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Press release

16 November 2020

Diaverum intends to list on Nasdaq Stockholm

Diaverum AB (publ) ("Diaverum" or the "Company"), a leading global dialysis provider[1], hereby announces its intention to launch an initial public offering and listing of its shares on Nasdaq Stockholm (the "IPO" or the "Offering"). As of and for the nine-months ended 30 September 2020, Diaverum operated 421 clinics across 22 markets providing life-critical care to approximately 39,000 patients. Diaverum's markets are divided into two geographic segments; Europe which makes up 62 percent of revenues and International which makes up 38 percent of revenues for the nine-months ended 30 September 2020. Diaverum's resilient business model has resulted in consistent year on year growth since 2008, with a revenue CAGR of c.10 percent over the period.

Diaverum's principal owner, Diaverum Holding S.à r.l. (the "Principal Owner"), which is indirectly controlled by Bridgepoint Advisers Limited, acting as manager for and on behalf of the limited partnerships comprising the Bridgepoint Europe III Fund ("Bridgepoint"), and the board of directors of the Company consider the listing of the Company's shares on Nasdaq Stockholm to be a natural and important step in Diaverum's development.

The IPO will enable the Company to expand its shareholder base and facilitate Diaverum's access to the Swedish and international capital markets, to support the Company's continued organic and inorganic growth and development. Furthermore, it will raise the profile of Diaverum and its operations among current and potential payors, patients and other stakeholders.

The Offering is expected to consist of both existing shares sold by the Principal Owner, and new shares issued by the Company that are expected to provide Diaverum with proceeds of approximately EUR 290 million. Diaverum intends to use the proceeds for the purpose of a partial refinancing through repayment of part of the Company's existing credit facilities, for general corporate purposes, including to fund future acquisitions, and transaction costs.

Dimitris Moulavasilis, CEO of Diaverum, commented:

"Founded in Lund in 1991, Diaverum has grown into a global leader in renal care services with 421 clinics in 22 countries. A company with leading medical and digital capabilities delivering high-quality care at scale, a resilient business with a healthy exposure to high-growth markets, and a steady revenue growth track record of around 10 percent per year with attractive margins. Today's announcement is a milestone for Diaverum and a proud moment for all our employees. We believe becoming a listed company will put us in a stronger position to continue growing organically, expanding through acquisitions, entering new markets and delivering value to more patients and healthcare systems globally."

Kenneth Bengtsson, chairman of the board of directors of Diaverum, commented:

"We have an experienced and skilled management team in place with a proven track record of delivering on our strategy and with a clear path forward for future value creation. I'm convinced that Diaverum's geographic footprint in markets with high growth potential, its resilient business model, financial profile and size are factors that will attract the investor community."

Martin Dunn, member of the board of directors of Diaverum and partner at Bridgepoint, commented:

"Diaverum, originally the renal care division of a larger healthcare group, was acquired by Bridgepoint and has since been transformed to become a global leader in its industry. The company has expanded significantly in its existing markets, entered new ones and built a global renal care provider of scale. As well as developing proven tender-winning capabilities, every year since 2008 Diaverum has acquired on average 15 clinics and entered one new market. The results are impressive; Diaverum has almost tripled revenues under Bridgepoint's ownership and delivered year on year growth while continually improving medical outcomes. Diaverum has a strong and

[1] The second largest provider outside the United States based on total number of haemodialysis ("HD") and peritoneal dialysis ("PD") patients treated in Diaverum's addressable markets as of 31 December 2019. Source: L.E.K. Consulting GmbH – Market Report.

resilient foundation for future growth as the company enters public ownership."

About Diaverum

Diaverum provides life-critical renal care services to patients with Chronic Kidney Disease ("CKD") with the aim of enabling them to live fulfilling lives. Treatments provided by Diaverum to CKD patients range from preventative care to transplantation, with a main focus on in-clinic haemodialysis (HD). Diaverum also provides a number of other core services, such as holiday dialysis, home dialysis and peritoneal dialysis (PD), and adjacent services, such as preventative care, aphaeresis[2], and cardiology and diabetes care, in certain markets. Due to the chronic nature of the disease, a HD patient typically needs to visit a dialysis clinic three times every week, which provides for highly stable, resilient and predictable treatment cycles.

