	496.5	472.4
Non-controlling interests	24	31.8	36.1
<b>Total equity</b>		<b>528.3</b>	<b>508.5</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans payable	25	406.4	473.4
Lease liabilities	30, 33	368.2	364.7
Deferred tax liabilities	13	41.2	42.0
Provisions		2.2	1.9
Other financial liabilities	26	94.4	82.4
Other liabilities		-	2.9
<b>Total non-current liabilities</b>		<b>912.4</b>	<b>967.3</b>
<b>Current liabilities</b>			
Loans payable	25	158.5	42.3
Lease liabilities	30, 33	70.6	59.6
Deferred revenue	27	9.8	7.3
Insurance contract liability	28	25.1	18.9
Corporate tax payable		13.3	25.5
Other financial liabilities	26	18.7	20.5
Trade and other payables	29	204.6	182.3
<b>Total current liabilities</b>		<b>500.6</b>	<b>356.4</b>
<b>Total liabilities</b>		<b>1,413.0</b>	<b>1,323.7</b>
<b>Total equity and liabilities</b>		<b>1,941.3</b>	<b>1,832.2</b>

<sup>1)</sup> 2022 is restated for IFRS 17 Insurance contracts. For further information, refer to note 2.

# 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 2022</b>	30.4	-0.7	458.7	141.3	-78.2	-49.2	-	15.3	517.6	44.5	562.1
IFRS 17 adjustment	-	-	-	-2.0	-	-	-	-	-2.0	-	-2.0
<b>Opening balance as at 1 January 2022, restated</b>	30.4	-0.7	458.7	139.3	-78.2	-49.2	-	15.3	515.6	44.5	560.1
Profit for the year, restated	-	-	-	11.8	-	-	-	-	11.8	1.9	13.7
Other comprehensive income/(loss)	-	-	-	-	-	-17.5	1.3	-	-16.2	-2.1	-18.3
<b>Total comprehensive income/(loss) for the year, restated</b>	-	-	-	11.8	-	-17.5	1.3	-	-4.4	-0.2	-4.6
<b>Transactions with owners</b>											
Business combinations	-	-	-	-	-	-	-	-	-	3.5	3.5
Changes in interests 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</b>	-	0.1	-0.1	-26.2	-18.1	-	-	5.5	-38.8	-8.2	-47.0
<b>Closing balance as at 31 December 2022, restated</b>	30.4	-0.6	458.6	124.9	-96.3	-66.7	1.3	20.8	472.4	36.1	508.5
<b>Opening balance as at 1 January 2023</b>	30.4	-0.6	458.6	124.9	-96.3	-66.7	1.3	20.8	472.4	36.1	508.5
Profit for the year	-	-	-	17.6	-	-	-	-	17.6	0.8	18.4
Other comprehensive income/(loss)	-	-	-	-	-	31.1	-1.0	-	30.1	-0.3	29.8
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	17.6	-	31.1	-1.0	-	47.7	0.5	48.2
<b>Transactions with owners</b>											
Issue of shares	0.3	-	-	-	-	-	-	-	0.3	-	0.3
Acquisition of treasury shares	-	-0.3	-	-	-	-	-	-	-0.3	-	-0.3
Business combinations	-	-	-	-	-	-	-	-	-	-0.8	-0.8
Changes in interests in subsidiaries	-	-	-	-1.1	-	-	-	-	-1.1	-2.2	-3.3
Distribution of dividend in non-controlling interests	-	-	-	-	-	-	-	-	-	-0.1	-0.1
Changes in put option and liquidity obligation with non-controlling interests	-	-	-	-	-13.5	-	-	-	-13.5	-1.7	-15.2
Dividend	-	-	-	-17.9	-	-	-	-	-17.9	-	-17.9
Distribution of performance shares to employees	-	0.1	-0.1	5.0	-	-	-	-5.0	-	-	-
Share-based payments	-	-	-	-	-	-	-	8.9	8.9	-	8.9
<b>Total transactions with owners</b>	0.3	-0.2	-0.1	-14.0	-13.5	-	-	3.9	-23.6	-4.8	-28.4
<b>Closing balance as at 31 December 2023</b>	30.7	-0.8	458.5	128.5	-109.8	-35.6	0.3	24.7	496.5	31.8	528.3

# Consolidated cash flow statement

€m, for the years ended 31 December	Note	2023	2022 <sup>1)</sup>
<b>Profit before income tax</b>		<b>23.6</b>	<b>19.5</b>
Adjustments for:			
Depreciation, amortisation and impairment	5, 15, 16, 17	182.4	161.9
Share-based payments		9.4	9.6
Net interest expense		47.0	31.8
Unrealised foreign exchange (gain)/loss		-6.5	3.9
Other non-cash transactions		-7.7	2.2
Income tax paid		-28.8	-19.1
<b>Cash generated from operations before working capital changes</b>		<b>219.4</b>	<b>209.8</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in inventories		-5.1	12.7
Increase in trade and other receivables		-29.1	-26.7
Increase/(decrease) in trade and other payables		19.8	-25.6
<b>Net cash from operating activities</b>		<b>205.0</b>	<b>170.2</b>
<b>Investing activities:</b>			
Payment for acquisition of intangible assets and property, plant and equipment		-110.5	-140.6
Proceeds from disposal of intangible assets and property, plant and equipment		1.4	3.0
Dividends received from associates		0.1	0.1
Payment for other financial assets		-	-0.5
Proceeds from other financial assets		-	0.5
Payment for acquisition of subsidiaries, net of cash acquired	18	-19.6	-229.1
Disposal of subsidiaries, net of cash		14.0	-
Payment of loans granted		-7.6	0.0
Repayment of loans granted		0.1	-
Payment for short-term investments		-21.0	-6.3
Proceeds from short-term investments		19.4	186.4
Interest received		3.9	1.7
<b>Net cash used in investing activities</b>		<b>-119.8</b>	<b>-184.8</b>
<b>Financing activities:</b>			
Issue of shares, net of transaction cost	23	0.3	-
Acquisition of treasury shares	23	-0.3	-
Acquisition of non-controlling interests		-4.6	-7.7
Repayment of loans	30	-397.3	-434.7
Proceeds from loans received	30	461.9	524.1
Repayment of leases		-65.5	-50.6
Interest paid		-46.5	-32.4
Dividend paid		-17.9	-17.8
Distribution to non-controlling interests	30	-3.8	-6.0
Proceeds from non-controlling interests		-	0.8
<b>Net cash used in financing activities</b>		<b>-73.7</b>	<b>-24.3</b>
<b>Total cash flow</b>		<b>11.5</b>	<b>-38.9</b>
<b>Cash and cash equivalents</b>			
Cash balance as at 1 January		40.4	81.9
Net effects of exchange loss on cash balances		-1.1	-2.6
Cash balance as at 31 December	22	50.8	40.4
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>11.5</b>	<b>-38.9</b>

<sup>1)</sup> 2022 is restated for IFRS 17 Insurance contracts. For further information, refer to note 2.

# Notes to the consolidated income statement

## 1. General information

Medicover AB (publ) ("the Company") is a company registered in Sweden with registered address at P.O. Box 5283 Riddargatan 12A, SE-102 46 Stockholm and company registration number 559073-9487. The principal activity of the Company and its subsidiaries ("the Group") is to provide diagnostic and healthcare services, focusing on markets mainly in Central and Eastern

Europe and India. The consolidated financial statements for 2023 were approved by the board of directors on 22 March 2024 and are subject to adoption by the annual general meeting on 26 April 2024 in Stockholm, Sweden.

## 2. Material accounting policy information, accounting estimates and judgements

### 2.1 Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements of the Company and its subsidiaries ("the Group") have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee, as endorsed by the European Union. In addition, the Group applies RFR 1 *Additional rules for Group Accounting*, related interpretations issued by the Swedish Financial Reporting Board and the Swedish Annual Accounts Act.

#### (b) Historical cost convention and presentation currency

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value. The consolidated financial statements are presented in euro, rounded to the nearest tenth of a million, unless otherwise stated.

#### (c) New and amended standards and interpretations

From 1 January 2023, the Group applies IFRS 17 *Insurance contracts*. The standard is applied retrospectively and comparative figures for 2022 in the consolidated financial statements and related notes have been restated. 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. In the consolidated statement of financial position, the insurance contract liability is presented separately, it consists of the liability for the remaining coverage and incurred claims. For the accounting policy refer to section 2.5 for and for additional information regarding the transition refer to the annual report 2022 (note 38 Transition to IFRS 17 *Insurance contracts*).

The amendment to IAS 12 *Income taxes: International tax reform – Pillar Two model rules* is effective from 1 January 2023. The amendment clarifies that IAS 12 applies to income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules. These rules introduce a global minimum effective tax rate of 15% on income arising in low-tax jurisdictions. The Group's operations in countries with a tax rate lower than 15% is limited. Medicover AB qualifies as a partial owned parent entity and will apply the Income Inclusion Rules ("IIR") to its subsidiaries. The Group expects that the IIR or UTPR (Undertaxed Profits Rule) will not lead to material tax effects for the financial year 2024 as the OECD transitional CbCR safe harbour can be applied. The Group applies the exemption not to recognise deferred tax related to Pillar Two.

Other amendments to existing IFRS standards that became applicable from 1 January 2023 have not had a material impact on the accounting policies or the consolidated financial statements.

Apart from above, the accounting policies and methods of computation have been consistently applied by the Group and are consistent with those used in the previous year.

#### (d) Standards and interpretations issued but not yet effective in the current period

Amendments to standards issued but not effective have not been early adopted and are not expected to have a material impact on the consolidated financial statements when applied for the first time.

### (e) Accounting estimates and judgements

The preparation of consolidated financial statements requires management to make estimates as well as judgements in the choice and application of accounting policies. This may affect the reported amounts of assets and liabilities, income and expenses and supplementary information. Estimates and underlying assumptions are reviewed on an ongoing basis and may be based upon historical experience, future expectations deemed reasonable at the time of approval of these financial statements, observable markets and other sources of information as a basis for those estimates and assumptions. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods that may be affected. Actual results may differ from these estimates. Estimation uncertainties and significant judgements identified by the Group are presented in connection to the items considered to be affected:

Accounting estimates and judgements	Note
Measurement of share-based payments	Note 9 Share-based payments
Recognition and measurement of deferred tax assets on losses carried forward	Note 13 Income tax
Impairment testing of goodwill and other intangible assets including determination of cash generating units	Note 15 Intangible assets
Determination of extension and termination options in lease contracts	Note 17 Leases
Identification and measurement at fair value of assets and liabilities as part of a business combination	Note 18 Business combinations
Measurement of liquidity obligations with non-controlling interests and contingent considerations	Note 31 Financial assets and liabilities

### (f) Climate related matters

The Group's short-term outlook for the next twelve months is that climate related matters will not significantly impact the business plan, cash flows and financial assumptions. The long-term effect is evaluated as part of the CSRD implementation.

### 2.2 Principles of consolidation

The Group prepares consolidated financial statements, which aggregate the assets and liabilities, revenue and expenses of the Company and its subsidiaries. A listing of the Group's principal subsidiaries is set out in note 36. A subsidiary is an investee over which the Company exercises control through ownership or otherwise. All inter-company balances, results and transactions are eliminated upon consolidation. Non-controlling interests in subsidiaries are disclosed as part of total equity in the statement of financial position.

### 2.3 Foreign currencies

#### (a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate ruling at the time of the transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting date.



The foreign exchange differences arising on translation are recognised as other financial income/expense in the income statement. Non-monetary items carried at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items carried at fair value are retranslated at the rate that existed when the fair values were determined.

#### **(b) Translation of foreign operations**

Assets and liabilities of foreign operations are translated from the foreign operation's functional currency to the Group's reporting currency, euro, at the exchange rates ruling at the end of the reporting period with the exception of goodwill and fair value adjustments arising on consolidation dating prior 1 January 2005, which are kept at historical cost. Foreign operations' income statements and cash flows are translated into euro using average rates of exchange. Foreign exchange differences arising on translation are recognised in other comprehensive income and are accumulated in the translation reserve in equity. Monetary non-current receivables or monetary non-current liabilities to a foreign operation for which no settlement is planned or is not likely to take place in the foreseeable future are, in practise, part of the Group's net investment in foreign operations. Exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation are recognised in other comprehensive income and accumulated in the translation reserve in equity. When a foreign operation is divested, the accumulated translation difference attributable to the divested foreign operation is reclassified from equity to profit or loss.

#### **2.4 Revenue**

The Group recognises revenue from healthcare and diagnostic services. Healthcare Services offers services ranging from primary care to specialist outpatient and inpatient care, as well as dental and other services (mainly sport memberships and optics). Diagnostic Services offers a broad range of diagnostic laboratory testing across all major clinical pathology specialties. Revenue generated by services provided, from both public and private payers, is allocated to the following:

- a) Public pay relates to medical or laboratory services funded by a government institution or statutory health body;
- b) Earned premiums in respect of insurance contracts, received for access to a predetermined range of medical services or benefits (refer to note 2.5). This type of revenue is also referred to as funded payments;
- c) Fee-For-Service (FFS) refers to fees paid for access to medical, laboratory or dental services on a per-usage basis; and
- d) Other services include non-medical related services such as sport memberships, benefit cards and optics.

For services provided in (a), (c) and (d), revenue is recognised when services are rendered. The provision of the service and payment is usually very close. When an advance payment is received from a customer, deferred revenue (a contract liability) is recognised. Deferred revenue is recognised as revenue when Medcover delivers the agreed service to the customer. Accrued income (a contract asset) is recognised when Medcover has delivered a service to a customer and has a right to consideration.

Revenue is measured based on the consideration to which the Group expects to be entitled. A minor part of the customer contracts includes variable consideration. For these contracts, revenue is recognised to the extent that it is highly probable the amount of revenue recognised will not be subject to significant future reversals as a result of subsequent re-estimations.

#### **2.5 Insurance contracts**

Services sold are classified as insurance contracts when the Group accepts significant insurance risk from a policy holder by agreeing to provide medical services if a specified uncertain future event (insured event) affects the policy holder. The Group provides medical services through its owned and controlled facilities and medical staff to treat its members who subscribe to Medcover's insurance policies or commercial fixed rate contracts. Risk is assumed in relation to the member's health demand needs.

The Group applies the premium allocation approach to the insurance contracts as the coverage period for all insurance contracts is one year or less.

The following elections have been made:

- Insurance acquisition costs are recognised as an expense when incurred,
- For the remaining coverage (unearned premiums), there is no adjustment to reflect the time value of money and the effect of financial risk, and
- For the estimated future cash flow relating to incurred claims, there is no adjustment for the time value of money.

The insurance contract liability consists of the liability for the remaining coverage and the liability for incurred claims.

At initial recognition the liability for the remaining coverage corresponds to premiums received (unearned premiums). At the end of each subsequent reporting period, assuming the insurance contract is not onerous, the carrying amount of the liability for remaining coverage is the carrying amount at the start of the reporting period plus the received premiums in the period minus the amount recognised as insurance revenue for services provided in that period. For contracts that are onerous, the liability for remaining coverage is determined by the fulfilment of cash flow. The insurance revenue earned on the contracts (earned premiums) is apportioned over the term of the contract on a straight-line basis.

The liability for incurred claims is nil on initial recognition of the insurance contract. Subsequently the liability for incurred claims is measured as the expected cash flows required to settle the future obligation together with a risk margin adjustment for non-financial risks.

In the consolidated income statement, insurance revenue (funded payment) is included in revenue. The insurance service expense is included in the medical provision costs and in distribution, selling and marketing costs. The insurance service result is part of the operating profit.

#### **2.6 Segment reporting**

Segment reporting has been determined by reference to the information used by the chief operating decision maker of the Group (CODM) to review the performance of the Group and in making decisions on allocation of resources, the nature of the activities and the management structure and accountabilities. The Group's CEO has been identified as the CODM. The Group's management is organised and accountable on reporting lines reflecting the two reportable segments, Healthcare Services and Diagnostic Services, with a management head for each reportable segment who is part of executive management. The CODM periodically reviews the Group's segments, budgeting and investment decisions and is in regular contact in relation to business performance with the two segment management heads (COOs). These reviews concentrate on segment level performance EBITDA<sub>AL</sub> and on segment's sales based upon geography.

#### **2.7 Equity settled share-based payments**

The Group has issued long-term performance-based share programmes to employees. The costs for the programmes are based on the fair value of the share rights at grant date. The share-based payments are recognised as employee costs during the vesting period with a corresponding increase in equity. Non-market performance targets (EBITDA, EBITDA<sub>AL</sub> and ROIC-targets) and service conditions (being employed) affect the share-based payment cost during the vesting period by the change in the number of shares that are expected to finally vest. The Group recognises a liability for social security expenses for all outstanding equity settled share-based payments. The liability is remeasured at the end of each reporting period and is based on the share-based payment's fair value at the end of the reporting date distributed over the vesting period. In case of an acceleration of the vesting terms or other waiver or amendment the amortisation period is also accelerated to reflect the change in the terms.

#### **2.8 Business combinations**

At the acquisition date, for example the date on which control is obtained, each identifiable asset acquired and liability assumed is recognised at its acquisition date fair value. The consideration transferred, measured at fair

value, includes assets transferred by the Group and liabilities to the former owners of the acquiree in exchange for control of the acquiree. Any subsequent change in such fair value is recognised in profit or loss, unless the contingent consideration is classified as equity. Transaction costs attributable to the acquisition are expensed as incurred and included in administrative expenses.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed. Final amounts are established within one year after the transaction date at the latest.

Non-controlling interest is initially measured either at fair value, or at the non-controlling interest's proportionate share of the fair value of identifiable net assets. Acquisitions of non-controlling interests are recognised as a transaction between equity attributable to owners of the parent and non-controlling interests.

## 2.9 Intangible assets

### (a) Goodwill

Goodwill represents the difference between the fair value of the consideration payable for an acquisition and the fair value of the Group's share of the net identifiable assets of the acquired company at the date of the acquisition.

Goodwill arising from business combinations is not amortised but is subject to an annual impairment test. Any impairment adjustments are reflected as an expense in the income statement. Impairment of goodwill is not reversed.

Goodwill arising from business combinations is allocated to cash generating units, which are expected to receive future economic benefits from synergies that are most likely to arise from the acquisition. These cash generating units form the basis of any future assessment of impairment of the carrying value of the acquired goodwill.

### (b) Intangibles excluding goodwill

Intangibles with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis. Intangibles with indefinite useful lives are stated at cost less accumulated impairment losses.

The Group capitalises expenses for certain own developments (software and new products) provided that the level of certainty of their future economic benefits is high. The intangible asset is only recognised if the product is sellable on existing markets/or will generate future internal economic benefits and if resources exist to complete the development.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill when these meet the definition of an intangible asset and the fair value can be measured reliably. The cost for such intangible assets consists of the fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and accumulated impairment losses, on the same basis as other intangible assets that are acquired separately.

The estimated useful lives are as follows:

Software	3–5 years
Development cost:	
Internally developed software	5 years
Product development	20 years
Brand	2–20 years
Patent	18 years
Customer relations	2–10 years
Operating licenses	3–10 years
Regulatory licenses	indefinite

Intangible assets under development are not amortised.

## 2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life. The estimated useful life by asset class is as follows:

Buildings	20–50 years
Leasehold improvements	over the life of the lease contract, up to 10 years maximum
Equipment	3–10 years
Vehicles	4–5 years

Land and asset under construction/advances are not depreciated.

## 2.11 Impairment of non-financial assets

Goodwill acquired in a business combination and intangible assets with an indefinite useful life are tested for impairment annually irrespective of whether there is any indication of impairment. The Group reviews its other assets annually to determine whether there is any indication of impairment. When tested for impairment, an asset's or cash generating unit's recoverable amount is estimated from assessing its value in use, or using the net selling price that could be realised for that asset or cash generating unit, whichever is higher. In assessing value in use, the estimated future cash flows of the asset or the cash generating unit to which the asset is allocated are discounted to the present value. The discount rate is estimated as a pre-tax rate reflecting the risks specific to that asset, business unit or cash generating unit. In assessing which groups of assets form cash generating units, management uses judgement in respect of the independence of cash flows between assets and groups of assets.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses recognised are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amount of the other assets in the cash generating unit. Any impairment loss in respect of goodwill is not reversed if the conditions indicating its impairment are reversed or improved. In respect of other assets an impairment loss is reversed if there has been a change in the conditions indicating the original estimate of impairment.

