Capio AB (publ)
Interim report Jan – Sep 2018

Capio

Improving healthcare

July – September 2018

- Net sales MSEK 3,816 (3,455). Organic sales growth 2.1% (2.2) and total sales growth 10.4% (9.1)
- EBITDA[1] MSEK 189 (168) and margin 5.0% (4.9). EBITDA increased by 12.5%
- EBITA[1] MSEK 66 (53) and margin 1.7% (1.5). EBITA increased by 24.5%
- Operating result (EBIT) MSEK -39 (18) and margin -1.0% (0.5). EBIT decreased by 316.7%
- Profit for the period[2] MSEK -54 (-7). Earnings per share after dilution[2] SEK -0.36 (-0.03)

January – September 2018

- Net sales MSEK 12,151 (11,250). Organic sales growth 1.6% (2.0) and total sales growth 8.0% (8.8)
- EBITDA[1] MSEK 782 (766) and margin 6.4% (6.8). EBITDA increased by 2.1%
- EBITA[1] MSEK 415 (427) and margin 3.4% (3.8). EBITA decreased by 2.8%
- Operating result (EBIT) MSEK 260 (335) and margin 2.1% (3.0). EBIT decreased by 22.4%
- Profit for the period[2] MSEK 145 (215). Earnings per share after dilution[2] SEK 1.05 (1.53)

All numbers in MSEK, if not else stated.

CEO COMMENT:

“Nordic develops well while France improves in a weak market and Germany is under restructuring.”

- **Organic sales growth of 2.1% and EBITA growth of 24.5% in the seasonally weak third quarter, especially impacting the French and German segments**
- **The Nordic segment confirmed the strong development from previous quarters, in line with historical trends**
- **Q3 is the fourth consecutive quarter in France demonstrating a positive change of trend. Improvements achieved in a market characterized by low volume growth**
- **The ongoing restructuring impacted the development in Germany negatively in the quarter as foreseen. Visible effects are expected during 2019**

In **the Nordic segment**, the third quarter confirmed a good development in line with historical trends. Nordic reached an 18.7% EBITA increase in Q3 and for the first nine months the increase was 13.1%. This included MSEK 30 of additional costs for digitalization in Capio Go and Capio Proximity Care and adjusted for this the EBITA increase for the first nine months was 22.7%.

The work to accelerate specialization and digitalization is continuing and as previously announced, a closer coordination and cooperation between the Nordic countries is currently being prepared. This collaboration includes a closer know-how exchange and procurement cooperation as well as joint IT based tools, supporting good service to patients and efficient processes. Capio’s combination of digital and physical healthcare constitutes a unique patient offering and will transform healthcare provision in Sweden and the Nordics both in terms of availability for patients and staff productivity.

The acquisition of Legevisitten with annual net sales of approximately MSEK 600 was closed in early September and the operations are now being integrated in the Swedish specialist and primary care operations.

The French segment improved in Q3 2018 in a market characterized by low volume growth. Organic sales growth in the quarter was supported by two more working days compared with the same period in 2017. The two hospital projects are progressing and La Croix du Sud in Toulouse will open at the end of October while Médipôle Lyon-Villeurbanne in Lyon will open at the end of December. In the third quarter two existing hospital properties were impaired with a total of MSEK -45 (refer to note 3 for further information).

The ongoing restructuring impacted the development negatively in **the German segment** in the quarter as foreseen. Action plans are implemented and new medical teams are in place in some of the general hospitals while the specialist business is adapting to new market conditions. Visible effects are expected during 2019.

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On October 8, 2018 Ramsay Générale de Santé (Ramsay GdS) increased its **public cash offer** to the shareholders in Capio to SEK 58 per share. On October 10, Ramsay GdS announced that the acceptance level condition was lowered to 75%. Following the increased offer and the lower acceptance level, Capio’s board of directors on October 10 announced its unanimous recommendation to the Capio shareholders to accept the increased offer. As a result, the Board also decided to withdraw its proposal regarding the sale of Capio France and consequently cancelled the extraordinary general meeting to resolve on such sale that was called to be held on October 18. A minor part of the advisory and transaction costs related to the cash offer and the earlier planned divestment of Capio France were reflected in the Q3 results (MSEK -17) while the remaining costs, estimated at approximately MSEK -135, will be accounted for in Q4 (including the cost-coverage fee of MEUR 5.0 payable to Vivalto Santé).

Attila Vegh
President and CEO

[1] Refer to page 34 for definitions of EBITDA and EBITA. [2] Profit for the period refers to profit attributable to parent company shareholders. Refer to note 2 for calculation of EPS (before and after dilution).