Diaverum's core competencies are high standards and efficiency in care delivery, underpinned by its proprietary clinical governance framework, the Care Delivery Model, supported by an integrated digital infrastructure. The Care Delivery Model is composed of five pillars: clinical standards, medical standards, performance measurement, education and scientific research. Diaverum is developing a spectrum of digital platforms and applications designed to improve treatment effectiveness, efficiency and medical outcomes worldwide, while also empowering patients to contribute to their own care and well-being. The Company believes that this will transform the way renal care is delivered, making it more accessible for a wider range of patients, including those suffering from earlier stages of CKD.

Diaverum has a strong heritage and is headquartered in Hyllie outside Malmö, Sweden and is the second largest dialysis provider outside the United States.[3] The origin of Diaverum dates back to 1991 and the founding of Gambro Healthcare – a subsidiary of dialysis machine manufacturer Gambro – and the opening of the first dialysis clinic in Lund, Sweden. A major step in Diaverum's global expansion was taken in 1999, when Gambro Healthcare's international division established 100 dialysis clinics across the world. During the following years, Diaverum has expanded its operations through acquisitions and winning tenders for new clinics.

In 2007, the Company was acquired by Bridgepoint and in 2008, the name of the Company was changed to Diaverum as further steps to expand the operations globally were taken through a combination of organic growth and acquisitions. Diaverum has been on a transformational journey during Bridgepoint's ownership, and as a result of Diaverum's growth initiatives, the Company's revenue has almost tripled, from EUR 281 million for the year ended 31 December 2008 to EUR 805 million for the year ended 31 December 2019. From 31 December 2008 to 30 September 2020, the number of clinics operated by Diaverum has increased from 180 to 421, the number of HD and PD patients[4] treated by Diaverum has increased from 14,112 to 39,007 and the number of markets serviced have increased from 13 to 22. Diaverum operates its renal care services in two geographical segments, Europe and International. Europe consists of 13 markets (Albania, France, Germany, Hungary, Italy, Lithuania, North Macedonia, Poland, Portugal, Romania, Spain, Sweden and the United Kingdom) and International consists of 9 markets (Argentina, Brazil, Chile, China, Morocco, Kazakhstan, Russia, Saudi Arabia and Uruguay).

Diaverum's purpose in society

Diaverum is dedicated to offering life-enhancing renal care to patients around the world, enabling them to live a fulfilling life.

Diaverum believes that its standards of care ensure excellence for its patients across the globe. Its care delivery system enables universal access to world-class renal care; a system which is continuously improving through education and scientific research.

The Company's culture of "True Care" reflects how its employees work with each other and care for their patients. Its values of competence, passion and inspiration are the core of such culture, delivered every moment of every day, throughout its global clinic network.

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[2] Aphaeresis is a plasma filtration technique used to remove toxic substances that accumulate in the patient's blood as a result of different underlying diseases.
[3] Based on the total number of HD and PD patients treated in Diaverum's addressable markets as of 31 December 2019. Source: L.E.K. Consulting GmbH – Market Report.
[4] Refers to number of patients treated as of 31 December 2007 and 2019, respectively.

Strengths and competitive advantages

The Company believes that its business benefits from the following competitive strengths:

- **Operating in a sizable and growing market with robust industry fundamentals**
  - The market for renal care services is sizable, in terms of patient and treatment volumes, as well as revenue. Stage 5 CKD is a global issue and a lifetime burden for patients, driven primarily by hypertension and diabetes.
  - Dialysis is the predominant treatment modality where patients are required to receive treatment c.3 times per week for the rest of their lives.
  - Given the life-critical nature of this treatment, reimbursement in Diaverum's markets have historically been and are expected to be stable going forward.[5]
  - The total estimated market value of HD and PD by private providers in Diaverum's addressable markets was approximately EUR 7.1 billion for the year ended 31 December 2019 and is expected to grow at approximately 6.3 percent CAGR 2019-2024F.[6]

- **Strong relative positioning within the industry with a significant exposure to markets with high growth potential**
  - Diaverum is the second largest dialysis provider outside the United States[7] and is ranked no.1 or 2 in most of its markets.[8]
  - The Company believes it has a more diversified geographical footprint when compared to the industry, with a balanced revenue profile across countries in developed and emerging markets.
  - Diaverum has exposure to attractive and resilient European markets, combined with large markets with an unmet demand for renal care services, such as Saudi Arabia, Brazil and China. This results in a more significant relative exposure to markets with high growth potential.