## 2.12 Inventories

Inventories mainly include consumables and pharmaceuticals and comprise costs of purchase, transport and any taxes of customs duties. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the first-in, first-out (FIFO) method. The net realisable value represents the estimated selling price, less estimated costs of completion and costs necessary to make the sale.

## 2.13 Financial liabilities relating to put options over non-controlling interests

The Group has granted put options to minority shareholders whereby the minority has the right to sell his/her shares to the Group at some future date at a market price to be determined at the time of exercise or based on an agreed formula approximating a market price. The terms do not provide a present ownership interest in the shares subject to the put. The Group's accounting policy is to partially recognise non-controlling interests and to account for such put options as follows: the obligation price to acquire the non-controlling interest in the future has been estimated at the date of the original agreement and a discount factor applied to that future obligation to reflect the time value of money. The obligation has been recognised as other financial liability in the consolidated statement of financial position based on the earliest exercise dates of the put. The obligation has been offset to equity in a separate reserve to reflect that this transaction is from an economic point of view a transaction between shareholders. Any subsequent changes in the fair value of the future obligation is recognised as an equity transaction. Fair value is determined by estimating the potential put price taking into account projected results of the entity discounted for the time value of money.

## 2.14 Leases

### *The Group as a lessee*

The Group's leases are in respect of buildings, equipment and vehicles. The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset comprises the initial measurement of the corresponding lease liability with the addition of any lease payments made at or before the commencement day and any initial direct costs. The right-of-use asset is subsequently depreciated using a straight-line basis over the period from commencement to the end of the lease or the useful life of the asset, whichever is shorter.

The lease liability is initially measured as the discounted value of the future identified contractual lease payments to be paid over the life of the lease. The lease liability is subsequently measured at amortised cost using the effective

interest method. The discount rate used, if not implicit in the lease, is determined as the specific Group entity's incremental borrowing rate. The lease liability is remeasured (with a corresponding adjustment to the related right-of-use asset) whenever there are changes relating to:

- the lease term;
- the assessment of exercise of a purchase option;
- the expected payment under a guaranteed residual value;
- lease payments due to changes in an index or rate; and
- lease modifications not accounted for as a separate lease.

Leases with a lease term of 12 months or less and leases of assets with a low value when new (€5,000 or less) are expensed directly to the income statement on a straight-line basis as part of the operating costs.

## 3. Revenue

	2023	2022
<b>Healthcare Services</b>		
Public pay	178.9	115.1
Private pay		
Funded payments (note 4)	375.2	301.3
Fee-For-Service	479.7	405.3
Other services	162.5	94.3
<b>Total</b>	<b>1,196.3</b>	<b>916.0</b>
<b>Diagnostic Services</b>		
Public pay	184.4	208.0
Private pay		
Fee-For-Service	348.2	335.9
Other services	17.3	50.1
<b>Total</b>	<b>549.9</b>	<b>594.0</b>
<b>Central/other</b>	<b>0.2</b>	<b>0.2</b>
<b>Total</b>	<b>1,746.4</b>	<b>1,510.2</b>

## 4. Insurance contracts

	2023	2022
Insurance revenue	375.2	301.3
Insurance service expense		
Incurred claims and other incurred service expense	-305.5	-248.5
<b>Insurance service result</b>	<b>69.7</b>	<b>52.8</b>

The Group's insurance activities relate to medical insurance. The insurance contracts are predominantly with employer groups to pay for healthcare services to be provided to employees and dependents (funded payments). The insurance risk consists of subscription risk and provision risk.

The subscription risk includes the risk to underwrite a new insurance contract at the right price and deductible level to be profitable. Price and deductible are determined based on experience and historical calculations as well as assessment of the policyholders' health status. The Group has extensive experience in assessing risk for new business accepted and continuing contracts against internally generated actuarial risk profiles. There are procedures in place to estimate future profitability and cash flows. The risk profiles

are adapted for each market where business exists. Certain benefits which could lead to larger individual claims are capped. Certain benefits incorporated into the insurance contracts issued are backed by other insurers on a non-recourse basis, mainly in the area of travel and critical illness insurance. Reinsurance is not used. The risk outcome is reviewed continuously to adjust subscription rules and price levels.

The provision risk corresponds to the risk that the insurance contract liability will not cover future payments for incurred claims. Considering the short claim settlement period, the Group's liability for incurred claims is limited, at year-end €5.1 million (€3.9 million).

The insurance contracts are heavily dispersed across a wide range of employers in Poland, Hungary and Romania with no large concentrations of risk. Furthermore, contract terms limit recourse of the contract holder in the case of inability to provide medical services for whatever reason. Generally, contracts do not have any reimbursement for services provided outside of the Group's own facilities or network.

Refer to note 33 for additional information regarding the Group's financial risks and risk management.

## 5. Nature of expenses

Within the functional headings in the consolidated income statement, the following cost categories are included:

2023	Medical provision costs	Distribution, selling & marketing costs	Administrative costs	Total
Staff costs	-643.7	-48.7	-124.6	-817.0
Property lease costs, heat and other establishment costs	-92.9	-0.4	-9.9	-103.2
Depreciation and amortisation	-135.4	-2.6	-44.6	-182.6
of which:				
Intangible assets/property, plant and equipment (business combinations)	-2.8	-	-18.6	-21.4
Intangible assets/property, plant and equipment (excluding business combinations)	-64.7	-1.6	-20.6	-86.9
Right-of-use assets	-67.9	-1.0	-5.4	-74.3
Impairment	0.0	-	0.2	0.2
Medical services and other non-salary medical related costs	-470.7	-	-	-470.7
Expected credit losses	-	-	-6.4	-6.4
Other	-44.3	-26.2	-34.8	-105.3
<b>Total</b>	<b>-1,387.0</b>	<b>-77.9</b>	<b>-220.1</b>	<b>-1,685.0</b>

2022	Medical provision costs	Distribution, selling & marketing costs	Administrative costs	Total
Staff costs	-524.6	-40.4	-106.5	-671.5
Property lease costs, heat and other establishment costs	-63.3	-0.5	-16.4	-80.2
Depreciation and amortisation	-111.3	-1.9	-42.4	-155.6
of which:				
Intangible assets/property, plant and equipment (business combinations)	-1.5	0.0	-17.9	-19.4
Intangible assets/property, plant and equipment (excluding business combinations)	-52.0	-0.8	-19.3	-72.1
Right-of-use assets	-57.8	-1.1	-5.2	-64.1
Impairment	-4.8	-	-1.5	-6.3
Medical services and other non-salary medical related costs	-435.0	-	-	-435.0
Expected credit losses	-	-	-6.3	-6.3
Other	-35.9	-23.7	-40.5	-100.1
<b>Total</b>	<b>-1,174.9</b>	<b>-66.5</b>	<b>-213.6</b>	<b>-1,455.0</b>

## 6. Segment information

The CEO examines the Group's performance under two reportable operating segments of the business model referred to as Healthcare Services and Diagnostic Services. The CEO receives information about the segments' revenue on a monthly basis. EBITDAaL is used to assess the performance of the operating segments.

The Healthcare Services segment has a focus upon a broad range of medical services characterised with direct contact between the patient and the medical professional. This may be specialised doctors in a narrow field, general practitioners (or so-called family medicine), surgeons, dentists and other clinicians. The characteristics of these services are around physical facilities staffed by medical professionals in direct contact with patients, diagnosing, monitoring and treating patients. The payment for these services are either direct payment by the patient or indirect via an employer paid benefit/insurance and in a much smaller degree by public health funds. In addition, Healthcare Services offers non-medical services in its sports activity. In all these cases the beneficiary of the service is always the individual patient/customer. This business operates across three main geographies and some minor ones. The Group has identified several operating segments in Healthcare Services however the characteristics in terms of regulatory regime, ultimate customers and economic characteristics are all similar and have been aggregated into one reportable segment, Healthcare Services. When assessing the economic characteristics, management takes into account that the structure and model of the businesses are similar with employment of staff and own staffed medical facilities. This leads to comparable ratios for major medical cost components such as medical cost ratios at similar scale levels, and a convergence of EBITDAaL margins as the businesses become established and individual facilities become utilised at an optimal level.

The Diagnostic Services segment has a focus on in vitro diagnostics characterised by indirect contact between the patient and the medical diagnostic professionals. The clinician orders the diagnostic service and is responsible for interpreting the results and treating the patient. This indirect nature and the fact that the services provided are more of a process rather than an individual treatment give different results in how the business is run and organised. Diagnostic Services is differentiated by such aspects as scale effects, concentration and more industrial type approaches and economics. Customers are ultimately clinicians treating and diagnosing the patients, irrespective of whether the payer is a private clinic, a public health fund or the patients themselves directly. The business operates across four main geographies and the economic return levels and drivers of the performance of the business units, management and regulation are all similar and have been aggregated into one reportable segment, Diagnostic Services. When assessing the economic characteristics, management takes into account that the same technology is being used and production efficiencies arising at similar volume levels. This leads to comparable ratios for major medical cost components such as medical cost ratios at similar scale levels, and a convergence of EBITDAaL margins as the businesses become established and laboratories become utilised at an optimal level.

Revenue is disclosed on the basis of location of the legal entity providing the services, which is materially the same as the location of clients. Central costs that are specific to a segment have been allocated to that segment and the remaining balance of central costs is presented separately. Unallocated items represent non-specific items whose allocation to a segment would be arbitrary and mainly comprise corporate expenses.



2023	Healthcare Services	Diagnostic Services	Central/other	Group Total
Revenue	1,197.7	571.2	0.4	
Inter-segment revenue	-1.4	-21.3	-0.2	
<b>Revenue from external customers</b>	<b>1,196.3</b>	<b>549.9</b>	<b>0.2</b>	<b>1,746.4</b>
By payer:				
Private	1,017.4	365.5	0.2	1,383.1
Public	178.9	184.4	0.0	363.3
By country:				
Poland	778.7	60.1	0.0	838.8
Germany	48.0	274.0	-	322.0
Romania	121.4	93.4	-	214.8
India	184.8	-	-	184.8
Ukraine	8.0	61.2	-	69.2
Sweden	-	-	0.1	0.1
Other countries	55.4	61.2	0.1	116.7
<b>Operating profit</b>	<b>44.9</b>	<b>35.1</b>	<b>-18.6</b>	<b>61.4</b>
Margin	3.7%	6.2%		3.5%
Depreciation, amortisation and impairment	126.9	53.0	2.5	182.4
<b>EBITDA</b>	<b>171.8</b>	<b>88.1</b>	<b>-16.1</b>	<b>243.8</b>
Margin	14.3%	15.4%		14.0%
Right-of-use depreciation/impairment	-52.2	-21.8	-0.3	-74.3
Interest on lease liabilities	-21.0	-3.6	0.0	-24.6
<b>Segment result: EBITDAaL</b>	<b>98.6</b>	<b>62.7</b>	<b>-16.4</b>	<b>144.9</b>
Margin	8.2%	11.0%		8.3%
Other income/(costs)				8.0
Net interest expense				-47.0
Other financial income/(expense)				1.1
Share of profit of associates				0.1
Income tax				-5.2
<b>Profit for the year</b>				<b>18.4</b>
Additions to non-current assets:				
Goodwill	2.5	6.3	-	8.8
Intangible assets (excl. goodwill)	12.3	10.0	2.6	24.9
Land and buildings	1.4	0.1	-	1.5
Leasehold improvements	18.5	5.3	-	23.8
Equipment and vehicles	33.5	12.0	0.0	45.5
Assets under construction and advances	13.2	3.9	-	17.1
Right-of-use assets	46.3	19.4	0.0	65.7
Investments in associates	-	0.0	-	0.0
<b>Total</b>	<b>127.7</b>	<b>57.0</b>	<b>2.6</b>	<b>187.3</b>

2022	Healthcare Services	Diagnostic Services	Central/other	Group Total
Revenue	917.1	612.5	0.8	
Inter-segment revenue	-1.1	-18.5	-0.6	
<b>Revenue from external customers</b>	<b>916.0</b>	<b>594.0</b>	<b>0.2</b>	<b>1,510.2</b>
By payer:				
Private	800.9	386.0	0.2	1,187.1
Public	115.1	208.0	-	323.1
By country:				
Poland	592.7	51.7	0.0	644.4
Germany	10.8	313.4	-	324.2
Romania	95.2	82.3	-	177.5
India	166.0	-	-	166.0
Ukraine	6.7	48.4	-	55.1
Sweden	-	-	-	-
Other countries	44.6	98.2	0.2	143.0
<b>Operating profit</b>	<b>25.4</b>	<b>58.9</b>	<b>-29.1</b>	<b>55.2</b>
Margin	2.8%	9.6%		3.7%
Depreciation, amortisation and impairment	100.2	59.8	1.9	161.9
<b>EBITDA</b>	<b>125.6</b>	<b>118.7</b>	<b>-27.2</b>	<b>217.1</b>
Margin	13.7%	19.4%		14.4%
Right-of-use depreciation/impairment	-41.8	-22.0	-0.3	-64.1
Interest on lease liabilities	-18.3	-3.8	0.0	-22.1
<b>Segment result: EBITDAaL</b>	<b>65.5</b>	<b>92.9</b>	<b>-27.5</b>	<b>130.9</b>
Margin	7.1%	15.2%		8.7%
Other income/(costs)				-3.2
Net interest expense				-31.8
Other financial income/(expense)				-0.9
Share of profit of associates				0.2
Income tax				-5.8
<b>Profit for the year</b>				<b>13.7</b>
Additions to non-current assets:				
Goodwill	92.0	39.3	-	131.3
Intangible assets (excl. goodwill)	38.3	39.9	2.2	80.4
Land and buildings	33.2	1.3	-	34.5
Leasehold improvements	43.8	14.4	-	58.2
Equipment and vehicles	51.2	19.1	0.0	70.3
Assets under construction and advances	35.1	5.8	-	40.9
Right-of-use assets	114.3	30.3	0.0	144.6
Investments in associates	-	0.2	-	0.2
<b>Total</b>	<b>407.9</b>	<b>150.3</b>	<b>2.2</b>	<b>560.4</b>

Included in revenue from Diagnostic Services is €194.3 million (€195.0 million) arising from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in 2023 or 2022.

Non-current assets by location of assets	2023	2022
Poland	703.0	645.0
Germany	285.7	287.1
India	208.6	219.5
Romania	171.9	161.1
Ukraine	16.5	19.9
Cyprus	67.6	62.0
Sweden	0.3	0.5
Other	62.1	68.2
<b>Total</b>	<b>1,515.7</b>	<b>1,463.3</b>

Non-current assets include intangible assets, property, plant and equipment, right-of-use assets and investments in associates.

## 7. Co-workers

	Average FTE					
	2023			2022		
	Women	Men	Total	Women	Men	Total
<b>By country</b>						
Poland	9,265	2,422	11,687	8,457	2,250	10,707
India	3,888	4,496	8,384	3,651	3,953	7,604
Romania	3,003	737	3,740	2,681	691	3,372
Germany	1,913	614	2,527	1,542	534	2,076
Ukraine	1,979	288	2,267	2,276	311	2,587
Serbia	222	66	288	212	61	273
Moldova	170	30	200	173	28	201
Bulgaria	162	29	191	112	20	132
Turkey	129	39	168	126	46	172
Georgia	140	27	167	132	32	164
Cyprus	105	48	153	120	55	175
Belarus (disposed in 2023)	41	8	49	523	93	616
Bosnia-Herzegovina	29	11	40	22	9	31
Norway	34	6	40	29	4	33
Denmark	25	7	32	17	6	23
Hungary	14	2	16	14	3	17
Benelux	10	5	15	10	5	15
Greece	10	4	14	4	2	6
Sweden	6	4	10	5	4	9
Other	4	2	6	4	3	7
<b>Co-workers – total average FTE</b>	<b>21,149</b>	<b>8,845</b>	<b>29,994</b>	<b>20,110</b>	<b>8,110</b>	<b>28,220</b>
Employees	17,276	7,214	24,490	16,493	6,619	23,112
Contractors	3,873	1,631	5,504	3,617	1,491	5,108

Co-workers presented above include every person who works for or provides services to any Medicover company during the period, under an employment contract or as contracted by Medicover on a self-employed basis or similar. Contractors included in 2023 total figures amounted to 5,504 (Poland: 5,061, Romania: 392 and other: 51). Contractors included in 2022 total figures amounted to 5,108 (Poland: 4,753, Romania: 312 and other: 43).

### Gender distribution in board/Medicover management at year-end

	2023			2022		
	Total	Women	Men	Total	Women	Men
<b>Parent company</b>						
Board of directors incl. CEO	10	40%	60%	10	40%	60%
Executive management incl. CEO	7	14%	86%	7	14%	86%
<b>Subsidiaries</b>						
Board of directors	442	23%	77%	467	23%	77%
Other senior management	250	47%	53%	243	43%	57%

## 8. Salaries and other remuneration

### Remuneration to board of directors

Fees and other remuneration to the members of the board of directors are resolved by the annual general meeting (AGM). At the AGM held on 27 April 2023, it was resolved that remuneration for the time until the end of the next AGM to board members elected by the general meeting shall be paid with €76,200 to the chairman of the board and €54,600 to each of the board members, except for the CEO. In addition, €23,700 shall be paid to the chairman of the audit committee, €11,600 to each of the other members of the audit committee and €8,450 to each member of the remuneration committee and €5,250 to each member of the sustainability committee. Total board fees amounted to €612,600 (€581,350).

### Guidelines for remuneration to executive management

At the AGM held on 27 April 2023, it was resolved to adopt guidelines for remuneration for the CEO and other members of executive management. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed and amendments to remuneration already agreed, after adoption of the guidelines by the AGM. It is a prerequisite for the successful implementation of the Medcover's business strategy and safeguarding of its long-term interests, including its sustainability, that the Group is able to recruit and retain qualified personnel. To this end, it is necessary that the Group offers competitive remuneration.

Long-term share-related incentive plans have been implemented in the Group. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

### Type of remuneration

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 75 per cent of the fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 20 per cent of the fixed annual cash salary. For other executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 20 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. Executives who are expatriates may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these

guidelines. Such benefits may not in total exceed 75 per cent of the fixed annual cash salary.

### Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other executives. Upon termination by the executive, the notice period may not exceed twelve months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

### Criteria for variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Medcover's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Group.

### Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programmes for variable remuneration for executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Group. The members of the remuneration committee are independent of Medcover and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Medcover's long-term interests, including its sustainability, or to ensure the Group's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### Long-term share-related incentive programmes

The Group has implemented long-term performance-based share programmes for executive management and other key individuals based on decisions made at general meetings in 2018–2023 respectively. The performance criteria used to assess the outcome of the plans are linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. The performance criteria comprise growth in EBITDA, EBIT-

DAaL or EBITDA (pre IFRS 16) over a 5-year period. In addition, Plan 2023 includes conditions relating to average return on invested capital over a 5-year period. The plans are further conditional upon the participant's own investment and certain holding periods of several years. The CEO is a participant in each of the plans. For more information on the long-term performance-based share programmes, refer to note 9.

### Total remuneration, social security and pension costs

	2023			2022		
	Remuneration/ board fees	Social security costs	Of which pension costs	Remuneration/ board fees	Social security costs	Of which pension costs
Board of directors, CEO and other executive management	8.0	0.3	–	7.9	0.2	0.0
Other employees	549.5	69.5	2.8	463.0	58.2	2.8
Contractors	189.7	–	–	142.2	–	–
<b>Total</b>	<b>747.2</b>	<b>69.8</b>	<b>2.8</b>	<b>613.1</b>	<b>58.4</b>	<b>2.8</b>

Costs for share-based payments, included in 'Remuneration/board fees', amounted to €-8.9 million (€-9.0 million) excluding social security costs. Government employment grants, recognised as a reduction of staff costs, amounted to €2.3 million (€1.3 million).

### Remuneration and benefits to board members and executive management

The following table presents the remuneration to board members:

€ 000's	2023			2022 <sup>3)</sup>		
	Board fees	Committee fees	Total	Board fees	Committee fees	Total
Fredrik Stenmo (chairman)	76	25	101	46	24	70
Board Members:						
Peder af Jochnick	54	–	54	39	–	39
Robert af Jochnick	54	–	54	39	–	39
Anne Berner <sup>1)</sup>	54	4	58	35	–	35
Arno Bohn	54	8	62	37	8	45
Sonali Chandmal	54	17	71	53	16	69
Michael Flemming	54	23	77	36	23	59
Margareta Nordenvall	54	11	65	36	12	48
Azita Shariati <sup>1)</sup>	54	6	60	35	–	35
Fredrik Rågmark <sup>2)</sup> (CEO)	–	–	–	–	–	–
<b>Total</b>	<b>508</b>	<b>94</b>	<b>602</b>	<b>356</b>	<b>83</b>	<b>439</b>

<sup>1)</sup> Board members from 27 April 2022.