This is a translation of the original Swedish interim report. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

The Group and the segments in brief

Capio Group	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	2017	Change, %	2018	2017	Change, %	RTM	2017
Net sales	3,816	3,455	10.4	12,151	11,250	8.0	16,228	15,327
Total sales growth, %	10.4	9.1		8.0	8.8		8.4	8.9
Organic sales growth, %	2.1	2.2		1.6	2.0		2.0	2.4
EBITDA	189	168	12.5	782	766	2.1	1,130	1,114
Margin, %	5.0	4.9		6.4	6.8		7.0	7.3
EBITA	66	53	24.5	415	427	-2.8	647	659
Margin, %	1.7	1.5		3.4	3.8		4.0	4.3
Operating result (EBIT)	-39	18	-316.7	260	335	-22.4	465	540
Operating margin (EBIT), %	-1.0	0.5		2.1	3.0		2.9	3.5
Profit for the period[1]	-54	-7	-671.4	145	215	-32.6	300	370
Earnings per share after dilution, SEK[2]	-0.36	-0.03		1.05	1.53		2.14	2.62
Net capital expenditure	-118	-108		-326	-260		-543	-477
In % of net sales	3.1	3.1		2.7	2.3		3.3	3.1
Net debt	4,529	3,704		4,529	3,704		4,529	3,691
Financial leverage	4.0	3.5		4.0	3.5		4.0	3.3

Segments

Capio Nordic	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	2017	Change, %	2018	2017	Change, %	RTM	2017
Net sales	2,213	2,007	10.3	6,932	6,371	8.8	9,256	8,695
Total sales growth, %	10.3	16.6		8.8	14.3		10.5	14.6
Organic sales growth, %	2.6	4.3		2.8	3.8		3.3	4.1
EBITDA	172	153	12.4	497	447	11.2	682	632
Margin, %	7.8	7.6		7.2	7.0		7.4	7.3
EBITA	127	107	18.7	354	313	13.1	500	459
Margin, %	5.7	5.3		5.1	4.9		5.4	5.3
Operating result (EBIT)	121	86	40.7	350	255	37.3	457	362
Operating margin (EBIT), %	5.5	4.3		5.0	4.0		4.9	4.2
Net capital expenditure	-31	-37		-103	-105		-178	-180
In % of net sales	1.4	1.8		1.5	1.6		1.9	2.1

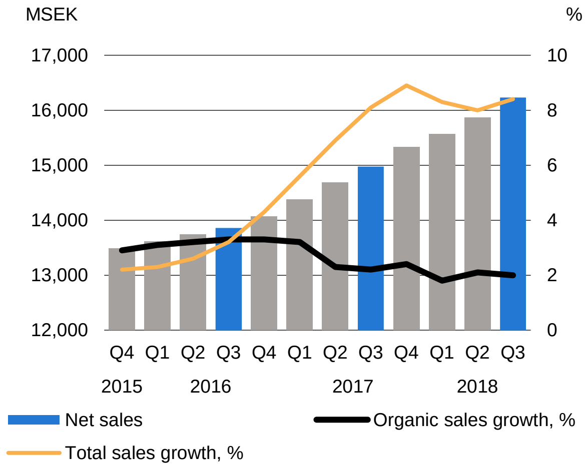
Capio France	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	2017	Change, %	2018	2017	Change, %	RTM	2017
Net sales	1,331	1,188	12.0	4,311	4,001	7.7	5,745	5,435
Total sales growth, %	12.0	-0.7		7.7	2.1		6.5	2.3
Organic sales growth, %	2.9	-0.8		1.1	-0.4		1.5	0.4
EBITDA	47	29	62.1	349	323	8.0	497	471
Margin, %	3.5	2.4		8.1	8.1		8.7	8.7
EBITA	-20	-31	35.5	156	144	8.3	238	226
Margin, %	-1.5	-2.6		3.6	3.6		4.1	4.2
Operating result (EBIT)	-85	-37	-129.7	67	121	-44.6	162	216
Operating margin (EBIT), %	-6.4	-3.1		1.6	3.0		2.8	4.0
Net capital expenditure	-74	-58		-185	-121		-305	-241
In % of net sales	5.6	4.9		4.3	3.0		5.3	4.4

Capio Germany	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	2017	Change, %	2018	2017	Change, %	RTM	2017
Net sales	272	260	4.6	908	878	3.4	1,227	1,197
Total sales growth, %	4.6	3.6		3.4	3.3		2.3	2.1
Organic sales growth, %	-4.8	2.4		-4.7	0.8		-4.1	0.0
EBITDA	-10	6	-266.7	8	63	-87.3	43	98
Margin, %	-3.7	2.3		0.9	7.2		3.5	8.2
EBITA	-19	-2	-850.0	-18	41	-143.9	9	68
Margin, %	-7.0	-0.8		-2.0	4.7		0.7	5.7
Operating result (EBIT)	-25	-7	-257.1	-50	35	-242.9	-28	57
Operating margin (EBIT), %	-9.2	-2.7		-5.5	4.0		-2.3	4.8
Net capital expenditure	-13	-11		-35	-29		-49	-43
In % of net sales	4.8	4.2		3.9	3.3		4.0	3.6

1 Profit attributable to parent company shareholders.
2 Refer to note 2 for calculation of earnings per share (before and after dilution).