- **Proprietary Care Delivery Model designed to ensure improved medical outcomes and patient volume growth**
  - Standards of care and medical outcomes are key parameters affecting patient volume growth. Diaverum monitors the quality of its services through a proprietary clinical governance framework, the Care Delivery Model, supported by an integrated digital infrastructure, consisting mainly of components developed in-house.
  - The Company believes that the Care Delivery Model has enabled consistent improvements in standards of care and medical outcomes over time.
  - The five pillars of the Care Delivery Model are:
    - Clinical standards – Policies and procedures that help ensure high quality of care and patient safety
    - Medical standards – Comprehensive therapeutic protocols that optimise medical outcomes through efficient care delivery
    - Performance measurement – Continuous monitoring of medical outcomes
    - Education – Patient and staff education both in virtual and physical settings
    - Scientific research – Clinical oriented research and scientific publications
  - In combination with the scale benefits associated with Diaverum's sizable operations, the Company believes that the Care Delivery Model allows highly efficient benchmarking globally and overall efficiency improvements through standardisation.
  - Diaverum uses its proprietary clinical performance measures ("CPM") score to measure and compare the performance of its clinics globally, which enables early intervention to improve standards where required, as well as more efficient evaluation of the effects of alterations to Diaverum's care delivery.
  - The Care Delivery Model is underpinned by a continuously evolving digital infrastructure including proprietary software such as the virtual educational platform, d.ACADEMY, the International Renal

[5] Source: L.E.K. Consulting GmbH – Market Report.
[6] Source: L.E.K. Consulting GmbH – Market Report.
[7] Based on the total number of HD and PD patients treated in Diaverum's addressable markets as of 31 December 2019. Source: L.E.K. Consulting GmbH – Market Report.
[8] Source: L.E.K. Consulting GmbH – Market Report.

Information Management System, iRIMS, and the Treatment Guidance System, TGS, and the Pharma Guidance System, PGS. The Company believes that these digital tools also drive care standardisation, workflow management, operational efficiencies, staff attraction and retention, and eventually improved medical outcomes.

- **Strong track record of delivering both organic and inorganic growth along with stable margins**
  - Since 2008, Diaverum has delivered year-on-year revenue growth of around 10 percent through increasing number of patients, treatments and clinics. Revenue has almost tripled, from EUR 281 million for the year ended 31 December 2008 to EUR 805 million for the year ended 31 December 2019.
  - Diaverum has expanded its operations both organically, through the expansion of existing clinics, the establishment of greenfield clinics, and tender wins, and inorganically through acquisitions, in its existing markets and via new market entries.

- **Established operational and medical platform enabling multiple avenues for value creation and further upside opportunities**
  - Diaverum aims to accelerate organic growth through the continuous improvement of medical outcomes delivered through its digitally-enabled Care Delivery Model.
  - Given the highly fragmented nature of its existing markets, where the top 4 providers only have c.25 percent of the patient population[9], Diaverum aims to continue its proven M&A roll-up strategy, which has enabled it to add c.15 clinics every year historically.
  - Furthermore, Diaverum aims to capitalise on M&A opportunities in recently entered markets, as well as in currently untapped markets.
  - Diaverum continues to pursue operational efficiencies through its scalable infrastructure, leveraging digital tools, procurement, labour and overhead, and capex optimisations.

- **Successful track record of executing public-private partnerships**
  - The Company believes that the high degree of tender extensions by Diaverum demonstrates its position as a trusted and high performing partner for numerous healthcare systems in its addressable markets.
  - Public-private partnerships in the healthcare sector are long-term collaborations whereby private providers typically invest in physical and digital infrastructure and the required human capital to provide a service.
  - Diaverum's value proposition for healthcare authorities comprises improved access to renal care, enhanced medical outcomes and increased patient satisfaction at a lower total cost of care to the public healthcare system. Diaverum has a successful track-record of tender renewals and extensions.