<sup>2)</sup> The CEO is a board member of the Company but was not remunerated for such office separately.

<sup>3)</sup> During 2022, total board fees resolved at the AGM were voluntarily reduced by €101,500 in favour of a donation for Ukraine aid by the Company to Medcover Foundation.

The following table presents the remuneration and benefits to executive management:

€ 000's	Salary/fees	Variable pay	Other benefits	Share-based payments <sup>1)</sup>	Pension fees <sup>2)</sup>	Total <sup>3)</sup>
Fredrik Rågmark (CEO)	1,062	–	9	1,628	8	2,707
Other executive management <sup>4)</sup> (6)	1,955	469	116	2,132	36	4,708
<b>Total 2023</b>	<b>3,017</b>	<b>469</b>	<b>125</b>	<b>3,760</b>	<b>44</b>	<b>7,415</b>
Fredrik Rågmark (CEO)	1,014	–	8	1,572	8	2,602
Other executive management <sup>4)</sup> (6)	1,850	446	133	2,470	29	4,928
<b>Total 2022</b>	<b>2,864</b>	<b>446</b>	<b>141</b>	<b>4,042</b>	<b>37</b>	<b>7,530</b>

<sup>1)</sup> Recognised costs for the long-term performance-based programmes. During 2023, Plan 2018 vested and 183,354 shares (151,596 shares) were allotted to the CEO and 224,101 shares (222,341 shares) to other members of the executive management.

<sup>2)</sup> Pension contributions include statutory employer contributions to state pensions and payments to defined contribution pension schemes.

<sup>3)</sup> Part of the remuneration cost is recognised in the parent company and part of it in the subsidiaries.

<sup>4)</sup> There has been no change in the executive management during 2023 or 2022.



## 9. Share-based payments

### Equity settled share-based programmes

The Group has five outstanding long-term performance-based share programmes and one programme that vested during the year. The purpose of the programmes is to create conditions for motivating and retaining competent employees in the Group, to increase the alignment of the targets of the participants with those of Medcover and to increase the motivation of meeting and exceeding the Group's financial targets.

Participation in the programmes requires a private investment in shares in Medcover, so-called saving shares, either by way of acquisition of existing

shares in the Company or by way of using already held shares as saving shares. Participants who have kept their saving shares and have maintained their employment within Medcover will at the expiration of the period obtain, without consideration, up to eight class B shares in Medcover, so-called performance shares, for each saving share, provided that certain, pre-determined, performance requirements over a 5-year period. Medcover compensates the participants for any dividends paid during the duration of the programmes by increasing the number of performance shares that each participant may receive.

Programmes	Number of participants at grant date	Vesting period
Plan 2018	43	1 May 2018 until 27 April 2023
Plan 2019	46	31 May 2019 until release of interim report January–March 2024
Plan 2020	54	30 April 2020 until release of interim report January–March 2025
Plan 2021	67	29 April 2021 until release of interim report January–March 2026
Plan 2022	77	27 April 2022 until release of interim report January–March 2027
Plan 2023	81	27 April 2023 until release of interim report January–March 2028

Outstanding share rights	Plan 2023	Plan 2022	Plan 2021	Plan 2020	Plan 2019	Plan 2018
<b>31 December 2021</b>	–	–	<b>1,051,736</b>	<b>905,763</b>	<b>776,383</b>	<b>712,106</b>
Preliminary allotment	–	1,106,080	–	–	–	–
Cancelled/forfeited	–	-16,000	-25,200	-36,200	-16,598	-24,000
Dividend compensation	–	–	7,906	6,566	5,831	5,210
<b>31 December 2022</b>	–	<b>1,090,080</b>	<b>1,034,442</b>	<b>876,129</b>	<b>765,616</b>	<b>693,316</b>
Preliminary allotment	1,091,496	–	–	–	–	–
Cancelled/forfeited	-20,000	-87,200	-47,472	-54,888	-46,330	–
Dividend compensation	–	18,690	10,340	5,908	5,143	5,490
Final allotment	–	–	–	–	–	-698,806
<b>31 December 2023</b>	<b>1,071,496</b>	<b>1,021,570</b>	<b>997,310</b>	<b>827,149</b>	<b>724,429</b>	–

The share rights amounts disclosed are the maximum shares that would be issued if all conditions are achieved in full.

The 5-year vesting period for Plan 2018 was completed on 27 April 2023. The performance targets 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 2017 and 2022 (restated consolidated financial accounts prepared on a pre IFRS 16 basis) was 20.4%. Medcover compensated the participants for the dividends paid during the duration of the programme by increasing the number of shares. 698,806 class B shares were distributed to the participants.

The Group's expenses for equity settled share-based payments, including social security costs, amounted to €-9.4 million (€-9.6 million), recognised as administrative costs.

Fair value at grant date	Plan 2023	Plan 2022
Fair value, €m	12.6	10.7
<b>Variables used to estimate fair value:</b>		
Expected annual turnover of personnel	5%	5%
Quoted share price, SEK	167.8	160.0
Service conditions	79%	79%
Performance targets, fulfilment	100%	80%

The service conditions and performance targets variables are reviewed and amended annually to project the expected outcome at the fulfillment of the plan.

The performance targets for Plan 2023 are split between two independent targets with 80% of the award relating to the Group's 5-year EBITDA growth and 20% of the award relating to the average 5-year return on invested capital.

Performance targets	Plan 2023
<b>EBITDA annual growth rate (CAGR)</b>	
Each share right entitles to 0.8 performance share with an EBITDA CAGR	10%
Each share right entitles to 6.4 performance shares with an EBITDA CAGR	≥17%
Entitlement will occur linearly between 0.8 to 6.4 performance shares with an EBITDA CAGR	10–17%
The EBITDA CAGR is calculated on the basis of the Group's financial statements for	2022 and 2027
<b>Average return on invested capital (ROIC)</b>	
Each share right entitles to 0.2 performance share with an average ROIC	8%
Each share right entitles to 1.6 performance shares with an average ROIC	≥10.5%
Entitlement will occur linearly between 0.2 to 1.6 performance shares with an average ROIC	8–10.5%
The average ROIC is calculated on the basis of the Group's financial statements for	2023 and 2027

Performance targets	Plan 2022	Plan 2021	Plan 2020	Plan 2019	Plan 2018
Each share right entitles to 1 performance share with an annual EBITDA (Plan 2020–2022) EBITDAaL (Plan 2019) EBITDA (pre IFRS 16 for Plan 2018) growth rate (CAGR)	>7%	>11%	>9%	>15%	>10%
Each share right entitles to 8 performance shares with an annual EBITDA (Plan 2020–2022) EBITDAaL (Plan 2019) EBITDA (pre IFRS 16 for Plan 2018) growth rate (CAGR)	≥15%	≥18%	≥17%	≥23%	≥20%
Entitlement will occur linearly between 1 to 8 performance shares with an annual EBITDA (Plan 2020–2022) EBITDAaL (Plan 2019) EBITDA (pre IFRS 16 for Plan 2018) growth rate (CAGR)	7–15%	11–18%	9–17%	15–23%	10–20%
The annual EBITDA (Plan 2020–2022) EBITDAaL (Plan 2019) EBITDA (pre IFRS 16 for Plan 2018) growth rate is calculated on the basis of the Group's financial statements <sup>1)</sup> for	2021 and 2026	2020 and 2025	2019 and 2024	2018 (restated) and 2023	2017 and 2022

<sup>1)</sup> For Plan 2018, the Group's financial statements for 2022 have not been used, instead restated consolidated financial accounts prepared on a pre IFRS 16 basis have been used.

The maximum value per each participant's share rights under the programme is, however, limited to ten times the participant's gross annual base salary in the year of grant and in the event that the value exceeds such limit, the number of performance shares will be decreased on a pro rata basis.

## 10. Fees to auditors

	2023	2022
Audit assignments	1.5	1.2
Auditing activities other than audit assignments	0.2	0.2
Tax consultancy services	0.0	0.1
Other assignments	0.0	0.0
<b>Total</b>	<b>1.7</b>	<b>1.5</b>

The fee to BDO Sweden AB and its network amounted to €1.1 million (€0.8 million).

## 11. Other income/costs

	2023	2022
Disposal of business in Belarus	7.8	-
Revaluation of NIPD investment	-	4.4
Revaluation of financial asset	0.0	-1.3
Loss on bond funds	-	-6.3
Other	0.2	0.0
<b>Total</b>	<b>8.0</b>	<b>-3.2</b>

The sale related to the Group's business in Belarus was closed in February 2023 for which €13.6 million of cash was received resulting in a gain of €7.8 million.

## 12. Interest expense

	2023	2022
Interest on lease liabilities	-24.6	-22.1
Interest on loans payable	-26.8	-12.4
<b>Total</b>	<b>-51.4</b>	<b>-34.5</b>

## 13. Income tax

	2023	2022
Current tax	-16.9	-10.0
Withholding tax	-1.0	-0.9
Deferred tax	12.7	5.1
<b>Total</b>	<b>-5.2</b>	<b>-5.8</b>

A reconciliation of the weighted average nominal income tax to the effective income tax expense is as follows:

	2023	2022
Profit before income tax	23.6	19.5
Weighted average tax based on national rates	42.6%	33.4%
Tax at applicable rate	-10.1	-6.5
<b>Tax effect of:</b>		
Non-taxable income	18.9	9.0
Non-deductible expenses	-18.1	-4.6
Profit share non-controlling interests	0.5	0.9
Tax losses and tax credits	5.3	-4.1
Adjustments to prior year estimates	-0.1	0.2
Withholding tax on intra group payments	-1.0	-1.0
Other items	-0.6	0.3
<b>Income tax expense</b>	<b>-5.2</b>	<b>-5.8</b>
<b>Effective tax rate</b>	<b>21.8%</b>	<b>29.6%</b>

The corporate tax rate in the main geographical operations is as follows: Poland 19%, Germany 30%, Romania 16%, Ukraine 18% and India 31%.

As at 31 December 2023 uncertainty over income tax treatments for which the Group has recognised a provision amounted to €3.4 million (€1.9 million), mainly related to a German subsidiary. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ. The reasonably possible outcomes range from additional liabilities of up to €3.4 million to a reduction in liabilities of up to €1.7 million.

Deferred tax recognised in the income statement	2023	2022	Change in net deferred tax	2023	2022
Goodwill	-3.2	-3.4	<b>As at 1 January</b>	<b>-25.8</b>	<b>-22.9</b>
Other intangible assets	2.8	3.1	Business combinations	-0.2	-7.2
Property, plant and equipment	-2.8	-1.8	Recognised in income statement	12.7	5.1
Tax losses carry forwards	15.0	3.8	Transaction with shareholders	-	-0.6
Right-of-use assets/lease liabilities	0.8	2.3	Recognised in statement of comprehensive income	-0.3	-0.1
Accruals/provisions	0.0	1.1	Reclassifications	0.0	0.0
Other	0.1	0.0	Exchange differences	-0.3	-0.1
<b>Total</b>	<b>12.7</b>	<b>5.1</b>	<b>As at December 31</b>	<b>-13.9</b>	<b>-25.8</b>

Deferred tax assets/liabilities are attributable to temporary differences on the following items:

	2023			2022		
	Assets	Liabilities	Net deferred tax	Assets	Liabilities	Net deferred tax
Goodwill	-	-29.9		-	-26.4	
Other intangible assets	-	-14.2		0.2	-16.3	
Property, plant and equipment	1.0	-15.0		2.8	-14.1	
Right-of-use assets	99.6	-		88.1	-	
Tax losses carry forwards	25.6	-		11.0	-	
Lease liabilities	-	-93.3		-	-82.6	
Accruals/provisions	9.9	-0.1		9.3	-0.1	
Other	3.8	-1.3		3.6	-1.3	
<b>Deferred tax assets/liabilities</b>	<b>139.9</b>	<b>-153.8</b>		<b>115.0</b>	<b>-140.8</b>	
Netting of assets/liabilities	-112.6	112.6		-98.8	98.8	
<b>Total</b>	<b>27.3</b>	<b>-41.2</b>	<b>-13.9</b>	<b>16.2</b>	<b>-42.0</b>	<b>-25.8</b>

The Group has unrecognised tax losses as at 31 December 2023 amounting to €160.0 million (€121.8 million) that are available to be offset against future profits.

	2023
<b>As at 1 January</b>	<b>121.8</b>
Additions	65.7
Utilisation	-10.2
Expired	-16.7
Losses recognised	-0.9
Exchange differences	0.3
<b>As at 31 December</b>	<b>160.0</b>

The expiry dates of unrecognised tax losses were as follows:

Year	
2024	3.3
2025	6.6
2026	6.7
2027	7.7
2028	6.6
2029 or later	62.9
No expiry date	66.2
<b>Total</b>	<b>160.0</b>

These losses were not recognised as deferred tax assets as their eventual use was not considered probable in the foreseeable future.

## 14. Earnings per share

	2023	2022
Profit for the year attributable to owners of the parent, €m	17.6	11.8
Basic/diluted EPS, €	0.118	0.079

Weighted average number of shares for EPS	2023	2022
Weighted average number of shares for basic EPS	149,361,363	148,712,361
Effect of dilution from employee share-based payments	291,010	241,206
<b>Weighted average number of shares for diluted EPS</b>	<b>149,652,373</b>	<b>148,953,567</b>

## 15. Intangible assets

	Goodwill	Software	Development cost	Brand	Patent	Other	Total
<b>Cost</b>							
<b>31 December 2021</b>	<b>373.1</b>	<b>37.6</b>	<b>20.7</b>	<b>41.4</b>	<b>-</b>	<b>55.3</b>	<b>528.1</b>
Business combinations	130.9	0.1	9.4	26.3	16.3	7.4	190.4
Additions	0.4	5.7	8.6	-	-	6.6	21.3
Disposal by sale	-	0.0	-	-	-	-	0.0
Retirements	0.0	-0.9	-	0.0	-	0.0	-0.9
Reclassifications	-	1.8	-	-	-	-1.8	0.0
Exchange differences	-7.1	-0.6	0.0	-1.4	-	-0.4	-9.5
<b>31 December 2022</b>	<b>497.3</b>	<b>43.7</b>	<b>38.7</b>	<b>66.3</b>	<b>16.3</b>	<b>67.1</b>	<b>729.4</b>
Business combinations	8.8	0.0	-	1.1	-	1.4	11.3
Additions	-	6.6	11.6	-	-	4.2	22.4
Disposal of subsidiary	-0.3	-0.2	-	-	-	0.0	-0.5
Retirements	-0.8	-0.6	-	-3.7	-	-0.7	-5.8
Reclassifications	-	5.7	-	-	-	-5.7	0.0
Exchange differences	12.6	2.0	0.0	3.9	-	0.7	19.2
<b>31 December 2023</b>	<b>517.6</b>	<b>57.2</b>	<b>50.3</b>	<b>67.6</b>	<b>16.3</b>	<b>67.0</b>	<b>776.0</b>
<b>Amortisation</b>							
<b>31 December 2021</b>	<b>-</b>	<b>-27.4</b>	<b>-11.2</b>	<b>-17.4</b>	<b>-</b>	<b>-23.2</b>	<b>-79.2</b>
Amortisation	-	-5.2	-4.3	-10.8	-0.9	-6.6	-27.8
Retirements	-	0.9	-	0.0	-	0.0	0.9
Reclassifications	-	0.1	-	-	-	-0.1	0.0
Exchange differences	-	0.4	0.0	0.1	-	0.2	0.7
<b>31 December 2022</b>	<b>-</b>	<b>-31.2</b>	<b>-15.5</b>	<b>-28.1</b>	<b>-0.9</b>	<b>-29.7</b>	<b>-105.4</b>
Amortisation	-	-6.8	-5.6	-12.7	-0.9	-6.9	-32.9
Disposal of subsidiary	-	0.1	-	-	-	0.0	0.1
Retirements	-	0.6	-	3.6	-	0.7	4.9
Reclassifications	-	0.0	-	-0.1	-	0.1	0.0
Exchange differences	-	-1.2	0.0	-0.7	-	-0.4	-2.3
<b>31 December 2023</b>	<b>-</b>	<b>-38.5</b>	<b>-21.1</b>	<b>-38.0</b>	<b>-1.8</b>	<b>-36.2</b>	<b>-135.6</b>
<b>Impairment</b>							
<b>31 December 2021</b>	<b>-1.4</b>	<b>0.0</b>	<b>-</b>	<b>-0.7</b>	<b>-</b>	<b>0.0</b>	<b>-2.1</b>
Exchange differences	0.0	0.0	-	0.0	-	0.0	0.0
<b>31 December 2022</b>	<b>-1.4</b>	<b>0.0</b>	<b>-</b>	<b>-0.7</b>	<b>-</b>	<b>0.0</b>	<b>-2.1</b>
Retirement	0.8	-	-	0.1	-	-	0.9
Exchange differences	0.0	0.0	-	0.0	-	0.0	0.0
<b>31 December 2023</b>	<b>-0.6</b>	<b>0.0</b>	<b>-</b>	<b>-0.6</b>	<b>-</b>	<b>0.0</b>	<b>-1.2</b>
<b>Net carrying value</b>							
<b>31 December 2022</b>	<b>495.9</b>	<b>12.5</b>	<b>23.2</b>	<b>37.5</b>	<b>15.4</b>	<b>37.4</b>	<b>621.9</b>
<b>31 December 2023</b>	<b>517.0</b>	<b>18.7</b>	<b>29.2</b>	<b>29.0</b>	<b>14.5</b>	<b>30.8</b>	<b>639.2</b>

Development cost of €29.2 million (€23.2 million) included internally developed software of €15.8 million (€12.3 million) and product development of €13.4 million (€10.9 million). Other of €30.8 million (€37.4 million) mainly included intangible assets relating to customer relations of €12.0 million (€13.6 million), regulatory licenses of €10.0 million (€9.7 million), operating licenses of €2.3 million (€5.5 million) and intangible assets under development of €5.8 million (€7.3 million).

The carrying amount of goodwill and other intangible assets with indefinite useful lives has been allocated to the following cash generating units:

	Goodwill		Regulatory licenses	
	2023	2022	2023	2022
Germany, excluding Genetics	108.9	104.3	10.0	9.7
Genetics	49.1	49.1	-	-
Other	16.8	14.5	-	-
<b>Total Diagnostic Services</b>	<b>174.8</b>	<b>167.9</b>	<b>10.0</b>	<b>9.7</b>
Poland	214.8	195.2	-	-
India	54.2	56.7	-	-
Scandinavia (fertility services)	30.0	31.1	-	-
Romania	24.9	25.1	-	-
Other	18.3	19.9	-	-
<b>Total Healthcare Services</b>	<b>342.2</b>	<b>328.0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>517.0</b>	<b>495.9</b>	<b>10.0</b>	<b>9.7</b>

In 2023 goodwill related to the genetic business was reallocated to a separate cash generating unit, Genetics (mainly in Germany and Cyprus). The comparative numbers have been restated. 'Other' includes goodwill allocated to businesses in smaller markets.

## Impairment test

The recoverable amounts for annual impairment testing are based on value in use calculations which use cash flow projections based on past and actual operating results and 5-year projections of cash generating units. The factor used to calculate growth in the terminal period after 5 years was 5% with the exception of India where 6% was used (emerging market) and Germany and Scandinavia where 3% was used (more mature market). Management's judgement is that the markets where the Group operates are undersupplied in healthcare and their long-term growth rates will be above more mature markets. Combined this will create continued growth for healthcare ahead of general GDP growth.

The most important criteria in the calculation of the value in use are expected growth rates and EBITDA-margin based on past performance and management's expectations for the future and discount rates.