Financial targets and development

Quarterly development 2015-2018 (RTM)



Net sales and sales growth

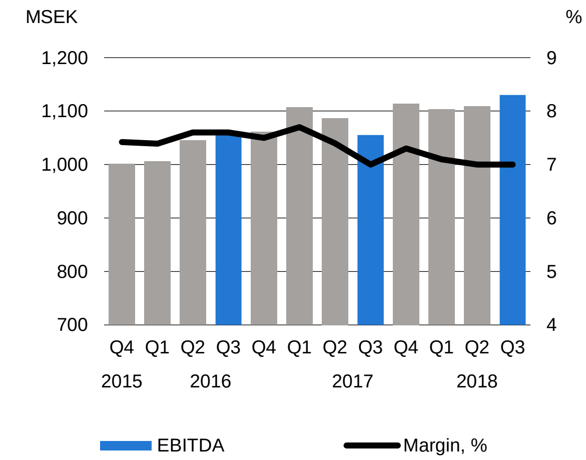
Target

- The target is to grow organically at least in line with the market and add acquisition growth at least at a similar rate over time

Development in 2018

- Total sales growth 8.0% and organic sales growth 1.6% (Jan-Sep 2018)
- Organic sales growth was in line with market growth in the Nordics and France. Nordic was impacted by a contract loss and France by a weak market growth. The growth in Germany was lower than market growth following low inpatient volumes
- Acquisitions and changes in exchange rates contributed to total sales growth. Q3 2018 was positively impacted by the inclusion of Legevisitten

Quarterly development 2015-2018 (RTM)



EBITDA and margin

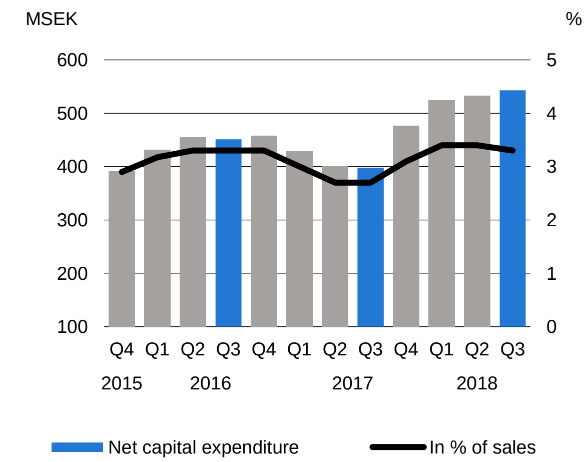
Target

- The target is to grow EBITDA at a higher rate than sales growth through increased productivity and operational leverage

Development in 2018

- EBITDA increased by 2.1% (Jan-Sep 2018)
- Operational leverage was negative given the development in Germany
- Positive contribution from the acquired businesses, in total in line with expectations

Quarterly development 2015-2018 (RTM)



Net capital expenditure and in % of net sales

Target

- The target with present business mix is to keep net capex around 3% of net sales per year including Modern Medicine and expansion related capex

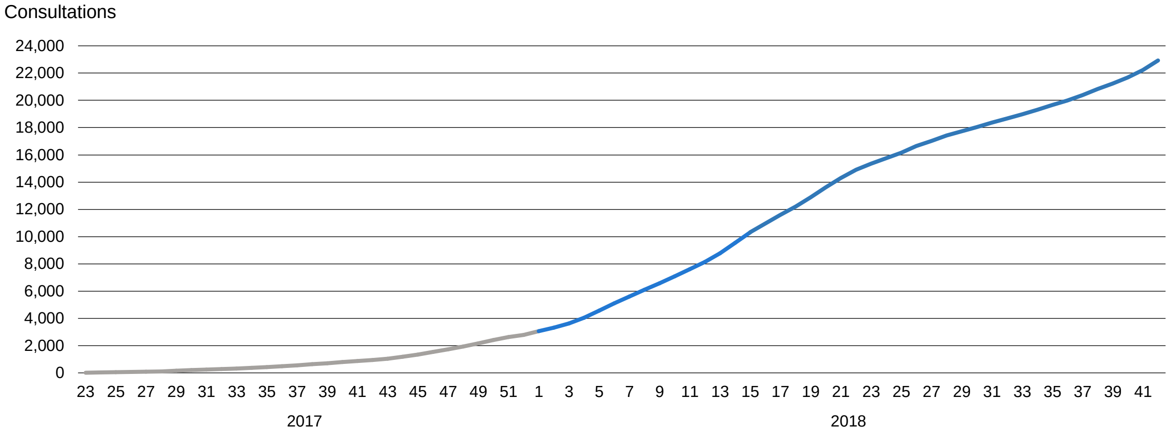
Development in 2018

- Net capital expenditures in % of net sales was 3.3% (RTM September 2018), which was slightly above the target impacted by phasing of projects in France and Germany

Digitalizing healthcare

Development of consultations online

Number of consultations online (RTM, on a weekly basis)



The number of digital visits is presented on a weekly rolling twelve month basis to reflect the dynamics of the growing operations and to level out impacts from seasonality of patient visits. The current going rate calculated on a weekly basis is about 40,000 visits/year.