- **Experience in attracting and retaining medical staff**
  - The services provided by Diaverum require specialist skills for which a reliable resourcing pipeline is fundamental. Qualified doctors, nurses, and other medical staff are in short supply in several markets.
  - Diaverum has invested significant resources in developing an infrastructure for attracting and retaining clinical staff and utilises foreign staff in markets where such competence is short in supply.

- **Leadership supported by an experienced management team**
  - Diaverum's senior executive team comprises executives with a significant breadth and depth of international healthcare experience. Several members of the Group management team have more than 20 years of experience in the healthcare sector and a number of them have been employed by

[9] Source: L.E.K. Consulting GmbH – Market Report.

Diaverum for more than 10 years. Beyond this, the team also has significant global and listed company experience.

Financial highlights

Full year 2019 and first nine-months 2020

For the year ended 31 December 2019 and the nine-month period ended 30 September 2020, Diaverum had revenue of EUR 805.4 million and EUR 642.1 million, respectively, Operating profit of EUR 70.4 million and EUR 102.4 million respectively, Operating margin of 8.7 percent and 15.9 percent respectively, Adjusted EBITA of EUR 115.6 million and EUR 105.6 million respectively, Adjusted EBITA margin of 14.4 percent and 16.4 percent respectively, profit (loss) for the period of EUR (9.6) million and EUR 29.0 million respectively, and profit (loss) for the period margin of (1.2) percent and 4.5 percent, respectively. Historical full-year financial figures are not entirely comparable to the nine-months ended 30 September 2020 in respect of adjusted EBITA due to a change in Diaverum's operating structure in Saudi Arabia.[10]

Covid-19

Diaverum's response to the Covid-19 pandemic has been focused on securing clinical and operational performance. The Company estimates that the financial impact of Covid-19 has been limited, where the most significant impact has come from increased costs for PPE due to rising prices following increased demand and strains on supply chains. Diaverum has also experienced increased costs attributable to overall labour costs and incentives for engagement and ongoing wellbeing of Diaverum's staff as well as a slight disturbance in the market in terms of patient inflows.

The following table sets forth the key figures of Diaverum:

EURm unless otherwise stated	**For the nine-months ended 30 September 2020**	**For the nine-months ended 30 September 2019**	**For the year ended 31 December 2019**	**For the year ended 31 December 2018**	**For the year ended 31 December 2017**
Revenue					
Group	642.1[1]	589.3[1]	805.4[2]	738.6[2]	727.2[2]
Revenue growth	9.0%[1]	-	9.0%	1.6%	-
of which organic growth	8.6%[1]	-	5.4%	2.9%	-
Segment revenue					
Europe	398.0[1]	366.1[1]	495.8[2]	462.7[2]	453.2[2]
International	244.1[1]	163.5[1]	228.5[2]	200.3[2]	212.1[2]
Profit (loss) for the period	29.0[1]	6.0[1]	(9.6)[2]	(22.6)[2]	(36.7)[2]
Profit (loss) for the period margin	4.5%	1.0%	(1.2)%	(3.1)%	(5.1)%
Operating profit[3]	102.4[1]	67.0[1]	70.4[2]	63.6[2]	46.4
Operating margin[3]	15.9%	11.4%	8.7%	8.6%	6.4%
Adjusted EBITA[3]	105.6[1]	82.2[1]	115.6[2]	99.3[2]	96.4
Adjusted EBITA margin[3]	16.4%	13.9%	14.4%	13.4%	13.3%

[10] The change of operating structure in Saudi Arabia was effective as of 2 January 2020.

	As of 30 September 2020	As of 30 September 2019	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
Number of markets	22	22	22	20	19
Number of clinics	421	389	403	369	360
Number of patients[4]	39,007	-	38,518	34,657	32,022
Healthcare professionals[5]	11,438	-	10,666	9,985	9,211

[1] Derived from the Company's unaudited condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2020 with comparable figures for the nine-month period ended 30 September 2019.
[2] Derived from the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2019, 2018 and 2017, respectively.
[3] Operating profit is a non-IFRS measure and operating profit margin, Adjusted EBITA and Adjusted EBITA margin are unaudited non-IFRS measures and are not substitutes for any IFRS measure. Operating profit defined as profit (loss) for the period adjusted for income tax expense and net finance cost. Adjusted EBITA defined as Base EBITA, i.e. profit (loss) for the period excluding income tax expense, net finance costs, amortisation of intangible assets, impairment losses related to goodwill and joint venture adjustments, adjusted for items affecting comparability.
[4] Refers to number of HD and PD patients treated.
[5] Includes, as of 30 September 2020, 10,212 employees and 1,226 contractors.