The pre-tax discount rates used when discounting the projected cash flows are based on peer's beta adjusted to reflect management's assessment of risks related to the cash generating units. The pre-tax discount rates for the significant cash generating units were as follows:

Pre-tax discount rates	2023	2022
Germany, excluding Genetics	8.7%	8.0%
Genetics	9.0%	-
Poland	10.5%	9.3%
India	13.2%	11.0%
Scandinavia	7.5%	4.8%
Romania	11.6%	12.0%

Judgement is used in identifying to which cash generating units goodwill and other indefinite life intangible assets are allocated whereby the smallest identifiable group of assets that generates largely independent cash flows is measured for impairment. As the Group's business concept in some areas is as an integrated provider individual assets such as clinics or hospitals may be aggregated at a geographical network level.

Sensitivity analyses have been carried out based on a reduction of the revenue growth by 1.0 percentage point, a decrease of EBITDA-margin by 1.0 percentage point and by an increase in the discount rates of 1.0 percentage point. These changes in key assumptions would not lead to any impairment of any of the cash generating units' goodwill or other intangible assets with indefinite useful lives.



## 16. Property, plant and equipment

	Land and buildings	Leasehold improvements	Equipment	Vehicles	Assets under construction/advances	Total
<b>Cost</b>						
<b>31 December 2021</b>	<b>129.9</b>	<b>98.5</b>	<b>261.9</b>	<b>5.1</b>	<b>29.7</b>	<b>525.1</b>
Business combinations	31.4	30.3	11.9	0.3	1.1	75.0
Additions	3.1	27.9	56.8	1.3	39.8	128.9
Disposal by sale	-0.8	-0.1	-2.6	-0.4	-1.6	-5.5
Retirements	-0.1	-1.5	-13.8	-0.1	-0.1	-15.6
Reclassifications	0.4	11.1	8.4	0.2	-20.1	0.0
Exchange differences	-3.6	-3.9	-8.3	-0.3	-0.9	-17.0
<b>31 December 2022</b>	<b>160.3</b>	<b>162.3</b>	<b>314.3</b>	<b>6.1</b>	<b>47.9</b>	<b>690.9</b>
Business combinations	-	1.8	1.5	0.0	-0.5	2.8
Additions	1.5	22.0	42.9	1.1	17.6	85.1
Disposal of subsidiary	-2.7	-1.2	-3.6	-0.2	-0.1	-7.8
Disposal by sale	-0.1	-0.1	-5.2	-0.6	-	-6.0
Retirements	0.0	-1.5	-3.2	-0.1	-0.1	-4.9
Reclassifications	2.1	20.4	19.2	0.4	-42.1	0.0
Exchange differences	8.6	4.8	5.4	0.2	0.4	19.4
<b>31 December 2023</b>	<b>169.7</b>	<b>208.5</b>	<b>371.3</b>	<b>6.9</b>	<b>23.1</b>	<b>779.5</b>
<b>Depreciation</b>						
<b>31 December 2021</b>	<b>-18.7</b>	<b>-51.1</b>	<b>-132.1</b>	<b>-2.6</b>	<b>-</b>	<b>-204.5</b>
Depreciation	-4.5	-14.6	-42.1	-0.9	-	-62.1
Disposal by sale	0.2	0.1	2.1	0.3	-	2.7
Retirements	0.1	1.1	13.7	0.1	-	15.0
Reclassifications	0.0	0.3	-0.3	0.0	-	0.0
Exchange differences	0.3	2.1	4.0	0.1	-	6.5
<b>31 December 2022</b>	<b>-22.6</b>	<b>-62.1</b>	<b>-154.7</b>	<b>-3.0</b>	<b>-</b>	<b>-242.4</b>
Depreciation	-4.8	-23.5	-44.5	-1.1	-	-73.9
Disposal of subsidiary	0.2	0.8	2.0	0.1	-	3.1
Disposal by sale	0.1	0.0	4.3	0.5	-	4.9
Retirements	0.0	1.3	3.0	0.1	-	4.4
Reclassifications	-	0.0	0.0	0.0	-	0.0
Exchange differences	-2.0	-2.2	-4.1	-0.1	-	-8.4
<b>31 December 2023</b>	<b>-29.1</b>	<b>-85.7</b>	<b>-194.0</b>	<b>-3.5</b>	<b>-</b>	<b>-312.3</b>
<b>Impairment</b>						
<b>31 December 2021</b>	<b>-</b>	<b>-0.9</b>	<b>-0.4</b>	<b>-</b>	<b>0.0</b>	<b>-1.3</b>
Impairment charges	-	-1.4	-1.0	-	-0.3	-2.7
Retirement	-	0.3	0.0	-	0.0	0.3
Exchange differences	-	0.1	0.1	-	0.0	0.2
<b>31 December 2022</b>	<b>-</b>	<b>-1.9</b>	<b>-1.3</b>	<b>-</b>	<b>-0.3</b>	<b>-3.5</b>
Impairment charges	-	0.0	0.2	-	-	0.2
Disposal of subsidiary	-	-	0.1	-	-	0.1
Retirement	-	-	0.0	-	-	0.0
Exchange differences	-	0.0	0.1	-	0.0	0.1
<b>31 December 2023</b>	<b>-</b>	<b>-1.9</b>	<b>-0.9</b>	<b>-</b>	<b>-0.3</b>	<b>-3.1</b>
<b>Net carrying value</b>						
<b>31 December 2022</b>	<b>137.7</b>	<b>98.3</b>	<b>158.3</b>	<b>3.1</b>	<b>47.6</b>	<b>445.0</b>
<b>31 December 2023</b>	<b>140.6</b>	<b>120.9</b>	<b>176.4</b>	<b>3.4</b>	<b>22.8</b>	<b>464.1</b>

## 17. Leases

### Right-of-use assets

	Buildings	Equipment	Vehicles	Total
<b>Cost</b>				
<b>31 December 2021</b>	<b>425.4</b>	<b>15.9</b>	<b>10.1</b>	<b>451.4</b>
Business combinations	64.6	1.1	0.2	65.9
Additions	72.1	3.4	3.2	78.7
Terminations	-30.0	-4.8	-2.8	-37.6
Other	7.7	0.0	0.0	7.7
Exchange differences	-12.7	-0.1	-0.2	-13.0
<b>31 December 2022</b>	<b>527.1</b>	<b>15.5</b>	<b>10.5</b>	<b>553.1</b>
Business combinations	2.7	0.3	0.0	3.0
Additions	51.8	5.9	5.0	62.7
Disposal of subsidiary	-5.6	0.0	0.0	-5.6
Terminations	-26.0	-2.3	-3.0	-31.3
Other	24.1	0.1	0.2	24.4
Exchange differences	14.9	0.2	0.1	15.2
<b>31 December 2023</b>	<b>589.0</b>	<b>19.7</b>	<b>12.8</b>	<b>621.5</b>

	Buildings	Equipment	Vehicles	Total
<b>Depreciation</b>				
<b>31 December 2021</b>	<b>-114.8</b>	<b>-4.5</b>	<b>-4.7</b>	<b>-124.0</b>
Depreciation	-58.3	-4.6	-2.8	-65.7
Terminations	22.5	3.6	2.6	28.7
Exchange differences	3.4	0.1	0.0	3.5
<b>31 December 2022</b>	<b>-147.2</b>	<b>-5.4</b>	<b>-4.9</b>	<b>-157.5</b>
Depreciation	-68.1	-4.6	-3.1	-75.8
Disposal of subsidiary	3.4	0.0	0.0	3.4
Terminations	20.5	2.2	2.9	25.6
Exchange differences	-5.4	-0.2	0.0	-5.6
<b>31 December 2023</b>	<b>196.8</b>	<b>-8.0</b>	<b>-5.1</b>	<b>-209.9</b>

	Buildings	Equipment	Vehicles	Total
<b>Impairment</b>				
<b>31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Buildings	Equipment	Vehicles	Total
<b>Net carrying value</b>				
<b>31 December 2022</b>	<b>379.9</b>	<b>10.1</b>	<b>5.6</b>	<b>395.6</b>
<b>31 December 2023</b>	<b>392.2</b>	<b>11.7</b>	<b>7.7</b>	<b>411.6</b>

The Group had 2,555 (2,558) lease contracts of which 1,465 (1,502) related to buildings (mainly laboratories, BDPs, hospitals and clinics) and 1,090 (1,056) related to equipment and vehicles.

### Lease liabilities

The lease liabilities amounted to €438.8 million (€424.3 million) of which €70.6 million (€59.6 million) is classified as current.

Average lease term, in years	2023	2022
Buildings	7.1	6.9

The maturity analysis for lease liabilities and the currency exposure is disclosed in note 33.

### Amounts recognised in the income statement

	2023	2022
Depreciation on right-of-use assets	-74.3	-64.1
Interest expense on lease liabilities	-24.6	-22.1
Expense relating to short-term leases	-13.2	-11.8
Expense relating to leases of low value assets	-1.6	-1.4
Expense relating to variable lease payments	-4.8	-3.1
Rent concessions	0.3	1.8

### Extension and termination options

Extension and termination options are only included in the lease term when the Group has the right to unilaterally extend/terminate and judges that this right is reasonably certain to be exercised. For most of the Group's lease agreements with extension options, these criteria are not considered met. Some of the real estate leases within the Group contain termination options with a purpose to achieve operational flexibility. If the Group is reasonably certain that the termination option will be exercised, the lease liability does not include future rental payments in the period after the earliest termination date.

### Interest rate when discounting future lease payments

When the Group cannot readily determine the interest rate implicit in the lease, it uses the incremental borrowing rate (IBR) to discount future lease payments. The IBR is the interest rate that the lessee would have to pay to borrow over similar terms which requires estimations when no observable rates are available. The Group estimates the IBR by using market interest rates and adjusting with entity specific estimates such as credit standing, currency risk and duration within the lease contracts.

### Leases not yet commenced

At year-end 2023 the Group is committed to €27.5 million (€13.0 million) for leases not yet commenced/recognised as right-of-use assets and lease liabilities. The increase is mainly due to expansion of a new hospital in India.

## 18. Business combinations

During the year, the Group made minor acquisitions across both segments in Poland, Germany and Bulgaria (dental/gym/laboratory/medical clinic). None of these acquisitions were individually significant. The purchase price alloca-

tions are preliminary and subject to change in the twelve months from the acquisition date.

	Total
<b>Net identifiable assets</b>	<b>3.1</b>
Goodwill	11.0
<b>Total consideration</b>	<b>14.1</b>
Cash and cash equivalents acquired	-0.3
Contingent consideration payable	-2.8
Deferred consideration payable	-1.0
Non-cash movements	0.4
<b>Net cash flow outflow, acquisitions in current year</b>	<b>10.4</b>
Payment related to acquisitions in prior years	9.2
<b>Net cash flow outflow</b>	<b>19.6</b>

Goodwill of €11.0 million was recognised and represented expected synergies with existing operations. Goodwill that is expected to be tax deductible amounted to €7.1 million.

Included in the consolidated income statement 2023 was revenue of €8.1 million and a net profit of €0.3 million related to business combinations in the year. If these acquisitions had occurred on 1 January 2023, revenue would have been €4.7 million higher and net profit would have been €0.1 million higher.

Acquisition related expenses (included in administrative expenses) amounted to €-0.7 million.

## Business combinations during 2022

The purchase price allocations for business combinations during 2022 have been finalised.

	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	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
Previously 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>
Payments 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>

Acquisition date	Name	Country	Description of business	Segment <sup>1)</sup>	Voting rights, %
10 Jan	Medicover Public Co Ltd (former NIPD Genetics Public Company Ltd) ("NIPD")	Cyprus	Laboratory	DS	68.3
20 Jan	Polaris Medical S.A.	Romania	Hospital	HS	90
28 Jan	Centrum Diagnostyczno-Terapeutyczne "Medicus" sp. z o.o. ("CDT")	Poland	Hospital/ medical/ laboratory	HS	100
31 Jan	Premium Fitness & Gym sp. z o.o.	Poland	Gym	HS	100
11 Feb	Sahrudaya Health Care (Vizianagaram) Private Limited	India	Hospital	HS	60
28 Feb	Bellevue Polska sp. z o.o.	Poland	Eye-care	HS	100
11 Mar	"Medicover Diagnostics" d.o.o. Banja Luka (former "Konzilijum" d.o.o. Banja Luka)	Bosnia-Herzegovina	Laboratory	DS	80
1 Apr	Czar-Dent	Poland	Dental	HS	–
4 Apr	Clinical trial business of Nasz Lekarz	Poland	Clinical trial	DS	–
8 Apr	Dialab	Poland	Laboratory	DS	–
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
5 May	McFit Polska sp. z o.o.	Poland	Gym	HS	100
14 Jul	Intergenetics Private Polyclinic Single Member SA	Greece	Laboratory	DS	100
1 Aug	Ambasada Uśmiechu	Poland	Dental	HS	–
13 Sep	Nasz Lekarz Przychodnie Medyczne sp. z o.o.	Poland	Medical	HS	100
14 Sep	Laurus Medical S.R.L.	Romania	Medical	HS	100
1 Oct	MeinDentist Zentrum GmbH, MeinDentist Berlin GmbH, MeinDentist Brandenburg GmbH	Germany	Dental	HS	100
5 Oct	DDent MVZ GmbH, DDent Labor GmbH	Germany	Dental	HS	80
8 Dec	Centrum Sportowego Kiko Plus sp. z o.o.	Poland	Gym	HS	100
12 Dec	Smart Platinum sp. z o.o., Just Fit sp. z o.o. ("SP/JF")	Poland	Gym	HS	100

<sup>1)</sup> DS: Diagnostic Services, HS: Healthcare Services.

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

Acquisition related expenses (included in administrative expenses) amounted to €-7.2 million in 2022.

## NIPD

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 Medcover's genetic offering in its markets while NIPD's geographic reach allows Medcover to penetrate new markets quicker with a combined product offering. In January 2022 the Group increased its ownership in NIPD from 18.9% to 87.2%. Total consideration for the 68.3% acquired shares in NIPD was €56.8 million, settled in cash €44.5 million. Goodwill of €27.4 million was recognised and represented expected synergies with existing operations. Goodwill was not expected to be deductible for tax purposes. Patents amounted to €16.3 million 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.

Medcover has an obligation, at a future date, to acquire the non-controlling interests. This put option liquidity obligation was measured at fair value at €5.9 million at 31 December 2022 (refer to note 31).

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 €7.9 million, was remeasured to its acquisition fair value of €12.3 million, resulting in a gain of €4.4 million recognised as other income/(costs).

## CDT

CDT 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. The consideration was €56.1 million, settled in cash. Goodwill of €23.3 million was recognised and represented expected synergies with existing operations. Goodwill was not expected to be deductible for tax purposes. Brand of €12.9 million has been recognised with an estimated useful life of 10 years, valued by using the relief from royalty method.

## SP/JF

Medcover strengthened its sport portfolio with the acquisition of fitness clubs in Cracow and Upper Silesia in Poland through the acquisition of Smart Platinum and Just Fit ("SP/JF"). The consideration was €25.2 million. Goodwill of €10.8 million was recognised and represented expected synergies with existing sports operations and benefit plans within the funded business. Goodwill was not expected to be deductible for tax purposes.

## McFit

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

## Other

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

## 19. Other financial assets

Non-current	2023	2022
Guarantees	10.3	10.8
Shares in unlisted entity	2.3	2.2
Government bonds	2.0	2.2
Loans receivable	0.6	2.3
Interest rate swap used for hedging	0.6	1.0
Other	0.6	-
<b>Total</b>	<b>16.4</b>	<b>18.5</b>

## 20. Inventories

	2023	2022
Consumables	42.3	44.1
Real estate development	6.4	6.5
Pharmaceuticals	6.1	3.3
Other	4.6	4.3
<b>Total</b>	<b>59.4</b>	<b>58.2</b>

Other includes inventories mainly relating to eye-care business. Inventories recognised as an expense during the year amounted to €239.1 million (€257.7 million), of which write-downs amounted to €0.8 million (€3.9 million). This expense has been included in medical provision costs. There has been no material reversal of write-downs from prior years.

## 21. Trade and other receivables

	2023	2022
Trade receivables	176.8	164.2
Other receivables	49.9	38.3
Accrued income	19.4	11.2
Prepayments	11.4	13.2
<b>Total</b>	<b>257.5</b>	<b>226.9</b>

Financial assets carried at amortised cost are presented net of expected credit losses, refer to note 33 for further information. Other receivables mainly consisted of VAT/tax related receivables as well as loan receivables.

## 22. Short-term investments and cash and cash equivalents

	2023	2022
Short-term investments		
Interest-bearing securities	8.9	8.7
<b>Total</b>	<b>8.9</b>	<b>8.7</b>

The interest-bearing securities include government bonds.

	2023	2022
Cash and cash equivalents		
Cash on hand	1.2	1.2
Cash at bank	49.6	39.1
Government bonds	0.0	0.1
<b>Total</b>	<b>50.8</b>	<b>40.4</b>

Refer to note 25 for information regarding credit facilities and utilisation.

## 23. Share capital

Share capital as at 31 December was €30.7 million (€30.4 million) and corresponded to the following shares:

	A shares	B shares	C shares	Total
<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>
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>
Conversion of class A to class B shares	-703,500	703,500		
Conversion of class C to class B shares		698,806	-698,806	
Issue of shares			1,600,000	1,600,000
<b>31 December 2023</b>	<b>76,671,376</b>	<b>72,980,997</b>	<b>3,882,822</b>	<b>153,535,195</b>

Under the Company's articles of association, the authorised number of shares should not be less than 85 million and not more than 340 million. The Company may issue class A, B and C shares. Each class A share carries one vote. Each class B and class C share carries one tenth of a vote. Medcover's class B share is listed on Nasdaq Stockholm. At the shareholders' request class A shares may be converted to an equal number of class B shares. Class C shares are treasury shares held by the Company to ensure delivery of shares to employees in accordance with the long-term performance-based share programmes. The quota value per share was €0.2 (€0.2).

1.6 million class C shares were issued and immediately repurchased in November 2023. The purpose was to enable future delivery of performance

shares in accordance with the incentive programmes. Following the share issue, share capital increased by €0.3 million.

During 2023, the five-year vesting period for Plan 2018 was completed and 698,806 (603,016) class C shares were converted to class B shares and distributed to the participants, refer to note 9.

A dividend of €17.9 million (€17.8 million) was distributed to shareholders, equivalent to €0.12 (€0.12) per share.

The board of directors proposes to the annual general meeting that a dividend of €0.12 per share is distributed for the financial year 2023, which corresponds to a total of €18.0 million.

## 24. Non-controlling interests

Non-controlling interests amounted to €31.8 million (€36.1 million) as at 31 December 2023. The Group has one subsidiary with a material non-controlling interest, Sahrudaya Healthcare Private Limited ("MHI"). The ownership interest held by non-controlling interests in MHI was 35.8% (35.8%), corresponding to an accumulated non-controlling interest of €21.8 million (€27.1 million). Financial information for MHI before intra-group eliminations is presented in the following tables.

	2023	2022
Income statement/total comprehensive income		
Revenue	179.5	159.7
Result for the year	-9.2	-8.8
Other comprehensive income/(loss)	-1.9	-3.1
<b>Total comprehensive income/(loss) for the year</b>	<b>-11.1</b>	<b>-11.9</b>

	2023	2022
Cash flow		
Net cash from operating activities	8.6	1.8
Net cash used in investing activities	-10.9	-20.2
Net cash from financing activities	2.7	13.8
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>0.4</b>	<b>-4.6</b>

	31 Dec 2023	31 Dec 2022
Assets/liabilities		
Non-current assets	201.6	165.9
Current assets	56.7	50.5
Non-current liabilities	206.6	160.3
Current liabilities	49.5	41.9



## 25. Loans payable

Non-current	2023	2022
Borrowings	393.3	447.7
Contingent consideration payable (note 31)	8.0	18.5
Deferred consideration payable	5.1	7.2
<b>Total</b>	<b>406.4</b>	<b>473.4</b>
<b>Current</b>	<b>2023</b>	<b>2022</b>
Borrowings	152.9	32.0
Contingent consideration payable (note 31)	3.2	6.7
Deferred consideration payable	2.4	3.6
<b>Total</b>	<b>158.5</b>	<b>42.3</b>

Loans payable	Maturity	Currency	Nominal value	Carrying amount	
				2023	2022
Schuldschein loan, fixed/float	2024	EUR	29.5	29.5	29.4
Schuldschein loan, fixed/float	2026	EUR	42.0	41.9	41.8
Social schuldschein loan, fixed/float	2027	EUR	125.0	124.6	124.5
Social schuldschein loan, fixed/float	2029	EUR	86.0	85.7	85.6
Social schuldschein loan, fixed/float	2031	EUR	66.0	65.7	65.7
Revolving credit facility	2026	EUR	75.0	74.2	99.0
Social commercial paper programme	2024	SEK	1,143.0	102.0	13.4
Other bank loans				22.6	20.3
Other				18.7	36.0
<b>Total</b>				<b>564.9</b>	<b>515.7</b>

Loans payable amounted to €564.9 million (€515.7 million). €235.0 million (€235.0 million) is at fixed interest rates and 18.7 million (€36.0 million) is non-interest bearing (deferred/contingent consideration payable). A maturity analysis of financial liabilities is disclosed in note 33. The weighted average interest rate of total debt outstanding held at 31 December 2023 was 3.8% (3.0%).