Capio Go was launched in May 2017 and during its first year, the *digital doctor consultation service* has been rolled out to Capio's more than 100 primary care centers and about 900,000 listed patients in Sweden. Capio's online service is integrated in the physical medical offering, providing a complete and secure patient journey with access to laboratory and other diagnostic services as well as physical visits at one of Capio's primary care centers. **Capio Proximity Care** is currently implementing the same technology to prepare physical visits at a primary care center – *Better Visits*, enabling more precise diagnosing and more efficient use of the time spent with patients.

From June 1, 2018, Capio Go's remuneration for digital doctor consultations is SEK 570 per visit, of which SEK 250 is patient fee. During the first nine months 2018, Capio has invested MSEK 30 more in digitalization compared to the same period 2017 to reach the current position. During Q3 Capio launched a digital marketing campaign (including e.g.TV and social media channels) in Sweden to recognize Capio's broad healthcare service offering, and specifically increase awareness of the new digital services offered by Capio. Capio's combined digital and physical platform makes Capio well positioned to capture the rapidly growing segment of digital consultations and Capio Go and Capio Proximity Care will work in close cooperation to manage the entire patient journey. The increase of digital visits by Capio Go is expected to convert patient visits from the existing listing base at lower cost and attract new, non-listed patient's visits to Capio Go. This is estimated to increase the number of listed patients (recurring volume) within Capio Proximity Care as a result of attractive offerings and well-targeted marketing activities. Patient conversion to digital visits will also increase availability to the physical primary care centers and drive staff productivity.

Measuring Modern Medicine

Development of Average length of stay (AVLOS)[1]

	JUL - SEP			JAN - SEP			FULL YEAR						
AVLOS by segment, Days	**2018**	**%**	**2017**	**2018**	**%**	**2017**	**RTM**	**2017**	**%**	**2016**	**%**	**2015**	**%**
Capio Nordic	4.08	*5.4*	3.87	3.99	*1.5*	3.93	3.98	3.93	*-2.0*	4.01	*-2.7*	4.12	*-1.0*
Capio Nordic excl. geriatrics	2.91	*7.0*	2.72	2.88	*2.5*	2.81	2.87	2.82	*-0.4*	2.83	*-3.4*	2.93	*-2.7*
Capio France	4.31	*-4.9*	4.53	4.30	*-3.6*	4.46	4.30	4.42	*-1.1*	4.47	*-3.0*	4.61	*-2.9*
Capio France excl. geriatrics	4.23	*-4.3*	4.42	4.22	*-3.2*	4.36	4.22	4.32	*-2.5*	4.43	*-3.7*	4.60	*-3.2*
Capio Germany	4.70	*-2.7*	4.83	4.56	*-1.1*	4.61	4.52	4.56	*0.4*	4.54	*-1.5*	4.61	*-4.4*
Capio Germany excl. geriatrics	3.91	*-6.0*	4.16	3.92	*-2.5*	4.02	3.91	3.99	*-1.2*	4.04	*-3.1*	4.17	*-6.1*
Capio Group	**4.30**	***-2.5***	**4.41**	**4.26**	***-2.1***	**4.35**	**4.25**	**4.32**	***-1.1***	**4.37**	***-2.7***	**4.49**	***-3.0***
Capio Group excl. geriatrics	**3.86**	***-3.0***	**3.98**	**3.85**	***-2.5***	**3.95**	**3.85**	**3.92**	***-2.2***	**4.01**	***-3.4***	**4.15**	***-4.2***

[1] Refer to page 34 for definition.

The Group's strategic focus on Modern Medicine giving Rapid Recovery, and Modern Management reduced AVLOS by 2.5% despite higher case mix. Adjusted for geriatrics, the AVLOS reduction for the Group was 3.0%. In Capio Nordic AVLOS was impacted by a significantly higher case mix in the emergency and geriatrics businesses. In Capio Germany AVLOS was positively impacted by a lower case mix. Considering the combined higher case mix, in addition to the increase from geriatrics, the AVLOS development was well in line with the historical downward trend.