Financial targets and dividend policy

In line with Diaverum's strategic objectives, the board of directors has formulated the following long-term financial targets:

Total revenue growth

Continue to deliver on average an annual revenue growth of around 10 percent over time, driven by both organic and inorganic growth.

The growth target is driven primarily by organic growth, which includes a combination of growth in existing clinics, new tender contract awards and greenfield expansion supplemented by clinic acquisitions.

Earnings

An annual Adjusted EBITA growth rate in excess of 10 percent over time.

Capital structure

Net financial debt[11] / Adjusted EBITDAaL[12] should not exceed 3.5x. However, the ratio may temporarily exceed 3.5x, for example in connection with acquisitions.

Dividend policy

Diaverum aims to distribute approximately 25 percent of net profits from the financial year 2021 onwards.

The decision will be based on Diaverum's financial position, investment needs, acquisition opportunities and liquidity position.

Subject to such considerations and shareholders' approval, the board of directors of the Company intends to propose a dividend of around EUR 15 million for the year ended 31 December 2020.

Diaverum's financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, *inter alia*, the development of Diaverum's industry, business, results of operations and financial condition, and the development of the industry and the macroeconomic and regulatory environments in which Diaverum operates. Diaverum's business, results of operations and financial condition, and the development of the industry and the macroeconomic and regulatory environments in which Diaverum operates, may differ materially from, and be more negative than, what has been assumed by Diaverum when preparing the financial targets set out above. As a result, Diaverum's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that Diaverum will be able to reach these targets or that Diaverum's

[11] Net financial debt defined as net debt excluding leasing liabilities.
[12] Adjusted EBITDAaL defined as EBITDA adjusted for items affecting comparability, reduced by depreciation and interest charges associated with leases.

financial condition or results of operations will not be materially different from these financial targets.

Transaction details

The Offering is expected to comprise a public offering to institutional and retail investors in Sweden, Norway, Denmark and Finland and a private placement to certain institutional investors outside those jurisdictions.

The Company, the Principal Owner, Diaverum's board of directors and management will be subject to certain lock-up arrangements. Bridgepoint Europe III Fund will remain a significant shareholder after the IPO.

Full terms, conditions and instructions for the contemplated IPO will be included in the prospectus that will be prepared by Diaverum in connection with the contemplated IPO. The prospectus will be published on Diaverum's website: https://global.diaverum.com/corporate/en/investor-relations/ipo.

Nasdaq Stockholm has assessed that Diaverum fulfils the applicable listing requirements, subject to certain conditions being fulfilled, including that Diaverum submits an application for trading and fulfils the distribution requirements.

Carnegie Investment Bank AB, J.P. Morgan Securities plc and Skandinaviska Enskilda Banken AB are acting as Joint Global Coordinators and Joint Bookrunners, BNP PARIBAS, Citigroup Global Markets Europe AG and Danske Bank A/S, Danmark, Sverige Filial are acting as Joint Bookrunners in the contemplated IPO. Moelis & Company UK LLP is acting as financial adviser to Diaverum and the Principal Owner in the contemplated IPO.

White & Case LLP is acting as legal adviser to Diaverum. Cleary Gottlieb Steen & Hamilton LLP and Advokatfirman Hammarskiöld & Co AB are acting as legal advisers to the Joint Global Coordinators and Joint Bookrunners.

Further announcements relating to the contemplated IPO will be made in due course.

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Important information

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This press release is not a prospectus for the purposes of the Prospectus Regulation and underlying legislation. A prospectus prepared pursuant to the Prospectus Regulation and approved by the Swedish Financial Supervisory Authority will be published, and when published can be obtained from the Company. Investors should not subscribe for or purchase any securities referred to in this press release except on the basis of information contained in the prospectus.

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Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors, which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by such forward-looking statements.

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