The social commercial paper programme has a total size of SEK 2 billion with possibilities to issue in both Swedish krona and euro.

## 26. Other financial liabilities

Non-current	2023	2022
Put option liquidity obligations with non-controlling interests (note 31 c)	93.6	81.7
Other	0.8	0.7
<b>Total</b>	<b>94.4</b>	<b>82.4</b>
<b>Current</b>	<b>2023</b>	<b>2022</b>
Put option liquidity obligations with non-controlling interests (note 31 c)	15.8	15.0
Other	2.9	5.5
<b>Total</b>	<b>18.7</b>	<b>20.5</b>

The Group's credit facilities and utilisation were as follows:

	2023		2022	
	Facility size	Utilised	Facility size	Utilised
Revolving credit facility (RCF) and overdraft facility	315.0	75.0	315.0	100.8
Schuldschein loan (SSD)	71.5	71.5	71.5	71.5
Social schuldschein loan (SSD)	277.0	277.0	277.0	277.0
Social commercial paper programme	180.2	102.0	179.7	13.4
Other	37.1	22.3	26.5	18.2
<b>Total</b>	<b>880.8</b>	<b>547.8</b>	<b>869.7</b>	<b>480.9</b>

The loan conditions entail financial covenants which have been met during all reporting periods. For the RCF and SSD, the ratio net debt/adjusted EBITDAaL should not exceed 4.0x. The interest cover (RCF: adjusted EBITDAaL/net interest and SSD: EBITDAaL/net interest) should be at least 3.5x. The RCF is reported on a quarterly basis while the SSD is reported on an annual basis.

The net financial debt was as follows:

	2023	2022
Non-current loans payable	406.4	473.4
Current loans payable	158.5	42.3
<b>Total loans payable</b>	<b>564.9</b>	<b>515.7</b>
Less: short-term investments	-8.9	-8.7
Less: cash and cash equivalents	-50.8	-40.4
<b>Loans payable net of cash and liquid short-term investments</b>	<b>505.2</b>	<b>466.6</b>
Non-current lease liabilities	368.2	364.7
Current lease liabilities	70.6	59.6
<b>Total lease liabilities</b>	<b>438.8</b>	<b>424.3</b>
<b>Financial debt</b>	<b>1,003.7</b>	<b>940.0</b>
Less: short-term investments	-8.9	-8.7
Less: cash and cash equivalents	-50.8	-40.4
<b>Net financial debt</b>	<b>944.0</b>	<b>890.9</b>

## 27. Deferred revenue

	2023	2022
Advances from customers (non-insurance)	9.8	7.3
<b>Total</b>	<b>9.8</b>	<b>7.3</b>

Advances from customers related to contracts within 12 months maturities. In 2023 €7.3 million of the deferred revenue at 31 December 2022 was recognised as revenue.

## 28. Insurance contract liability

	Liability for remaining coverage	Liability for incurred claims		Insurance contract liability
		Estimated future cash flow	Risk adjustment for non-financial risk	
<b>31 December 2022</b>	<b>15.0</b>	<b>0.3</b>	<b>3.6</b>	<b>18.9</b>
Insurance revenue	-375.2	-	-	-375.2
Incurred claims and other incurred service expense	-	305.5	0.8	306.3
Premiums received	379.6	-	-	379.6
Claims and other insurance service expenses paid	-	-305.3	-	-305.3
Exchange differences	0.6	0.0	0.2	0.8
<b>31 December 2023</b>	<b>20.0</b>	<b>0.5</b>	<b>4.6</b>	<b>25.1</b>

	Liability for remaining coverage	Liability for incurred claims		Insurance contract liability
		Estimated future cash flow	Risk adjustment for non-financial risk	
<b>31 December 2021</b>	<b>12.0</b>	<b>0.5</b>	<b>3.0</b>	<b>15.5</b>
Insurance revenue	-301.3	-	-	-301.3
Incurred claims and other insurance service expenses	-	248.5	0.6	249.1
Premiums received	304.9	-	-	304.9
Claims and other insurance service expenses paid	-	-248.7	-	-248.7
Exchange differences	-0.6	0.0	-	-0.6
<b>31 December 2022</b>	<b>15.0</b>	<b>0.3</b>	<b>3.6</b>	<b>18.9</b>

All insurance contracts have a coverage period of one year or less, the premium allocation method is applied. The risk adjustment for non-financial risk is based on the EU's Solvency II directive with a cost of capital of 6.0% (6.0%) discounted at current interest rate, at year end 3.4% (3.2%).

## 29. Trade and other payables

	2023	2022
Trade payables	68.0	61.0
Other payables	37.1	33.5
Accruals for medical cost	32.5	27.7
Accruals for payroll	30.8	25.3
Other accruals	36.2	34.8
<b>Total</b>	<b>204.6</b>	<b>182.3</b>

Other payables mainly consisted of payroll related taxes, grants related to fixed assets and VAT.

## 30. Liabilities arising from financing activities

A reconciliation of cash and non-cash movements of loans payable, lease liabilities and other financial liabilities is presented in the following table:

	Loans payable		Lease liabilities		Other financial liabilities	
	2023	2022	2023	2022	2023	2022
<b>As at 1 January</b>	<b>515.7</b>	<b>418.2</b>	<b>424.3</b>	<b>345.9</b>	<b>102.9</b>	<b>82.9</b>
<b>Cash movements</b>						
Repayment of loans/leases <sup>1)</sup>	-397.3	-434.7	-90.1	-72.7	-0.6	-
Proceeds from loans received	461.9	524.1	-	-	0.1	1.1
Distribution to non-controlling interests	-	-	-	-	-3.8	-4.3
<b>Non-cash movements</b>						
Net foreign exchange movements	2.9	-2.8	0.8	-8.8	-0.7	-0.5
Business combinations and disposal of subsidiary	-18.7	14.9	0.2	64.4	0.0	0.1
Liquidity obligation to non-controlling interests	-	-	-	-	1.7	5.4
Lease additions	-	-	110.7	107.8	-	-
Lease deductions	-	-	-7.1	-12.3	-	-
Changes in fair value recognised through equity	-	-	-	-	13.5	18.1
Early repayment of debt obligations	-	-2.4	-	-	-	-
Other	0.4	-1.6	0.0	-	0.0	0.1
<b>As at 31 December</b>	<b>564.9</b>	<b>515.7</b>	<b>438.8</b>	<b>424.3</b>	<b>113.1</b>	<b>102.9</b>

<sup>1)</sup> The amount includes interest paid on leases of €-24.6 million (€-22.1 million) and excludes movements in accruals and prepayments.

## 31. Financial assets and liabilities

	Note	2023			2022		
		Non-current	Current	Total	Non-current	Current	Total
Financial assets at fair value through profit or loss							
Short-term investments		–	8.9	8.9	–	8.7	8.7
Foreign currency swaps		–	2.4	2.4	–	–	–
Other financial assets	31 a)	2.3	–	2.3	2.2	–	2.2
Total		2.3	11.3	13.6	2.2	8.7	10.9
Interest rate swaps used for hedging		0.6	–	0.6	1.0	–	1.0
Total financial assets at fair value		2.9	11.3	14.2	3.2	8.7	11.9
Financial assets at amortised cost							
Other financial assets		13.5	2.3	15.8	15.3	0.0	15.3
Trade and other financial receivables <sup>1)</sup>		–	219.4	219.4	–	186.4	186.4
Total		13.5	221.7	235.2	15.3	186.4	201.7
Cash and cash equivalents		–	50.8	50.8	–	40.4	40.4
Total financial assets		16.4	283.8	300.2	18.5	235.5	254.0
Financial liabilities at fair value through profit or loss							
Foreign currency swaps		–	–	–	–	0.2	0.2
Contingent consideration payable <sup>2)</sup>	31 b)	8.0	3.2	11.2	18.5	6.7	25.2
Total		8.0	3.2	11.2	18.5	6.9	25.4
Put option liquidity obligations with non-controlling interests (with movement through equity) <sup>3)</sup>	31 c)	93.6	15.8	109.4	81.7	15.0	96.7
Total financial liabilities at fair value		101.6	19.0	120.6	100.2	21.9	122.1
Financial liabilities at amortised cost							
Borrowings <sup>2)</sup>		393.3	152.9	546.2	447.7	32.0	479.7
Lease liabilities		368.2	70.6	438.8	364.7	59.6	424.3
Other financial liabilities		0.8	2.9	3.7	0.7	5.5	6.2
Trade and other financial payables <sup>1)</sup>		–	71.6	71.6	–	64.4	64.4
Deferred consideration payable <sup>2)</sup>		5.1	2.4	7.5	7.2	3.6	10.8
Total		767.4	300.4	1,067.8	820.3	165.1	985.4
Total financial liabilities		869.0	319.4	1,188.4	920.5	187.0	1,107.5

<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 schuldschein debt at fixed interest rates where the carrying value amounted to €235.0 million (€235.0 million) and fair value to €207.1 million (€214.2 million).

### 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 €8.9 million (€8.7 million) include government bonds. 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:

- Other financial assets include €2.3 million (€2.2 million) relating to 14% (14%) of the voting rights in a dialysis clinic in Germany.
- The contingent consideration payable resulting from current year and past business combinations is mainly based on the estimated outcome of future

performance targets. The targets related to six acquisitions made in prior years were not achieved and in 2023 the associated contingent consideration of €10.9 million has been derecognised in administrative costs.

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

- In December 2023 Medicover entered into an agreement to acquire the non-controlling shares of 7.5% (23.3% economic interest) in one of the Group's German subsidiaries with an effective date of January 2024. The purchase price was not reflecting the economic substance, hence judgement was used. The underlying nature of the transactions has been considered as deferred payments for non-controlling interest rather than following the legal form as remuneration contracts. Total purchase price amounted to €41.1 million. As a written put option was previously granted to the minority shareholder, the liquidity obligation of €26.1 million (Q3 2023) increased to €41.1 million at year-end. €15.8 million will be paid in cash on closing in January 2024 and €25.3 million is deferred and payable over 10 annual instalments to 2034. The closing in January will extinguish the put option. The seller will continue to work in the Group and remuneration for future services will be recognised as salary cost. There are performance conditions attached to the deferred liability which have been considered in the measurement of the liability.
- A put option liquidity obligation with non-controlling interests in Medicover Hospitals India ("MHI") of €58.0 million (€54.4 million). Half of the put options can be exercised in June 2025 at the earliest and the remaining half (which corresponds to €35.7 million) from June 2027.

- Put option liquidity obligations with non-controlling interests in subsidiaries in Norway, Cyprus and Bosnia-Herzegovina of €10.3 million (€16.5 million), estimated to be exercised in 2026 and 2027.

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:

	Fair value			Inputs		Sensitivity
Description	2023	2022		2023	2022	Relationship of unobservable inputs to fair value (FV)
Put option liquidity obligation with non-controlling interests in a subsidiary in Germany	41.1	25.8	Earnings growth factor	–	2.0%	–
			Risk adjusted discount rate	3.8%	1.5%	–
Put option liability obligation with non-controlling interests in MHI, India	58.0	54.4	6-year projected CAGR EBITDA	33.1%	47.6%	Increase of 10% in CAGR EBITDA = increase in FV liability of €6.0 million
			Risk adjusted discount rate	13.4%	13.8%	Decrease of 1% point in discount rate = increase in FV liability of €1.4 million
Put option liquidity obligation with non-controlling interests in a subsidiary in Norway	4.0	10.2	4-year projected CAGR EBITDA	2.6%	29.7%	Increase of 10% in CAGR EBITDA = increase in FV liability of €0.0 million
			Risk adjusted discount rate	8.3%	7.6%	Decrease of 1% point in discount rate = increase in FV liability of €0.1 million
Put option liquidity obligation with non-controlling interests in a subsidiary in Cyprus	5.8	5.9	5-year projected revenue	8.6%	12.9%	Increase of 10% in revenue = no change in FV liability
			Risk adjusted discount rate	10.7%	13.7%	Decrease of 1% point in discount rate = increase in FV liability of €0.2 million
Put option liquidity obligation with non-controlling interests in a subsidiary in Bosnia-Herzegovina	0.5	0.4	Risk adjusted discount rate	17.8%	22.3%	Decrease of 1% point in discount rate = increase in FV liability of €0.0 million
Contingent consideration payable	11.2	25.2	Risk adjusted discount rate	5.5%–11.8%	5.5%–11.8%	Decrease of 1% point in discount rate = increase in FV liability of €0.2 million

The projections used to measure the put option liquidity obligations at fair value have been updated to reflect management's assessment of future business performance and economic environment. From year-end 2023, the risk adjusted discount rate (used for put-option liquidity obligations) corresponds to the cost of equity. No financial assets or liabilities have been reclassified between the different levels in the fair value hierarchy.

## 32. Capital management

The Group has grown principally through organic growth with the addition of acquired growth through business combinations. The organic growth has been within existing markets and new geographies. In expanding organically, the Group is exposed to potential loss of capital if the expansion or new activities do not immediately meet their financial objectives. The Group's objectives have been to balance the cash generation from established business units into higher risk investments in new activities. This has left the equity levels of the Group as a buffer to protect the Group in case of variations in performance that could impact the established activities and to absorb the impacts of currency translation arising from net investments in markets with higher currency devaluation risks. The Group has used debt funding for acquisitions of businesses. When assessing the adequacy of the Group's equity for the activities and exposures, the Group analyses the ratio

of loans payable net of cash and liquid short-term investments to total equity (including non-controlling interests), as presented in the following table:

	2023	2022
Loans payable net of cash and liquid short-term investments (note 25)	505.2	466.6
<b>Ratio to total equity</b>	<b>1.0</b>	<b>0.9</b>

The medium-term aim of the Group is to manage this ratio at sustainable levels whilst continuing to invest in new business development and acquisitions to maintain a balanced capital structure between debt and equity.

### 33. Financial risk management

The Company's board of directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, to monitor risks and adherence to limits. The audit committee is responsible for monitoring and addressing issues concerning the effectiveness and efficiency of the Group's internal controls, regulatory compliance and risk management.

In the course of its business the Group is exposed to a number of financial risks, including credit, interest rate, liquidity, refinancing and foreign currency risks. This note presents the Group's objectives, policies and processes for managing these risks and methods used to measure risks.

The central treasury function has an important role in managing the Group's financial risks with the aim to control and manage the Group's financial exposure.

#### Credit risk

Credit risk for the Group primarily relates to trade receivables in the ordinary course of business and assets held by custodians or loans to counterparties. Customers' compliance with agreed credit terms is monitored regularly and closely. Where payments are delayed by customers, steps are taken to restrict access to services or contracts are terminated. Certain customers, which are public or quasi-public institutions, may have longer payment terms and services may be continued to be delivered when amounts are overdue due to management's assessment of a lower credit risk and those amounts will be settled due to the contracted or implied state guarantees.

Counterparties with whom assets are deposited or lent, such as banks or custodians, are monitored for credit worthiness and ratings. At the balance sheet date, there was no significant concentration of counterparty credit risk.

The maximum exposure to credit risk at the balance sheet date is equal to the carrying amount of the Group's financial assets, refer to note 31. As the customer base of the Group is very diverse there are generally no large concentrations of credit risk. The largest credit concentrations are with the Kassenärztliche Vereinigungen, the German doctor's association for distributing compensation for ambulatory healthcare services, and the state reimbursement schemes for Telangana and Andhra Pradesh in India which are deemed to be quasi state guaranteed.

Of the past due amounts of more than 30 days a large proportion relates to state guaranteed or quasi-public institutions which systematically have payment delays, but where payment is reasonably assured.

The Group applies the simplified approach for providing for expected credit losses ("ECL"), which requires the use of the lifetime expected loss provision for trade receivables and accrued income.

A provision matrix was prepared based on historical observed default rates over the expected life of trade receivables and accrued income resulting in an ECL reflecting the predictive risk by type of customer and the economic outlook. The loss allowance on trade receivables and accrued income based on the Group's provision matrix arising from the ECL was determined as follows:

2023	Current	<30 days	<180 days	<365 days	>365 days	Total
Expected credit loss rate	0.9%	4.4%	6.5%	20.6%	36.2%	
Gross trade receivables and accrued income	123.5	26.0	30.8	10.1	18.9	209.3
Loss allowance	1.1	1.1	2.0	2.1	6.8	13.1
2022	Current	<30 days	<180 days	<365 days	>365 days	Total
Expected credit loss rate	1.4%	4.7%	8.3%	17.2%	44.5%	
Gross trade receivables and accrued income	117.3	20.2	23.4	12.2	16.0	189.1
Loss allowance	1.6	1.0	1.9	2.1	7.1	13.7

A reconciliation of the loss allowance provision is presented as follows:

	2023	2022
As at 1 January	13.7	12.1
Business combinations	0.1	0.5
Recognised in income statement	6.4	6.3
Amounts written off	-6.7	-4.8
Exchange differences	0.0	-0.4
Other	-0.4	0.0
As at 31 December	13.1	13.7

#### Interest rate risk

Interest rate risk is the risk that the Group is negatively affected by changes in the interest rate levels. The purpose with the interest risk management is a combination of minimised interest costs and creating a stable interest net for example to reduce the impact of short and medium-term volatility in interest rates. Interest rate risk on financial debt is managed based on monitoring of likely trends over a 1 to 3-year period and decisions are made as to whether to fix interest rates. Interest rate swap agreements are sometimes used to achieve the desired fixed-interest term.

Loans payable amounted to €564.9 million (€515.7 million). The Group has hedged €100 million (€100 million) nominal of its floating rate debt for the next two years. Debt at fixed interest rates was €235.0 million (€235.0 million) and €18.7 million (€36.0 million) was non-interest bearing (deferred/contingent consideration payable). The weighted average interest rate of total debt outstanding was 3.8% (3.0%) with an average debt maturity of 3.8 years (4.7 years).

The majority of the Group's debt is denominated in euro and hence it is exposed primarily to fluctuation in the euro interest rate benchmarks (EURIBOR). A 100 basis point increase in current interest rates on debt would have a negative impact on the income statement of €-2.8 million.

Interest rate swap – cash flow hedge	2023	2022
Carrying amount (included in other non-current financial assets)	0.6	1.0
Change in fair value of the hedging instrument during the year, recognised in other comprehensive income	-1.0	1.3
Hedge ineffectiveness, recognised in profit or loss	-	-
Nominal amount	100.0	100.0
Hedge ratio	1:1	1:1

The Group has entered into a €100 million interest rate swap, hedging €100 million specifically identified floating debts, that have longer dated maturities than the swap. The hedging strategy is to fix interest rates on a proportion of the floating rate loan portfolio in issue for the swap duration period, 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. The swap contract requires settlement of net interest receivable or payable every 180 days until the swap maturity in September 2025.

#### Liquidity and refinancing risk

Liquidity risk is the risk that the Group cannot fulfil its payment obligations relating to financial liabilities and refinancing risk relates to the risk that refinancing for loans or other debt cannot be arranged, or cannot be arranged on acceptable terms.

The Group minimises the liquidity risk by maintaining a sufficient cash position, centralised cash management, investments in liquid securities and by having sufficient credit lines in place to meet potential funding needs. Management closely monitors projections of cash flows and has a central control over investment activity.

Medicover does not have significant liabilities coming due in any concentration. The Group generates positive operating cash flow and has central control over investment activity which provides a large degree of control over

managing cash flows in the short term and enables the Group to match its investment plans to available financing resources.

The Group had credit facilities at 31 December 2023 of €880.8 million (€869.7 million) of which €547.8 million (€480.9 million) was utilised. Medcover's revolving credit facility amounted to €300 million (€300 million), the duration is three years with the possibility to extend for up to one year. The Group had schuldschein loans of €71.4 million (€71.2 million) with maturities between 2024–2026 and social schuldschein loans of

€276.0 million (€275.8 million) with maturities between 2027–2031.