Group development

Capio Group	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	2017	Change, %	2018	2017	Change, %	RTM	2017
KPI; Production, productivity and resources								
Number of outpatients	1,151.4	1,093.6	*5.3*	3,693.3	3,524.2	4.8	5,034.4	4,865.3
Number of inpatients	50.6	49.9	*1.4*	165.6	166.7	-0.7	223.2	224.3
Number of patients, kNumber	**1,202.0**	**1,143.5**	***5.1***	**3,858.9**	**3,690.9**	**4.6**	**5,257.6**	**5,089.6**
AVLOS, Days	**4.30**	**4.41**	***-2.5***	**4.26**	**4.35**	***-2.1***	**4.25**	**4.32**
Number of employees (FTE)	**13,553**	**13,166**	***2.9***	**13,657**	**13,218**	***3.3***	**13,644**	**13,314**
Income statement								
Net sales outpatients	2,002	1,820	*10.0*	6,338	5,827	*8.8*	8,491	7,980
Net sales inpatients	1,549	1,422	*8.9*	5,036	4,713	*6.9*	6,710	6,387
Net sales other	265	213	*24.4*	777	710	*9.4*	1,027	960
Net sales	**3,816**	**3,455**	***10.4***	**12,151**	**11,250**	***8.0***	**16,228**	**15,327**
Total sales growth, %	*10.4*	*9.1*		*8.0*	*8.8*		*8.4*	*8.9*
Organic sales growth, %	*2.1*	*2.2*		*1.6*	*2.0*		*2.0*	*2.4*
EBITDA	**189**	**168**	***12.5***	**782**	**766**	***2.1***	**1,130**	**1,114**
Margin, %	*5.0*	*4.9*		*6.4*	*6.8*		*7.0*	*7.3*
EBITA	**66**	**53**	***24.5***	**415**	**427**	***-2.8***	**647**	**659**
Margin, %	*1.7*	*1.5*		*3.4*	*3.8*		*4.0*	*4.3*
Profit for the period[1]	**-54**	**-7**	***-671.4***	**145**	**215**	***-32.6***	**300**	**370**
Earnings per share after dilution, SEK[2]	-0.36	-0.03		1.05	1.53		2.14	2.62

July – September 2018

Organic sales growth was driven by volume growth and a higher case mix. Price growth was limited, but improved to last year mainly following a lower price pressure in France and part of the Swedish specialist care operations. Acquisitions and changes in exchange rates impacted total sales growth positively. At comparable exchange rates total sales growth was 5.7% (9.1).

The result development was positively impacted by Nordic and France, partly following improvements from the actions initiated during H2 2017, and supported by effects from the group procurement project. The ongoing German restructuring impacted the development negatively during the quarter as foreseen, as volumes were low and costs too high following doctor turnover. Visible effects are expected during 2019.

The operating result (EBIT) included amortization on surplus values of MSEK -28 (-27) and restructuring and other non-recurring items and acquisition related costs of MSEK -77 (-8). Restructuring and other non-recurring items were related to the ongoing projects in France, including impairment of two existing hospital properties of in total MSEK -45 (refer to note 3 for further information), and an adjustment of the expected purchase price for the remaining shares in a Nordic acquisition, as well as a minor part of the costs related to the public cash offer for Capio by Ramsay GdS and the previously planned divestment of Capio France (MSEK -17). The remaining part of the advisory and transaction costs related to the cash offer and the earlier planned divestment will be accounted for in Q4 (including the cost-coverage fee of MEUR 5.0 payable to Vivalto Santé), in total estimated at approximately MSEK -135.

The profit for the period included net financial items of MSEK -30 (-26) and income tax of MSEK 14 (1). Net financial items were impacted by the higher net debt and the extended and expanded group credit facility compared to last year. The effective income tax rate was 20% (13%).

Earnings per share (EPS) after dilution was SEK -0.36 (-0.03), negatively impacted by restructuring and other non-recurring costs.

January – September 2018

Organic sales growth was driven by volume growth and a higher case mix. Price growth was limited, but improved to last year mainly following a lower price pressure in France and part of the Swedish operations. Outpatient volume growth was positive in all segments, while inpatient volume growth in the Nordic segment could not compensate for lower volumes in Germany and France. Acquisitions and changes in exchange rates impacted total sales growth positively. At comparable exchange rates total sales growth was 4.6% (7.5).

The result development was positively impacted by the Nordic segment, which is continuing its solid improvement, and the French segment, which improved in a weak market. The result development was positively impacted by the actions initiated during H2 2017 and supported by effects from the group procurement project, which are now becoming visible in the result. Investments in the digitalization of healthcare are continuing and the result impact of the new digital services was MSEK -30 vs. the first nine months 2017. The development in Germany was weak following a widespread flu outbreak in Q1 (estimated impact of MSEK -20 and MSEK -15 on net sales and result respectively), a high doctor turnover impacting volumes and costs negatively, and a negative price development.

The operating result (EBIT) included amortization on surplus values of MSEK -82 (-79) and restructuring and other non-recurring items and acquisition related costs of MSEK -73 (-13). Restructuring and other non-recurring items were related to the ongoing projects in France, including impairment of two existing hospital properties of in total MSEK -45 (refer to note 3 for further information), the restructuring program in Germany, an adjustment of the expected purchase price for the remaining shares in a Nordic acquisition and a minor part of the costs related to the public cash offer for Capio by Ramsay GdS and the earlier planned divestment of Capio France (MSEK -17).

The profit for the period included net financial items of MSEK -93 (-74) and income tax of MSEK -22 (-45). Net financial items were impacted by the higher net debt and the extended and expanded group credit facility compared to last year. The effective income tax rate was 13% (17%).

Earnings per share (EPS) after dilution was SEK 1.05 (1.53). The development was impacted by the lower result.

[1] Attributable to parent company shareholders.
[2] Refer to note 2 for calculation of earnings per share (before and after dilution).

Development in the segments

Capio Nordic

	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	**2017**	***Change, %***	**2018**	**2017**	***Change, %***	**RTM**	**2017**
KPI; Production, productivity and resources								
Number of outpatients	946.5	895.6	*5.7*	3,038.6	2,898.0	4.9	4,161.0	4,020.4
Number of inpatients	14.3	13.3	*7.5*	45.0	42.3	6.4	59.5	56.8
Number of patients, kNumber	**960.8**	**908.9**	***5.7***	**3,083.6**	**2,940.3**	***4.9***	**4,220.5**	**4,077.2**
AVLOS, Days	**4.08**	**3.87**	***5.4***	**3.99**	**3.93**	**1.5**	**3.98**	**3.93**
Number of employees (FTE)	**6,837**	**6,441**	***6.1***	**6,927**	**6,463**	**7.2**	**6,904**	**6,556**
Income statement								
Net sales outpatients	1,542	1,424	*8.3*	4,810	4,473	*7.5*	6,457	6,120
Net sales inpatients	626	549	*14.0*	1,983	1,767	*12.2*	2,615	2,399
Net sales other	45	34	*32.4*	139	131	*6.1*	184	176
Net sales	**2,213**	**2,007**	***10.3***	**6,932**	**6,371**	***8.8***	**9,256**	**8,695**
Total sales growth, %	*10.3*	*16.6*		*8.8*	*14.3*		*10.5*	*14.6*
Organic sales growth, %	*2.6*	*4.3*		*2.8*	*3.8*		*3.3*	*4.1*
EBITDA	**172**	**153**	***12.4***	**497**	**447**	***11.2***	**682**	**632**
Margin, %	*7.8*	*7.6*		*7.2*	*7.0*		*7.4*	*7.3*
EBITA	**127**	**107**	***18.7***	**354**	**313**	***13.1***	**500**	**459**
Margin, %	*5.7*	*5.3*		*5.1*	*4.9*		*5.4*	*5.3*
Cash flow								
Net capital expenditure	**-31**	**-37**		**-103**	**-105**		**-178**	**-180**
In % of net sales	*1.4*	*1.8*		*1.5*	*1.6*		*1.9*	*2.1*

Capio Nordic July – September 2018

Organic sales growth was mainly driven by volume growth in the emergency and orthopedic operations in Sweden. The emergency care operation was positively impacted by increased patient flows and a higher case mix. The number of patient visits and total sales growth was positively impacted by acquisitions. At comparable exchange rates total sales growth was 9.1% (16.8).

The solid result development continued and all Swedish business areas contributed to the development. In total, acquired businesses continued to contribute to the result in line with expectations. The investments in the digitalization of healthcare continued and the result impact related to the new digital services amounted to MSEK -12 in Capio Go and Capio Proximity Care compared to MSEK -2 in Q3 2017. From June 1, Capio Go is reimbursed for digital doctor consultations with SEK 570/visit on a net basis.

AVLOS was impacted by a significantly higher case mix in the emergency and geriatrics businesses. The number of FTEs increased mainly due to the acquisitions.

Net capital expenditure (net capex) mainly comprised maintenance capex.

Capio Nordic January – September 2018

Organic sales growth was mainly driven by volume growth within the emergency and orthopedics operations as well as primary care in Sweden. The emergency operation was positively impacted by an increased patient flow and a higher case mix. The number of patient visits and total sales growth was positively impacted by acquisitions. At comparable exchange rates total sales growth was 8.2% (13.9).

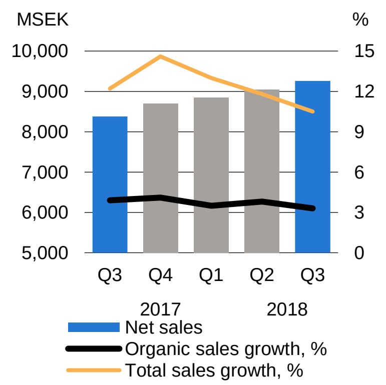
The solid result improvement continued, mainly by an improved performance in the Swedish primary care operation, the emergency operation in Stockholm and parts of the specialist care activities. In total, acquired businesses continued to contribute to the result in line with expectations. The investments in the digitalization of healthcare are continuing and during the first nine months the result impact of the new digital services was MSEK -30 in Capio Go and Capio Proximity Care compared to the same period 2017.