Medcover's social commercial paper programme has a total size of SEK 2 billion with possibilities to issue in both Swedish krona and euro. At 31 December 2023 €102.0 million (€13.4 million) of the commercial paper programme was utilised.

Given the Group's underlying operating cash flows, its relationships with its banking counterparties and the financial strength of its major shareholder, the Group does not expect any obstacles to renewal of its banking facilities.

A maturity analysis for financial liabilities is presented as follows:

2023	Less than 1 year	Between 1–2 years	Between 2–4 years	Between 4–6 years	Between 6–8 years	Between 8–10 years	Over 10 years	Total contractual cash flows	Carrying amount
Borrowings	172.4	15.3	262.3	93.9	67.9	–	–	611.8	546.2
Lease liabilities	93.7	80.9	130.3	95.5	67.2	39.0	89.8	596.4	438.8
Trade and other financial payables	71.6	–	–	–	–	–	–	71.6	71.6
Put option liquidity obligations with non-controlling interests	15.8	30.5	76.3	6.3	5.8	5.2	2.4	142.3	109.4
Deferred/contingent consideration payable	5.9	7.6	8.3	0.2	–	–	–	22.0	18.7
Other financial liabilities	2.9	0.8	–	–	–	–	–	3.7	3.7
<b>Total</b>	<b>362.3</b>	<b>135.1</b>	<b>477.2</b>	<b>195.9</b>	<b>140.9</b>	<b>44.2</b>	<b>92.2</b>	<b>1,447.8</b>	<b>1,188.4</b>

2022	Less than 1 year	Between 1–2 years	Between 2–4 years	Between 4–6 years	Between 6–8 years	Between 8–10 years	Over 10 years	Total contractual cash flows	Carrying amount
Borrowings	45.4	41.5	159.8	134.4	89.2	66.9	–	537.2	479.7
Lease liabilities	82.6	75.6	125.7	92.9	68.5	44.6	97.5	587.4	424.3
Trade and other financial payables	64.6	–	–	–	–	–	–	64.6	64.6
Put option liquidity obligations with non-controlling interests	15.3	28.9	13.2	82.2	–	–	–	139.6	96.7
Deferred/contingent consideration payable	10.7	8.3	11.0	9.7	–	–	–	39.7	36.0
Other financial liabilities	5.5	0.7	–	–	–	–	–	6.2	6.2
<b>Total</b>	<b>224.1</b>	<b>155.0</b>	<b>309.7</b>	<b>319.2</b>	<b>157.7</b>	<b>111.5</b>	<b>97.5</b>	<b>1,374.7</b>	<b>1,107.5</b>

In the tables, the liquidity obligations from put options are allocated to the earliest period in which the Group can be contractually required to pay. For 2023, the maturity for the liquidity obligation relating to the German subsidiary has been presented over ten annual instalments to 2034, refer to note 31 c.



## Foreign currency risk

The Group operates across several countries and undertakes transactions denominated in foreign currencies. Changes in exchange rates can negatively affect the Group's profit when revenue from sales and costs for providing services are denominated in different currencies (transaction risk). The Group operates in each country predominantly in the local currencies and the exposure to transaction risk is reduced by matching in- and outflows of the same currencies.

An adverse effect can also occur when income statements of foreign subsidiaries are translated into euro and on the value of the Group equity when the net assets of foreign subsidiaries are translated into euro (translation risk). The Group's operations and equity are exposed to developing market currencies in several markets and in a period of devaluation the net equity of the Group could be impacted by a reduction in the euro value of the Group's net investment in those countries of operation. The Group takes a view that the ability to earn income and the ability to increase prices in line or above inflation within the relevant markets compensate over time for such a devaluation and although an immediate reduction on operating cash flows can be felt over a period of 12 to 24 months these effects are compensated through the relatively fast flow through of import cost inflation. With this in mind the Group's policy is not to actively hedge the net investment position in local operations.

Property leases in certain markets such as Poland and Romania are often denominated in euro which introduces volatility in foreign exchange results, however generally a non-cash transaction. Foreign exchange gains related to lease liabilities, held in another currency than local currency, amounted to €9.6 million (€-2.3 million).

The following table presents the exposure of lease liabilities by geography and currency.

2023	Local currency	EUR	USD	Total lease liabilities
Poland	75.4	136.1	-	211.5
Germany	58.2	-	-	58.2
Romania	0.4	54.0	-	54.4
India	95.9	-	-	95.9
Ukraine	5.7	0.1	0.0	5.8
Other	9.1	3.4	0.5	13.0
<b>Total</b>	<b>244.7</b>	<b>193.6</b>	<b>0.5</b>	<b>438.8</b>

2022	Local currency	EUR	USD	Total lease liabilities
Poland	70.7	126.3	-	197.0
Germany	59.4	-	-	59.4
Romania	0.3	49.8	-	50.1
India	95.3	-	-	95.3
Ukraine	6.9	0.1	0.0	7.0
Other	11.4	3.5	0.6	15.5
<b>Total</b>	<b>244.0</b>	<b>179.7</b>	<b>0.6</b>	<b>424.3</b>

The nominal amounts of assets and liabilities at 31 December were as follows:

2023	EUR	PLN	RON	UAH	INR	Other	Total
Trade and other receivables	86.5	78.8	29.2	1.3	47.4	14.3	257.5
Loans payable	426.0	9.5	-	-	27.2	102.2	564.9
Lease liabilities	253.1	75.4	0.4	5.7	95.9	8.3	438.8
Trade and other payables	44.7	99.0	35.5	3.6	13.9	7.9	204.6
Other financial liabilities	49.8	0.0	0.8	-	58.0	4.5	113.1

2022	EUR	PLN	RON	UAH	INR	Other	Total
Trade and other receivables	90.5	59.4	22.3	1.5	42.3	10.9	226.9
Loans payable	451.8	20.0	0.2	-	23.6	20.1	515.7
Lease liabilities	239.9	70.7	0.3	6.9	95.3	11.2	424.3
Trade and other payables	42.8	80.4	32.3	3.5	15.5	7.8	182.3
Other financial liabilities	36.7	0.1	1.1	-	54.4	10.6	102.9

In Loans payable, column 'Other', the social commercial paper programme of €102.0 million (€13.4 million) is included, the nominal amount is in SEK.

A 10% strengthening of the following currencies against the euro would have increased/(decreased) equity and profit and loss by the amounts presented in the following table. This sensitivity analysis assumes that all other variables remain constant.

	2023		2022	
	Equity	Profit and loss	Equity	Profit and loss
PLN	47.7	4.6	41.1	1.0
RON	13.7	0.6	10.6	0.7
UAH	4.3	0.5	4.3	-0.5
INR	-1.5	-0.9	-0.3	-1.1

A 10% weakening of the following currencies against the euro would have nearly equal but opposite effect on the basis that all other variables remain constant.

The major exchange rates used in the financial statements are as follows:

	Year-end rate €1.00 to		Annual average rate €1.00 to	
	2023	2022	2023	2022
PLN	4.35	4.69	4.54	4.69
RON	4.97	4.95	4.95	4.93
UAH	42.21	38.95	39.56	33.98
INR	91.90	88.17	89.32	82.71

### 34. Assets pledged, commitments and contingent liabilities

Assets pledged as security for liabilities	2023	2022
Property, plant and equipment	0.2	0.2
<b>Total</b>	<b>0.2</b>	<b>0.2</b>

Other commitments	2023	2022
Bank guarantees	3.5	0.3
Other guarantees	1.1	2.2
Commitments for acquisition of property, plant and equipment	6.2	20.6
<b>Total</b>	<b>10.8</b>	<b>23.1</b>

#### Contingent liabilities

In the normal course of business, certain Group entities are subject to litigation concerning medical malpractice, employment matters, regulatory disputes or other commercial contract disputes, pending or threatened in the jurisdictions of the entities' operations, and are subject to ongoing tax audits by tax authorities. The outcome of litigation and other claims or lawsuits is intrinsically uncertain. Management views as remote the likelihood of any material claim being found in favour of the claimant for any litigation currently in process, pending or threatened.

### 35. Related parties and related party transactions

The ultimate parent company of the Group is the Jonas and Christina af Jochnick Foundation, a charitable foundation, which controls the majority of votes of the Group through its wholly owned subsidiary Celox Holding AB. The parent company of the largest and smallest group of which Medcover AB (publ) is a subsidiary and in which consolidated accounts are prepared is Celox Group Ltd, registration number HE 368166, domiciled in Cyprus.

Ownership	2023	2022
Celox Holding AB, share of capital	30.7%	31.0%
Celox Holding AB, share of votes	55.9%	55.6%

The board of directors of the Company, executive management and close relatives of these individuals are related parties. The companies in which they are also directors or own a significant share of the capital or votes are considered to be related parties.

Transactions with related parties were as follows:

	2023	2022
<b>Celox Group companies</b>		
Expenses and employment costs recharged	0.1	0.1
Purchase of services	-0.2	-0.2
Trade payables at 31 December	0.0	0.0
<b>Non-controlling interests in MHI</b>		
Purchase of materials and services	-34.2	-32.7
Purchase of fixed assets	-0.5	-1.2
Trade payables at 31 December	6.7	6.2

## 36. Subsidiaries

The following 100% owned (unless otherwise indicated) are the principal subsidiaries of the Group:

Company	Activity	Country of incorporation
ABC Medicovert Holdings B.V.	Holding/Financing/Management	The Netherlands
Baltic Sea View Property GmbH (94.9%)	Real estate	Germany
Baltic Sea View Real Estate GmbH	Real estate	Germany
Centrum Diagnostyczno-Terapeutyczne "Medicus" sp. z o.o.	Medical	Poland
Centrum Medyczne Damiana Holding sp. z o.o.	Medical	Poland
IMD Institut für Medizinische Diagnostik GmbH	Medical	Germany
IMD Labor Oderland GmbH	Medical	Germany
IMD MVZ Beteiligungs GmbH (92.5%) <sup>1)</sup>	Medical	Germany
Institut für Medizinische Diagnostik Berlin-Potsdam GbR	Medical	Germany
Just Gym sp. z o.o. (60.0%)	Medical	Poland
Medicovert Försäkrings AB (publ)	Insurance	Sweden
Medicovert GmbH	Medical	Germany
Medicovert Holding S.A.	Holding/Financing/Management	Luxembourg
Medicovert Hospitals SRL	Medical	Romania
Medicovert Investment B.V.	Holding/Financing/Management	The Netherlands
Medicovert Public Co Ltd (87.3%)	Medical	Cyprus
Medicovert Sport sp. z o.o.	Medical	Poland
Medicovert sp. z o.o.	Medical	Poland
Medicovert SRL	Medical	Romania
MeinDentist Berlin GmbH	Medical	Germany
MeinDentist Zentrum GmbH	Medical	Germany
MVZ Martinsried GmbH	Medical	Germany
Neomedic S.A.	Medical	Poland
Nordmed Healthcare GmbH	Medical	Germany
Nordmed Klinik GmbH	Holding/Management	Germany
Pelican Impex SRL (80.0%)	Medical	Romania
Rehasport Clinic sp. z o.o. (81.4%) <sup>2)</sup>	Medical	Poland
Sahrudaya Health Care Private Limited (64.2%) <sup>3)</sup> ("Medicovert Hospitals India" or "MHI")	Medical	India
Saale-Krankenhaus Calbe GmbH	Medical	Germany
Synevo GmbH	Holding/Management	Germany
Synevo Holding S.à r.l.	Holding/Financing/Management	Luxembourg
Synevo Romania SRL	Medical	Romania
Synevo sp. z o.o.	Medical	Poland
Synevo Ukraine LLC	Medical	Ukraine

<sup>1)</sup> Increase in ownership in January 2024, refer to note 31 c.

<sup>2)</sup> Increase in ownership during 2023.

<sup>3)</sup> The accounting year runs from 1 April to 31 March.

To enable an administrative simplification to file the German group accounts instead of the individual accounts, the exemption clause according to § 264 Sec. 3 of the German Commercial Code applies to the German subsidiaries listed below which are included in the consolidated financial statements of the Group:

Company	Activity	Company	Activity
Baltic Sea View Property GmbH (94.9%)	Real estate	MEDIT Service GmbH	Administration
Baltic Sea View Real Estate GmbH	Real estate	LAB Diagnostics Competence Center GmbH	Administration
DDent Labor GmbH	Medical	Laborbetreuung IMD GmbH	Trading/ Administration
DDent MVZ GmbH (80.0%)	Medical	Labormedicus GmbH	Medical
Diagnos MVZ GmbH	Medical	Medicovert GmbH	Medical
Genetik Berlin-Lichtenberg GmbH	Medical	Medicovert Genetics GmbH	Medical
Hogyn MVZ GmbH	Medical	Medicovert Gerlingen MVZ GmbH	Medical
IHP Institut für Hämostaseologie und Pharmakologie MVZ GmbH	Medical	Medicovert Medizin gGmbH	Medical
IMD Institut für Medizinische Diagnostik GmbH	Medical	Medicovert Praxis GmbH	Medical
IMD Labor Oderland GmbH	Medical	Medicovert Stuttgart MVZ GmbH	Medical
IMD MVZ Beteiligungs GmbH (92.5%)	Medical	Medicovert Ulm MVZ GmbH	Medical
IMGM Laboratories GmbH	Medical	MeinDentist Berlin GmbH	Medical
Infektiologie Ärzteforum Seestraße MVZ GmbH	Medical	MeinDentist Brandenburg GmbH	Medical

Company	Activity
MeinDentist Zentrum GmbH	Medical
Medizinisches Versorgungszentrum Frankfurt-Westend GmbH	Medical
Medizinisches Versorgungszentrum Labor Greifswald GmbH	Medical
MVZ Martinsried GmbH	Medical
MVZ Nazarethkirchstraße GmbH	Medical
Nordmed Healthcare GmbH	Medical
Nordmed Klinik GmbH	Holding/ Management
Nordmed Klinik Verwaltungs GmbH	Holding/ Management
Saale-Krankenhaus Calbe GmbH	Medical
Synevo GmbH	Holding/ Management
Synevo Studien Service Labor GmbH	Medical

## 37. Alternative performance measures (APMs)

The Group uses some alternative performance measures (APMs) not defined in IFRS to provide information to assess the Group's development and 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 as follows:

Reconciliation to EBITDAaL and EBITAaL	2023	2022
Operating profit (EBIT)	61.4	55.2
Amortisation and other accounting effects arising from business combinations	21.4	19.4
Impairment	-0.2	6.3
<b>EBITA</b>	<b>82.6</b>	<b>80.9</b>
Depreciation and amortisation	161.2	136.2
<b>EBITDA</b>	<b>243.8</b>	<b>217.1</b>
Right-of-use depreciation and impairment	-74.3	-64.1
Interest on lease liabilities	-24.6	-22.1
<b>EBITDAaL</b>	<b>144.9</b>	<b>130.9</b>
Less: depreciation (excl. right-of-use depreciation) and amortisation	-86.9	-72.1
<b>EBITAaL</b>	<b>58.0</b>	<b>58.8</b>
Revenue	1,746.4	1,510.2
Operating profit margin	3.5%	3.7%
EBITA margin	4.7%	5.4%
EBITDA margin	14.0%	14.4%
EBITDAaL margin	8.3%	8.7%
EBITAaL margin	3.3%	3.9%
Net profit margin	1.1%	0.9%

Reconciliation to adjusted EBITDAaL and adjusted EBITAaL	2023	2022
Operating profit (EBIT)	61.4	55.2
Amortisation and other accounting effects arising from business combinations	21.4	19.4
Impairment	-0.2	6.3
Non-cash equity settled share-based payments	9.4	9.6
Acquisition related expenses	0.7	7.2
<b>Adjusted EBITA</b>	<b>92.7</b>	<b>97.7</b>
Depreciation and amortisation	161.2	136.2
<b>Adjusted EBITDA</b>	<b>253.9</b>	<b>233.9</b>
Right-of-use depreciation and impairment	-74.3	-64.1
Interest on lease liabilities	-24.6	-22.1
<b>Adjusted EBITDAaL</b>	<b>155.0</b>	<b>147.7</b>
Less: depreciation (excl. right-of-use depreciation) and amortisation	-86.9	-72.1
<b>Adjusted EBITAaL</b>	<b>68.1</b>	<b>75.6</b>
Revenue	1,746.4	1,510.2
Adjusted EBITA margin	5.3%	6.5%
Adjusted EBITDA margin	14.5%	15.5%
Adjusted EBITDAaL margin	8.9%	9.8%
Adjusted EBITAaL margin	3.9%	5.0%

Reconciliation to organic revenue	2023	2022
Revenue	1,746.4	1,510.2
Less: acquired revenue	-86.2	-120.1
<b>Revenue excluding acquisitions</b>	<b>1,660.2</b>	<b>1,390.1</b>
Currency effect	6.1	13.9
<b>Organic revenue</b>	<b>1,666.3</b>	<b>1,404.0</b>
<b>Organic revenue growth</b>	<b>11.6%</b>	<b>1.9%</b>

APM	Definition	Reason for use
<b>Acquired revenue</b>	Revenue recognised from acquired businesses in the first twelve months from the acquisition. This represents inorganic growth. If there is significant expansion of the acquired business post-acquisition due to investments made subsequent to acquisition or arising due to synergies with existing businesses and such revenue can be readily and reliably identified then this additional revenue is excluded.	This measure is used to provide insight into revenue growth that derives from acquisitions. This may be useful in assessing the future development potential of the Group.
<b>Organic revenue</b>	Organic revenue combines real internally generated growth and also comprises price changes. The revenue of an acquired business is generally excluded for the twelve months following the business combination, but revenue generated by post acquisition expansion of the business due to investments made subsequent to acquisition or revenue arising from synergies with existing businesses post acquisition, if significant, are included. Revenue of disposed businesses are removed from the comparatives for the twelve months prior to the disposal. The effect of changes in foreign exchange rates is calculated as current year's revenue less current year's revenue converted at prior year's exchange rates.	This measure represents the growth of the business after removing the impact of acquisitions and disposals or other scope changes as well as exchange rate movements. This is used for a "like for like" comparison with the previous year or period enabling a deeper understanding of the business and evolution of revenue and may be useful in assessing the future development potential of the Group.
<b>Organic revenue growth</b>	Organic revenue growth is the comparison of organic revenue for the current year to the comparable prior year revenue, expressed as a percentage or absolute figure.	This measure is used to show organic revenue in comparison to corresponding period prior year.
<b>Operating profit (EBIT)</b>	Earnings before interest, other financial income/(expense), tax, other income/(costs) and share of profit/(loss) of associates.	This measure is used to show profit generation in the operating activities.
<b>EBITA</b>	Earnings before interest, other financial income/(expense), tax, amortisation and other accounting effects arising from business combinations, impairment, other income/(costs) and share of profit/(loss) of associates.	This measure is used to show profit generation in the operating activities excluding non-cash based amortisation arising from acquisitions and impairment. This provides a profit measure that adjusts for some items that are non-cash, and is used as a measure to isolate effects arising from acquisitions and thereby increase comparability of performance and evaluation of the Group.
<b>EBITA margin</b>	EBITA as a percentage of revenue.	This measure is used to show profit generation in the operating activities excluding non-cash based amortisation arising from acquisitions and impairment relative to revenue.
<b>EBITDA</b>	Earnings before interest, other financial income/(expense), tax, amortisation, depreciation and impairment, other income/(costs) and share of profit/(loss) of associates.	This measure is used to show profit generation in the operating activities excluding non-cash based depreciation, amortisation and impairment. This measure gives an approximation of the cash generation potential before reinvestment in the business.
<b>EBITDA margin</b>	EBITDA as a percentage of revenue.	This measure is used to show profit generation in the operating activities excluding non-cash based depreciation, amortisation and impairment relative to revenue.
<b>EBITAaL</b>	EBITA, as defined above, reduced by interest on lease liabilities.	This measure is used to show profit generation in the operating activities excluding non-cash based amortisation arising from acquisitions and impairment reduced by interest charges on lease liabilities, a recurring cash cost.
<b>EBITAaL margin</b>	EBITAaL as a percentage of revenue.	This measure is used to show profit generation in the operating activities excluding non-cash based amortisation arising from acquisitions, impairment and interest charges on lease liabilities relative to revenue.
<b>EBITDAaL</b>	EBITDA, as defined above, reduced by depreciation/impairment on right-of-use assets and interest on lease liabilities.	This measure is used to show profit generation that equates more closely to the cash flow of the business. As lease costs (depreciation and interest) are recurring and close to cash based costs, this APM gives a closer approximation to the EBITDA measure as previously derived when the former IFRS standard for leases, IAS 17 <i>Leases</i> , applied.
<b>EBITDAaL margin</b>	EBITDAaL as a percentage of revenue.	This measure is used to show profit generation that equates more closely to the cash flow of the business relative to revenue.
<b>Adjusted EBITA</b>	EBITA, as defined above, adjusted for non-cash equity settled share-based payments as well as merger, disposal and acquisition related expenses.	This measure is EBITA adjusted for items that are of a non-cash nature or are not related to the recurring operating profit and thereby impacting comparability. This provides a profit measure that adjusts for some items that are non-cash or non-recurring, and is used to isolate effects arising from acquisitions and thereby increases comparability of performance and evaluation of the Group.
<b>Adjusted EBITA margin</b>	Adjusted EBITA as a percentage of revenue.	This measure is used for analysis of underlying profit generation relative to revenue.