AVLOS was impacted by a significantly higher case mix in the emergency and geriatrics businesses. The number of FTEs increased mainly due to the acquisitions.

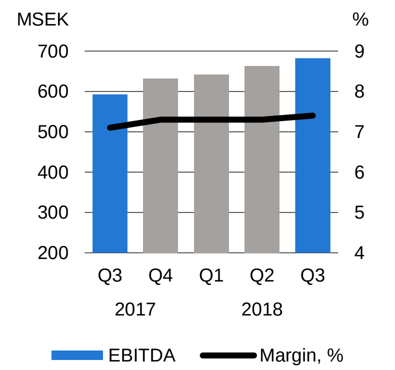
Net capital expenditure (net capex) mainly comprised maintenance capex and was in line with last year.

Quarterly development from the third quarter 2017 to the third quarter 2018

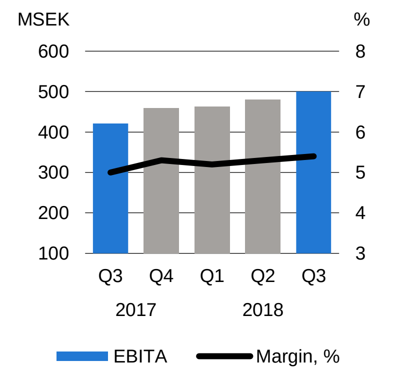
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Capio

Development in the segments (cont.)

Capio France

	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	**2017**	***Change, %***	**2018**	**2017**	***Change, %***	**RTM**	**2017**
KPI; Production, productivity and resources								
Number of outpatients	150.5	142.5	*5.6*	487.5	465.9	*4.6*	652.9	631.3
Number of inpatients	29.9	29.7	*0.7*	98.0	99.4	*-1.4*	132.5	133.9
Number of patients, kNumber	**180.4**	**172.2**	***4.8***	**585.5**	**565.3**	***3.6***	**785.4**	**765.2**
AVLOS, Days	**4.31**	**4.53**	***-4.9***	**4.30**	**4.46**	***-3.6***	**4.30**	**4.42**
Number of employees (FTE)	**5,451**	**5,495**	***-0.8***	**5,466**	**5,502**	***-0.7***	**5,462**	**5,490**
Income statement								
Net sales outpatients	406	348	*16.7*	1,360	1,220	*11.5*	1,811	1,671
Net sales inpatients	712	668	*6.6*	2,336	2,226	*4.9*	3,116	3,006
Net sales other	213	172	*23.8*	615	555	*10.8*	818	758
Net sales	**1,331**	**1,188**	***12.0***	**4,311**	**4,001**	***7.7***	**5,745**	**5,435**
Total sales growth, %	*12.0*	*-0.7*		*7.7*	*2.1*		*6.5*	*2.3*
Organic sales growth, %	*2.9*	*-0.8*		*1.1*	*-0.4*		*1.5*	*0.4*
EBITDA	**47**	**29**	***62.1***	**349**	**323**	***8.0***	**497**	**471**
Margin, %	*3.5*	*2.4*		*8.1*	*8.1*		*8.7*	*8.7*
EBITA	**-20**	**-31**	***35.5***	**156**	**144**	***8.3***	**238**	**226**
Margin, %	*-1.5*	*-2.6*		*3.6*	*3.6*		*4.1*	*4.2*
Cash flow								
Net capital expenditure	**-74**	**-58**		**-185**	**-121**		**-305**	**-241**
In % of net sales	*5.6*	*4.9*		*4.3*	*3.0*		*5.3*	*4.4*

Capio France July – September 2018

Organic sales growth improved in the quarter, positively impacted by two more working days compared with the same period last year. In general, the French market was characterized by low volume growth. The price pressure eased compared to last year. At comparable exchange rates total sales growth was 2.5% (-0.8).

The result development in Q3 was positively impacted by the staff and cost reduction program initiated in H2 2017 and by effects from the group procurement project now visible in the result.

Net capital expenditure (net capex) mainly comprised maintenance capex and was above last year mainly due to timing of expansion projects. The two hospital projects are progressing and La Croix du Sud in Toulouse will open at the end of October while Médipôle Lyon-Villeurbanne in Lyon will open at the end of December. In the quarter, two existing hospital properties were impaired with a total of MSEK -45, recognized as non-recurring items (refer note 3 for further information).

Capio France January – September 2018

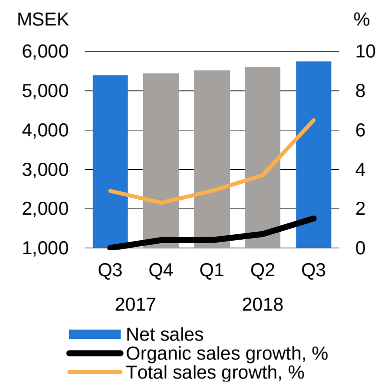
Despite two fewer working days compared to last year, the organic sales growth was slightly positive, driven by a total patient growth in all seven regions. At comparable exchange rates total sales growth was 0.9% (-0.1).