APM	Definition	Reason for use
<b>Adjusted EBITDA</b>	EBITDA, as defined above, adjusted for non-cash equity settled share-based payments as well as merger, disposal and acquisition related expenses.	This measure is EBITDA adjusted for items that are of a non-cash nature or are not related to the recurring operating profit and thereby impacting comparability. This measure gives an approximation of the cash generation potential before reinvestment in the business after removing impacts of non-operational non-recurring costs.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of revenue.	This measure is used for analysis of underlying profit generation relative to revenue.
<b>Adjusted EBITAaL</b>	Adjusted EBITA, as defined above, reduced by interest on lease liabilities.	This measure is EBITA adjusted for items that are of a non-cash nature or are not related to the recurring operating profit and thereby impacting comparability, reduced by interest charges on lease liabilities. This provides a profit measure that adjusts for some items that are non-cash or non-recurring, and is used to isolate effects arising from acquisitions and thereby increases comparability of performance and evaluation of the Group.
<b>Adjusted EBITAaL margin</b>	Adjusted EBITAaL as a percentage of revenue.	This measure is used for analysis of underlying profit generation relative to revenue.
<b>Adjusted EBITDAaL</b>	Adjusted EBITDA, as defined above, reduced by depreciation/impairment on right-of-use assets and interest on lease liabilities.	This measure is EBITDA adjusted for items that are of a non-cash nature or are not related to the recurring operating profit and thereby impacting comparability reduced for depreciation, impairment and interest related to leases. It is used to show an approximation to the underlying cash generation in the operating activities before reinvestments.
<b>Adjusted EBITDAaL margin</b>	Adjusted EBITDAaL as a percentage of revenue.	This measure is used for analysis of underlying profit generation relative to revenue.
<b>Operating profit (EBIT) margin</b>	Operating profit as a percentage of revenue.	This measure is used to show profit generation in the operating activities relative to revenue.
<b>Net profit margin</b>	Net profit as a percentage of revenue.	This measure is used to show how much of each earned euro that flows through to net profit.
<b>Net financial debt</b>	Net financial debt represents financial debt contracted by the Group with external parties (banks, bonds) upon which interest is charged and lease liabilities net of cash and cash equivalents and short-term investments.	This measure is used to show the Group's indebtedness from all sources, including lease liabilities and other future obligations or claims on the Group's assets.
<b>Loans payable net of cash and liquid short-term investments/adjusted EBITDAaL</b>	The ratio of loans payable net of cash and cash equivalents and short-term investments to adjusted EBITDAaL represents financial debt contracted by the Group with external parties (banks, bonds) excluding lease liabilities, net of cash and short-term investments relative to adjusted EBITDAaL, as defined above.	This measure shows financial risk and is used to monitor the Group's capacity to support and service its loans payable.



# Parent company income statement

€m, for the years ended 31 December	Note	2023	2022
<b>Revenue</b>		<b>0.9</b>	<b>0.7</b>
<b>Gross profit</b>		<b>0.9</b>	<b>0.7</b>
Distribution, selling and marketing costs		-0.3	-0.3
Administrative costs	P3	-15.7	-15.2
<b>Operating loss</b>		<b>-15.1</b>	<b>-14.8</b>
Income from participation in group companies	P6	29.3	10.8
Interest income from group companies		0.2	0.1
Interest expense		-2.4	-0.3
Other financial income/(expense)		0.2	0.0
<b>Profit/(loss) after financial items</b>		<b>12.2</b>	<b>-4.2</b>
Income tax	P7	-	-
<b>Profit/(loss) for the year</b>		<b>12.2</b>	<b>-4.2</b>

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

# Parent company balance sheet

€m	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Equipment	P8	0.0	0.0
Financial assets			
Investments in subsidiaries	P9	514.8	584.8
<b>Total non-current assets</b>		<b>514.8</b>	<b>584.8</b>
<b>Current assets</b>			
Receivables from group companies	P10	192.4	28.2
Other receivables		0.4	0.3
Cash and bank		0.0	0.0
<b>Total current assets</b>		<b>192.8</b>	<b>28.5</b>
<b>Total assets</b>		<b>707.6</b>	<b>613.3</b>
<b>EQUITY</b>			
<b>Restricted equity</b>			
Share capital	P11	30.7	30.4
<b>Total restricted equity</b>		<b>30.7</b>	<b>30.4</b>
<b>Non-restricted equity</b>			
Share premium		545.7	545.9
Other reserves		24.3	20.5
Retained earnings		-12.8	4.3
Profit for the year		12.2	-4.2
<b>Total non-restricted equity</b>		<b>569.4</b>	<b>566.5</b>
<b>Total equity</b>		<b>600.1</b>	<b>596.9</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans payable	P12	102.0	13.5
Trade payables		0.4	0.0
Liabilities to group companies		1.9	0.8
Accruals		1.0	0.4
Other liabilities		2.2	1.7
<b>Total current liabilities</b>		<b>107.5</b>	<b>16.4</b>
<b>Total liabilities</b>		<b>107.5</b>	<b>16.4</b>
<b>Total equity and liabilities</b>		<b>707.6</b>	<b>613.3</b>

# Parent company statement of changes in equity

€m	Restricted equity	Non-restricted equity			Total equity
	Share capital	Share premium	Other reserves	Retained earnings and profit/(loss) for the year	
<b>Closing balance as at 31 December 2021</b>	<b>30.4</b>	<b>546.0</b>	<b>15.0</b>	<b>18.5</b>	<b>609.9</b>
Loss for the year	-	-	-	-4.2	-4.2
Dividend	-	-	-	-17.8	-17.8
Distribution of performance shares to employees	-	-0.1	-3.5	3.6	-
Share-based payments	-	-	9.0	-	9.0
<b>Closing balance as at 31 December 2022</b>	<b>30.4</b>	<b>545.9</b>	<b>20.5</b>	<b>0.1</b>	<b>596.9</b>
Profit for the year	-	-	-	12.2	12.2
Issue of shares	0.3	-	-	-	0.3
Acquisition of treasury shares	-	-	-	-0.3	-0.3
Dividend	-	-	-	-17.9	-17.9
Distribution of performance shares to employees	-	-0.2	-5.1	5.3	-
Share-based payments	-	-	8.9	-	8.9
<b>Closing balance as at 31 December 2023</b>	<b>30.7</b>	<b>545.7</b>	<b>24.3</b>	<b>-0.6</b>	<b>600.1</b>

The parent company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as profit/(loss) for the year.

# Parent company cash flow statement

€m, for the years to 31 December	2023	2022
<b>Profit/(loss) before income tax</b>	<b>12.2</b>	<b>-4.2</b>
Adjustments for:		
Depreciation	0.0	0.1
Income from participation in group companies	-29.3	-10.8
Share-based payments	9.4	9.6
Net interest expense	2.2	0.3
Unrealised foreign exchange (gain)/loss	-0.2	0.0
Other non-cash transactions	0.0	0.0
Increase in receivables	0.0	0.0
Increase/(decrease) in payables	-0.5	0.1
Income tax paid	0.0	0.0
<b>Net cash used in operating activities</b>	<b>-6.2</b>	<b>-4.9</b>
<b>Investing activities:</b>		
Repayment of loans granted	272.9	217.4
Payment of loans granted	-432.5	-212.0
Capital contribution	-	-150.0
Repayment due to share premium reduction in subsidiary	70.0	-
Dividend and group contribution received	28.9	9.7
<b>Net cash used in investing activities</b>	<b>-60.7</b>	<b>-134.9</b>
<b>Financing activities:</b>		
Issue of shares, net of transaction cost	0.3	-
Acquisition of treasury shares	-0.3	-
Repayment of loans	-273.1	-217.0
Proceeds from loans received	360.2	375.0
Interest paid	-1.9	-0.4
Dividend paid	-17.9	-17.8
<b>Net cash from financing activities</b>	<b>67.3</b>	<b>139.8</b>
<b>Total cash flow</b>	<b>0.4</b>	<b>0.0</b>
<b>Cash and cash equivalents</b>		
Cash balance as at 1 January	0.0	0.0
Net effects of exchange loss on cash balances	-0.4	0.0
Cash balance as at 31 December	0.0	0.0
<b>Increase in cash and cash equivalents</b>	<b>0.4</b>	<b>0.0</b>

# Notes to the parent company financial statements

## P1. Summary of material accounting policy information

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

The parent company's stand-alone accounting principles are aligned to the consolidated financial statements, except for the following:

- The income statement and balance sheet are presented in accordance with the format described in the Swedish Annual Accounts Act.
- Investments in subsidiaries are accounted for using the cost method less any impairment losses as per the Swedish Annual Accounts Act. Any direct transaction costs are included in the acquisition cost.
- The parent company does not apply IFRS 9 to financial instruments, instead measures non-current assets at cost less any impairment and current assets at the lower of cost or net realisable value.
- Group contributions received from subsidiaries are recognised as financial income in accordance with the principal rule in RFR 2.
- The parent company does not apply IFRS 16 to leases, instead lease fees are recognised in the income statement on a straight-line basis over the term of the lease.

## P3. Nature of expenses

Within the functional headings, the following cost categories are included:

	2023	2022
Staff costs	-11.0	-10.8
Property lease costs, heat and other establishment costs	-0.3	-0.4
Marketing costs	-0.3	-0.3
Other	-4.4	-4.0
<b>Total</b>	<b>-16.0</b>	<b>-15.5</b>

The Company leases property to operate an office. The total expense amounted to €-0.2 million (€-0.2 million). At 31 December 2023 future minimum non-cancellable operating lease payments within one year amounted to €-0.2 million (€-0.2 million) and to €0.0 million (€-0.2 million) for the period between two to five years.

Included in 'Other' are expenses relating to audit, other consultancy and legal fees.

## P2. Intra-group transactions and guarantees

	2023	2022
Revenue from subsidiaries	0.9	0.7
Purchase of services from subsidiaries	-2.1	-2.0
Guarantee for Medcover Holding S.A.'s revolving credit facility	300.0	300.0
Guarantee for Medcover Holding S.A.'s schuldschein loans	348.5	348.5
Guarantee for MHI's overdraft facility	22.1	17.0

## P4. Fees to auditors

	2023	2022
Audit assignments	0.4	0.2
Auditing activities other than audit assignments	0.1	0.1
Tax consultancy services	-	-
Other assignments	-	-
<b>Total</b>	<b>0.5</b>	<b>0.3</b>

## P5. Salaries and other remuneration

	2023			2022		
	Remuneration/ board fees	Social security costs	Of which pension costs	Remuneration/ board fees	Social security costs	Of which pension costs
Board of directors, CEO and other executive management	2.3	0.1	0.0	2.1	0.0	0.0
Share-based payments excl. CEO	7.4	0.4	0.0	7.4	0.6	0.0
Other employees	0.6	0.2	0.1	0.5	0.2	0.1
<b>Total</b>	<b>10.3</b>	<b>0.7</b>	<b>0.1</b>	<b>10.0</b>	<b>0.8</b>	<b>0.1</b>

For further details on remuneration of the board, CEO and other executive management and related remuneration policies and guidelines adopted, refer to notes 8 and 9. The average number of employees was 6 with 4 women and 2 men (5 with 3 women and 2 men).

## P6. Income from participation in group companies

Income from participation in group companies represents dividend income of €29.3 million (€10.8 million) received from subsidiaries within the Group including €9.8 million (€9.7 million) relating to a recharge for the long-term share-based programme, Plan 2018.

## P7. Income tax

	2023	2022
Profit/(loss) before income tax	12.2	-4.2
Applicable tax rate	20.6%	20.6%
Tax at applicable rate	-2.5	0.9
<b>Tax effect of:</b>		
Permanent differences, current year	3.2	-0.2
Tax loss carry forwards not recognised	-0.7	-0.7
<b>Tax expense</b>	-	-
<b>Effective tax rate</b>	<b>0.0%</b>	<b>0.0%</b>

The Company has unrecognised tax losses as at 31 December 2023 amounting to €18.9 million (€15.1 million) that are available to be offset against future profits for an unlimited period of time. The €3.8 million movement in unrecognised tax losses in 2023 is the net effect of €3.6 million additional tax losses for the current year and €0.2 million exchange differences.

## P8. Equipment

	2023	2022
Opening balance, cost	0.2	0.2
Additions	0.0	0.0
<b>Closing balance, cost</b>	<b>0.2</b>	<b>0.2</b>
Opening balance, depreciation	-0.2	-0.1
Depreciation	0.0	-0.1
<b>Closing balance, depreciation</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Net carrying value as at 31 December</b>	<b>0.0</b>	<b>0.0</b>

## P9. Investments in subsidiaries

Subsidiaries	Corporate ID number	Registered office	Share of equity, %
Medicover Holding S.A.	B59021	Luxembourg	100

Carrying value	2023	2022
Medicover Holding S.A.	514.8	584.8

The change in the carrying value of €70.0 million is explained by a share premium reduction in Medicover Holding S.A. which has been repaid to Medicover AB. Refer to note 36 for indirectly owned subsidiaries.

## P10. Receivables from group companies

	2023	2022
Medicover Holding S.A.	189.5	26.7
Other	2.9	1.5
<b>Total</b>	<b>192.4</b>	<b>28.2</b>

## P11. Share capital

Number of shares	31 Dec 2023	31 Dec 2022
Class A shares	76,671,376	77,374,876
Class B shares	72,980,997	71,578,691
Class C shares	3,882,822	2,981,628
<b>Total</b>	<b>153,535,195</b>	<b>151,935,195</b>

The quota value was €0.2 (€0.2) per share. Refer to note 23 for additional information.

## P12. Loans payable

	2023	2022
Social commercial paper programme	102.0	13.4
Other	-	0.1
<b>Total</b>	<b>102.0</b>	<b>13.5</b>

Refer to note 25 for information related to the social commercial paper programme.

## P13. Proposed appropriation of the Company's profit

Non-restricted equity in the parent company amounts to:

€	31 Dec 2023
Share premium	545,743,175
Other reserves	24,329,333
Retained earnings	-12,859,960
Profit for the year	12,249,106
<b>Total</b>	<b>569,461,654</b>

The board of directors proposes to the annual general meeting (AGM) that these earnings are appropriated as follows:

To shareholders a dividend of €0.12 per share	17,958,285
To be retained	551,503,369
<b>Total</b>	<b>569,461,654</b>

The board of directors considers that the equity of the Company and the Group will be of sufficient amount after the proposed dividend, contemplating the business' nature, scale and the risks that the business is associated with and the current economic situation, historical development and forecasts for the Group as well as for the market. The full statement by the board of directors under chapter 18 section 4 of the Companies Act will be included in the AGM documentation.



# Board of directors' assurance

The board of directors and the CEO certify that the consolidated financial statements and annual report have been prepared in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the Application of International Accounting Standards and that disclosures herein give a true and fair view of the financial position and results of operations. The management report for the Group and the parent company gives a true and fair view of the Group's operations, financial position and results of operations and describes material risks

and uncertainties facing the parent company and the companies included in the Group.

The annual report and consolidated financial statements have been approved for publication by the board of directors on 22 March 2024. The Group's statement of comprehensive income and statement of financial position, and the parent company's income statement and balance sheet, will be subject to approval by the annual general meeting on 26 April 2024.

Stockholm on 22 March 2024

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  
Board member and CEO

Azita Shariati  
Board member

Our audit report was submitted on 22 March 2024  
BDO Sweden AB

Karin Siwertz  
Authorised Public Accountant

# Auditor's report

To the general meeting of the shareholders of Medcover AB (publ), corporate identity number 559073-9487

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Medcover AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 80–153 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## Fair value measurement of financial liabilities

### Description of risk

In relation with certain of its acquisition of and investment in businesses, the Group has entered into various financial instruments which are required to be carried at fair value. Fair values of these instruments are based on valuation models that use inputs and assumptions other than quoted prices included within Level 1 of the fair value hierarchy that are either observable or unobservable as explained in note 31 to the consolidated financial statements, financial assets and liabilities.

The determination of the fair value of these instruments therefore involves higher degree of management judgment and estimate applied in the valuation models and due to this fact, this area required significant audit effort and was assessed as a key matter for our audit.

### Our response

With the assistance of our valuation specialists, we have evaluated the methodologies, inputs and assumptions used by the Group in determining fair values of financial liabilities. To this effect, our audit procedures included, amongst others:

- Understanding the Group's process for determining fair value measurements.
- Evaluating whether the Group's method of measurement is appropriate in the circumstances given the nature of the items being valued, and in relation to the business, and the environment in which the business is conducted.
- Testing the fair value measurements, which involved challenging and testing management's significant assumptions in relation to the expected growth of revenues, EBITDA and discount rate, the valuation model, and the underlying data; this included comparing observable inputs against independent sources and externally available market data as well as performing an assessment of the reasonableness of non-observable inputs.

Additionally, we reviewed the appropriateness and adequacy of disclosures of fair value risks and sensitivities in note 31 to the consolidated financial statement to reflect the Group's exposure to valuation risk.

## Impairment of goodwill and intangible assets

### Description of risk

The Group's evaluation of goodwill and intangible assets for impairment, involves the comparison of the recoverable amount of each cash generating unit ('CGU') to its carrying value. The Group uses the expected discounted cash flow model to estimate the recoverable amount of each of the CGU identified, which requires management to make significant estimates and assumptions related to forecasts of future revenue, gross margins, discount rate and perpetual growth rates. Changes in these assumptions could have a significant impact on the recoverable amount and potentially the amount of any goodwill impairment.

Given the significant estimates and judgments made by management to calculate the recoverable amount contributed to each of the CGUs, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists.

Further disclosure regarding the Group's impairment analysis and allocation of newly acquired goodwill to the CGU's can be found in note 15.

#### **Our response**

Our audit procedures related to the determination of forecasts of future revenue and gross margin used by management to estimate the recoverable amount of the CGUs, included the following:

- We evaluated the reasonableness of the valuation methodology and tested the mathematical accuracy of the exercise.
- We evaluated the management's determination of, and grouping of assets into, CGUs used for impairment testing, especially for changes in allocation.
- We evaluated management's ability to accurately forecast future revenue and gross margin by comparing actual results to management's historical forecasts.
- Assisted by our valuation experts, we also evaluated the reasonableness of key variables, including perpetual growth rates and discount rates used in the impairment testing by comparing with (i) appropriate internal evidence of growth and (ii) externally available information, like actual industry performance.
- We reviewed the sensitivity analyses prepared by management to understand the effect of a change in assumptions.

We reviewed the appropriateness and completeness of the goodwill impairment disclosures in the Group's financial statements.

#### **Other information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–79 and 160–164. The board of directors and the managing director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the board of directors and the managing director**

The board of directors and the managing director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and the managing director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the board of directors and the managing director are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the board of directors and the managing director intend to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

The audit committee shall, without prejudice to the board of director's responsibilities and tasks in general, among other things oversee the Company's financial reporting process.

#### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the managing director.
- Conclude on the appropriateness of the board of directors' and the managing director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the board of directors and the managing director of Medcover AB (publ) for the

year 2023 and the proposed appropriations of the Company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the board of directors and the managing director

The board of directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the Company's organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner. The managing director shall manage the ongoing administration according to the board of directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the board of directors or the managing director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this,

is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the Company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the board of directors' proposed appropriations of the Company's profit or loss we examined the board of directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

### **The auditor's examination of the Esef report**

#### **Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the board of directors and the managing director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Medicover AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### **Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the Esef report*. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Medicover AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the board of directors and the managing director**

The board of directors and the managing director are responsible for the preparation of the Esef report in accordance with the

Chapter 16, Section 4 (a) of the Swedish Securities Market Act (2007:528), and for such internal control that the board of directors and the managing director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the board of directors and the managing director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the board of directors and the managing director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The board of directors is responsible for that the corporate governance statement on pages 95–107 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

BDO Sweden AB, Box 6343, 102 35 Stockholm, was appointed auditor of Medcover AB (publ) by the general meeting of the shareholders on 27 April 2023 and has been the Company's auditor since 12 October 2016.

Stockholm, 22 March 2024

BDO Sweden AB

Karin Siwertz  
*Authorised Public Accountant*



# The auditor's report on the statutory Sustainability Report

To the general meeting of the shareholders of Medcover AB (publ), Corporate Identity Number 559037-9487

## Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2023 as on the pages 8–11, 46–74 and 86–94 and that it has been prepared in accordance with the Swedish Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. We believe that the examination provides us with a sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Stockholm, 22 March 2024

BDO Sweden AB

Karin Siwertz  
*Authorized Public Accountant*

## 5-year financial summary

€m	2023	2022 <sup>1)</sup>	2021	2020	2019
<b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b>					
Revenue	1,746.4	1,510.2	1,377.4	997.8	844.4
Medical provision costs	-1,387.0	-1,174.9	-982.4	-734.3	-637.6
Distribution, selling and marketing costs	-77.9	-66.5	-58.1	-43.3	-45.0
Administrative costs	-220.1	-213.6	-177.5	-158.9	-115.3
<b>Operating profit (EBIT)</b>	<b>61.4</b>	<b>55.2</b>	<b>159.4</b>	<b>61.3</b>	<b>46.5</b>
Other income/(costs)	8.0	-3.2	0.7	1.5	1.0
Total financial result	-45.9	-32.7	-17.3	-25.6	-12.3
Share of profit/(loss) of associates	0.1	0.2	1.0	0.1	-1.9
<b>Profit before income tax</b>	<b>23.6</b>	<b>19.5</b>	<b>143.8</b>	<b>37.3</b>	<b>33.3</b>
Income tax	-5.2	-5.8	-37.2	-10.0	-8.6
<b>Profit for the year</b>	<b>18.4</b>	<b>13.7</b>	<b>106.6</b>	<b>27.3</b>	<b>24.7</b>
<b>SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	517.0	495.9	371.7	289.2	296.7
Other intangible assets	122.2	126.0	75.1	64.6	74.6
Property, plant and equipment	464.1	445.0	319.3	257.9	252.7
Right-of-use assets	411.6	395.6	327.4	180.4	166.0
Investments in associates	0.8	0.8	8.5	7.6	0.7
Other assets	44.3	34.7	30.7	22.0	16.6
<b>Total non-current assets</b>	<b>1,560.0</b>	<b>1,498.0</b>	<b>1,132.7</b>	<b>821.7</b>	<b>807.3</b>
<b>Current assets</b>					
Inventories	59.4	58.2	72.0	53.0	37.1
Other financial assets	4.7	0.0	3.1	0.0	1.6
Trade and other receivables	257.5	226.9	201.7	149.4	142.3
Short-term investments	8.9	8.7	192.9	40.1	-
Cash and cash equivalents	50.8	40.4	81.9	46.7	34.8
<b>Total current assets</b>	<b>381.3</b>	<b>334.2</b>	<b>551.6</b>	<b>289.2</b>	<b>215.8</b>
<b>Total assets</b>	<b>1,941.3</b>	<b>1,832.2</b>	<b>1,684.3</b>	<b>1,110.9</b>	<b>1,023.1</b>
<b>EQUITY</b>					
Equity attributable to owners of the parent	496.5	472.4	517.6	448.0	317.4
Non-controlling interests	31.8	36.1	44.5	35.5	42.3
<b>Total equity</b>	<b>528.3</b>	<b>508.5</b>	<b>562.1</b>	<b>483.5</b>	<b>359.7</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans payable	406.4	473.4	375.3	152.8	163.8
Lease liabilities	368.2	364.7	299.8	165.1	142.0
Other liabilities	137.8	129.2	122.1	81.2	75.9
<b>Total non-current liabilities</b>	<b>912.4</b>	<b>967.3</b>	<b>797.2</b>	<b>399.1</b>	<b>381.7</b>
<b>Current liabilities</b>					
Loans payable	158.5	42.3	42.9	15.1	111.5
Lease liabilities	70.6	59.6	46.1	34.4	34.2
Trade and other payables	204.6	182.3	182.4	149.4	114.6
Other liabilities	66.9	72.2	53.6	29.4	21.4
<b>Total current liabilities</b>	<b>500.6</b>	<b>356.4</b>	<b>325.0</b>	<b>228.3</b>	<b>281.7</b>
<b>Total liabilities</b>	<b>1,413.0</b>	<b>1,323.7</b>	<b>1,122.2</b>	<b>627.4</b>	<b>663.4</b>
<b>Total equity and liabilities</b>	<b>1,941.3</b>	<b>1,832.2</b>	<b>1,684.3</b>	<b>1,110.9</b>	<b>1,023.1</b>
<b>SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT</b>					
Cash generated from operations before working capital changes	219.4	209.8	257.6	156.7	110.7
Net cash from operating activities	205.0	170.2	216.7	155.1	87.3
Net cash used in investing activities	-119.8	-184.8	-333.6	-126.3	-141.8
Net cash from/(used in) financing activities	-73.7	-24.3	164.1	-13.2	48.8
<b>Total cash flow</b>	<b>11.5</b>	<b>-38.9</b>	<b>47.2</b>	<b>15.6</b>	<b>-5.7</b>

<sup>1)</sup> 2022 is restated for IFRS 17 Insurance contracts. For further information, refer to note 2.

€m	2023	2022 <sup>1)</sup>	2021	2020	2019
<b>KEY FINANCIAL DATA</b>					
<b>Group</b>					
Revenue	1,746.4	1,510.2	1,377.4	997.8	844.4
Organic revenue	1,666.3	1,404.0	1,377.5	939.7	770.8
Organic revenue growth	11.6%	1.9%	38.1%	11.3%	14.8%
Operating profit (EBIT)	61.4	55.2	159.4	61.3	46.5
Operating profit (EBIT) margin	3.5%	3.7%	11.6%	6.1%	5.5%
Net profit	18.4	13.7	106.6	27.3	24.7
Net profit margin	1.1%	0.9%	7.7%	2.7%	2.9%
Basic/diluted earnings per share, €	0.118	0.079	0.686	0.182	0.168
EBITDA	243.8	217.1	270.4	157.5	120.7
EBITDA margin	14.0%	14.4%	19.6%	15.8%	14.3%
Adjusted EBITDA	253.9	233.9	280.5	164.1	125.0
Adjusted EBITDA margin	14.5%	15.5%	20.4%	16.4%	14.8%
EBITDAaL	144.9	130.9	210.8	108.5	80.6
EBITDAaL margin	8.3%	8.7%	15.3%	10.9%	9.5%
Adjusted EBITDAaL	155.0	147.7	220.9	115.1	84.9
Adjusted EBITDAaL margin	8.9%	9.8%	16.0%	11.5%	10.1%
EBITA	82.6	80.9	171.2	76.9	53.7
EBITA margin	4.7%	5.4%	12.4%	7.7%	6.4%
Adjusted EBITA	92.7	97.7	181.3	83.5	58.0
Adjusted EBITA margin	5.3%	6.5%	13.2%	8.4%	6.9%
EBITAaL	58.0	58.8	157.2	66.7	46.5
EBITAaL margin	3.3%	3.9%	11.4%	6.7%	5.5%
Adjusted EBITAaL	68.1	75.6	167.3	73.3	50.8
Adjusted EBITAaL margin	3.9%	5.0%	12.1%	7.3%	6.0%
<b>Healthcare Services</b>					
Revenue	1,197.7	917.1	711.6	539.7	449.3
Organic revenue	1,110.1	823.9	706.5	472.8	401.7
Organic revenue growth	21.0%	15.8%	30.9%	5.2%	16.1%
Operating profit (EBIT)	44.9	25.4	45.4	28.8	20.1
Operating profit (EBIT) margin	3.7%	2.8%	6.4%	5.3%	4.5%
EBITDA	171.8	125.6	110.7	84.1	61.0
EBITDA margin	14.3%	13.7%	15.6%	15.6%	13.6%
EBITDAaL	98.6	65.5	74.0	57.5	41.0
EBITDAaL margin	8.2%	7.1%	10.4%	10.6%	9.1%
Adjusted EBITDAaL	101.5	68.4	76.0	58.8	41.6
Adjusted EBITDAaL margin	8.5%	7.5%	10.7%	10.9%	9.2%
EBITA	62.4	41.8	54.6	39.8	25.5
EBITA margin	5.2%	4.6%	7.7%	7.4%	5.7%
Members (period end), 000's	1,775	1,672	1,495	1,353	1,300
<b>Diagnostic Services</b>					
Revenue	571.2	612.5	686.8	473.4	408.7
Organic revenue	578.7	599.5	692.0	482.2	382.7
Organic revenue growth	-2.5%	-12.7%	46.2%	18.0%	13.6%
Operating profit (EBIT)	35.1	58.9	135.5	50.8	43.3
Operating profit (EBIT) margin	6.2%	9.6%	19.7%	10.7%	10.6%
EBITDA	88.1	118.7	179.7	89.8	75.7
EBITDA margin	15.4%	19.4%	26.2%	19.0%	18.5%
EBITDAaL	62.7	92.9	157.1	67.8	56.0
EBITDAaL margin	11.0%	15.2%	22.9%	14.3%	13.7%
Adjusted EBITDAaL	65.2	95.3	158.9	69.1	56.5
Adjusted EBITDAaL margin	11.4%	15.6%	23.1%	14.6%	13.9%
EBITA	38.9	68.2	138.2	55.4	45.1
EBITA margin	6.8%	11.1%	20.1%	11.7%	11.0%
Lab tests (period end volume), million	119.2	119.3	133.4	103.9	106.7

# Definitions

## Acquired revenue

Revenue recognised from acquired businesses in the first twelve months from the acquisition. This represents inorganic growth. If there is significant expansion of the acquired business post-acquisition due to investments made subsequent to acquisition or arising due to synergies with existing businesses and such revenue can be readily and reliably identified then this additional revenue is excluded.

## Organic revenue

Organic revenue combines real internally generated growth and also comprises price changes. The revenue of an acquired business is generally excluded for the twelve months following the business combination, but revenue generated by post acquisition expansion of the business due to investments made subsequent to acquisition or revenue arising from synergies with existing businesses post acquisition, if significant, are included. Revenue of disposed businesses are removed from the comparatives for the twelve months prior to the disposal. The effect of changes in foreign exchange rates is calculated as current year's revenue less current year's revenue converted at prior year's exchange rates.

## Organic revenue growth

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

## Operating profit (EBIT)

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

## Operating profit (EBIT) margin

Operating profit as a percentage of revenue.

## EBITA

Earnings before interest, other financial income/(expense), tax, amortisation and other accounting effects arising from business combinations, 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.

## EBITDA margin

EBITDA as a percentage of revenue.

## EBITAaL

EBITA, as defined above, reduced by interest on lease liabilities.

## EBITAaL margin

EBITAaL as a percentage of revenue.

## EBITDAaL

EBITDA, as defined above, reduced by depreciation/impairment on right-of-use assets and interest on lease liabilities.

## EBITDAaL margin

EBITDAaL as a percentage of revenue.

## Adjusted EBITA

EBITA, as defined above, adjusted for non-cash equity settled share-based payments as well as merger, disposal and acquisition related expenses.

## Adjusted EBITA margin

Adjusted EBITA as a percentage of revenue.

## Adjusted EBITDA

EBITDA, as defined above, adjusted for non-cash equity settled share-based payments as well as merger, disposal and acquisition related expenses.

## Adjusted EBITDA margin

Adjusted EBITDA as a percentage of revenue.

## Adjusted organic EBITDA

Adjusted EBITDA excluding EBITDA from acquisitions for the 12 months following the business combination.

## Adjusted EBITAaL

Adjusted EBITA, as defined above, reduced by interest on lease liabilities.

## Adjusted EBITAaL margin

Adjusted EBITAaL as a percentage of revenue.

## Adjusted EBITDAaL

Adjusted EBITDA, as defined above, reduced by depreciation/impairment on right-of-use assets and interest on lease liabilities.

## Adjusted EBITDAaL margin

Adjusted EBITDAaL as a percentage of revenue.

## Net profit margin

Net profit as a percentage of revenue.

## Net financial debt

Net financial debt represents financial debt contracted by the Group with external parties (banks, bonds) upon which interest is charged and lease liabilities net of cash and cash equivalents and short-term investments.

## Members

Number of individuals covered under a prepaid subscription or insurance healthcare 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.

## Headcount

The number of people being co-workers at Medcover including employees and/or contractors with an active contract determined at the end of each month. Excludes seasonal workers.

## FTE (Full time equivalent)

FTE is a metric used to translate co-workers into full time employment equivalent as per local legislation (excluding seasonal and including leased labour). 1.0 FTE corresponds to one full time employment. A significant part of Medcover's contractors cooperate based on a 'pay-for-procedure' principle. FTE resulting from the medical procedures is calculated by a conversion metric into 'time' based on predefined dictionaries which may include approximations for practical 'procedure grouping' purposes.

## Average FTE for the year

The sum of FTE at the end of each reported month during the financial year divided by 12 months.

## Co-workers

Co-workers include every person who works for or provides services to any Medcover company, under an employment contract or as contracted by Medcover on a self-employed basis or similar.

# Glossary

**AI** Artificial intelligence.

**AIB** Association of issuing bodies. Develops, uses and promotes a European, harmonised and standardised system of energy certification for all energy carriers.

**Allergology** The study of allergic diseases.

**BDP** Blood-drawing point.

**BMD** Bone mineral density.

**CAP-accreditation** The College of American Pathologist Laboratory accreditation programme.

**CLIA** The Clinical Laboratory Improvements Amendments regulations include federal standards applicable to all U.S. facilities or sites that test human specimens for health assessment or to diagnose, prevent, or treat disease.

**CO<sub>2</sub>e** Carbon Dioxide Equivalent is a unit for measuring carbon footprints.

**CRO** Clinical Research Organisation.

**CSRD** Corporate Sustainability Reporting Directive.

**DORA** Digital Operational Resilience Act.

**DS** Diagnostic Services

**EMAS** The EU Eco-Management and Audit-Scheme.

**EMS** Environmental Management System.

**Endocrinology** The medical study of the hormone secreting glands (the endocrine system) and related functions, diseases and treatments.

**ESMS** Electronic system for medical services in schools in Poland.

**ESRS** European Sustainability Reporting Standard.

**FFS** Fee-For-Services including other services, a payment model where customers pay for health-care services as used.

**GDP** Gross Domestic Product.

**GDPR** General Data Protection Regulation.

**Genome** The genetic complement of an organism, including all of its GENES, as represented in its DNA, or in some cases, its RNA.

**GHG** Greenhouse gases.

**GMP** Good manufacturing practice describes the minimum standard that a medicines manufacturer must meet in their production processes.

**Histopathology** The microscopic study of solid tissue.

**HS** Healthcare Services

**IEA** International Energy Agency.

**Immunology** The study of the immune system.

**ISO** International Organisation for Standardisation.

**IVF** In Vitro Fertilisation. A technique used for assisted reproduction.

**KV** Kassenärztliche Vereinigungen, the German doctor association for distributing compensation of ambulatory healthcare services (non-dental services) to the licensed healthcare providers.

**KPI** Key Performance Indicators.

**Molecular diagnostics** A collection of techniques used to analyse genetic codes by applying molecular biology to medical testing.

**MZ** The Polish Ministry of Health.

**NFZ** The Polish National Health Fund.

**NIS 2** The Directive on security of network and information systems which sets standards for critical infrastructure providers in EU.

**NPS** Net Promoter Score.

**Orthodontics** A dental specialty concerned with the prevention and correction of dental and oral anomalies (malocclusion).

**Pathology** is the study of diseases and how they are diagnosed through the examination of, for example, tissues, organs, and cells.

**PHI** The Private Health Insurance funds.

**R&D** Research and development.

**RSQ HOLO** An augmented operating room, blending holographic imaging and EMR information with the real world.

**SDG** Sustainable Development Goals.

**SHI** The Statutory Health Insurance.

**UHC** Universal Health Coverage.

**Whole exome sequencing** A technique for sequencing all of the protein-coding regions of genes (exons) in a genome.

# Information to shareholders

## Financial calendar

Interim report January–March	26 April 2024
Annual general meeting	26 April 2024
Interim report April–June	25 July 2024
Interim report July–September	30 October 2024

## Information about the 2024 annual general meeting (AGM)

The annual general meeting of Medicover AB (publ) will be held on Friday 26 April 2024 at 1:00 pm at Advokatfirman Vinge's premises Smålandsgatan 20, Stockholm.

## Participation

Shareholders who wish to attend the AGM in person or through a representative shall both:

- be recorded in the share register maintained by Euroclear Sweden AB (Euroclear) on the record date 18 April,
- and no later than 22 April register for the AGM.

Notification must be made by phone: +46 8 40 292 74 (weekdays between 09.00–16.00), or via [medicover.com](https://medicover.com), or by writing to Medicover AB, "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. When registering, the shareholder must state his/her name, personal or registration number, telephone number and any assistants (maximum two).

## Postal voting

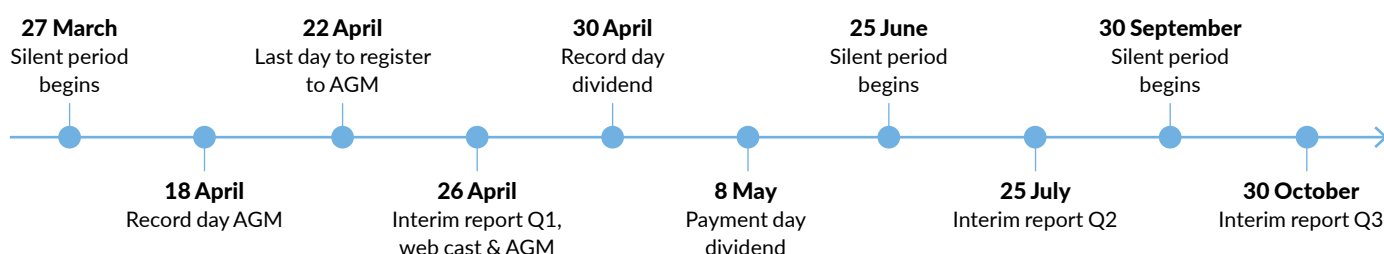
Shareholders who wish to participate in the meeting by postal vote shall both:

- be listed as a shareholder in the share register produced by Euroclear Sweden AB on 18 April,
- and no later than 22 April register by casting their postal vote.

Completed and signed postal voting forms may be submitted via e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), or by writing to Medicover AB, "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. The completed form must be available to Euroclear no later than 22 April. Shareholders may also on or before 22 April, cast a postal vote electronically via verification with BankID on Euroclear's website <https://anmalan.vpc.se/EuroclearProxy>.

## Proxies

Shareholders who are casting postal votes via proxy should submit a power of attorney, dated and signed by the shareholder together with the postal vote. If the shareholder is a legal person, certificate of registration or other documents of authority shall be attached to the form.



## Addresses

Medicover AB  
Box 5283, 102 46 Stockholm, Sweden  
Visitors: Riddargatan 12A, Stockholm, Sweden  
Ph: +46 8 400 17 600  
Keep up to date on our website: [Medicover.com](https://medicover.com)  
Follow us on LinkedIn: [LinkedIn.com/company/medicover](https://www.linkedin.com/company/medicover)

**Production:** Medicover AB in cooperation with Hallvarsson & Halvarsson  
**Photo:** Alin Purcaroiu, Andreas Labes, Getty Images, Getty Images/Westend61, Karlberg media AB, Patryk Kostewicz, Photogenika, Shutterstock, Yaron Brenner, Medicover







**CARING  
FOR YOUR HEALTH  
IS ALL WE DO**



**MEDICOVER**

Medicover AB (publ)  
[medicover.com](http://medicover.com)