The result development was positively impacted by the staff and cost reduction program initiated in H2 2017 and by effects from the group procurement project now visible in the result. The result development was positively impacted by changes in exchange rates while the fewer number of working days impacted negatively.

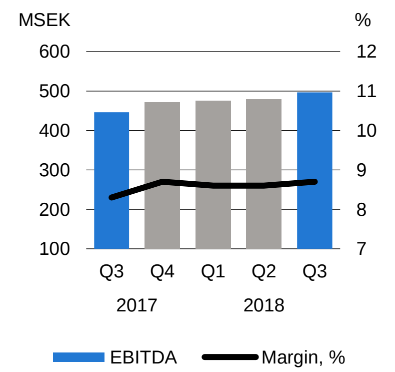
Net capital expenditure (net capex) mainly comprised maintenance capex and was above last year due to timing of expansion projects. The two hospital projects are progressing and La Croix du Sud in Toulouse will open at the end of October while Médipôle Lyon-Villeurbanne in Lyon will open at the end of December.

Quarterly development from the third quarter 2017 to the third quarter 2018

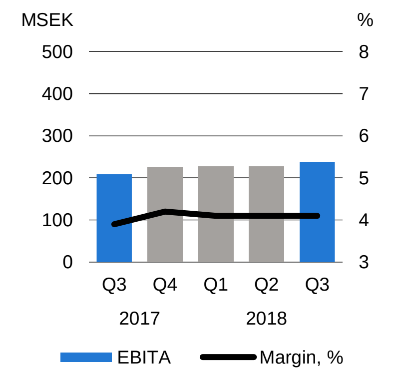
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Development in the segments (cont.)

Capio Germany

	JUL - SEP			JAN - SEP			FULL YEAR	
	2018	**2017**	***Change, %***	**2018**	**2017**	***Change, %***	**RTM**	**2017**
KPI; Production, productivity and resources								
Number of outpatients	54.3	55.4	*-2.0*	167.2	160.2	*4.4*	220.6	213.6
Number of inpatients	6.5	7.1	*-8.5*	22.6	25.1	*-10.0*	31.1	33.6
Number of patients, kNumber	**60.8**	**62.5**	***-2.7***	**189.8**	**185.3**	***2.4***	**251.7**	**247.2**
AVLOS, Days	**4.70**	**4.83**	***-2.7***	**4.56**	**4.61**	***-1.1***	**4.52**	**4.56**
Number of employees (FTE)	**1,221**	**1,183**	***3.2***	**1,220**	**1,207**	***1.1***	**1,234**	**1,224**
Income statement								
Net sales outpatients	54	47	*14.9*	168	134	*25.4*	223	189
Net sales inpatients	211	205	*2.9*	717	720	*-0.4*	979	982
Net sales other	7	8	*-12.5*	23	24	*-4.2*	25	26
Net sales	**272**	**260**	***4.6***	**908**	**878**	***3.4***	**1,227**	**1,197**
Total sales growth, %	*4.6*	*3.6*		*3.4*	*3.3*		*2.3*	*2.1*
Organic sales growth, %	*-4.8*	*2.4*		*-4.7*	*0.8*		*-4.1*	*0.0*
EBITDA	**-10**	**6**	***-266.7***	**8**	**63**	***-87.3***	**43**	**98**
Margin, %	*-3.7*	*2.3*		*0.9*	*7.2*		*3.5*	*8.2*
EBITA	**-19**	**-2**	***-850.0***	**-18**	**41**	***-143.9***	**9**	**68**
Margin, %	*-7.0*	*-0.8*		*-2.0*	*4.7*		*0.7*	*5.7*
Cash flow								
Net capital expenditure	**-13**	**-11**		**-35**	**-29**		**-49**	**-43**
In % of net sales	*4.8*	*4.2*		*3.9*	*3.3*		*4.0*	*3.6*

Capio Germany July – September 2018

Organic sales growth was negatively impacted by significantly lower inpatient volumes and lower prices on parts of the specialist care activity (MSEK -3). Inpatient volumes were negatively impacted by the restructuring of doctor teams in the general hospitals, decreasing the number of referrals and reducing productivity. Action plans are implemented and new medical teams are now in place in most hospitals to improve the focus on Modern Medicine and AVLOS reduction. The specialist activity is adjusting to the price reduction and the shift from in to outpatient treatment. At comparable exchange rates total sales growth was -4.3% (4.0).

Result and margin were negatively impacted by lower volumes and prices as well as by increased costs for temporary staff and lower productivity following the doctor turnover. AVLOS was positively impacted by lower case mix.

New legislation on staff density in certain specialties will be introduced in 2019. Financial impacts from this change in regulation is currently being analyzed.

Net capex was related to maintenance.

Capio Germany January – September 2018

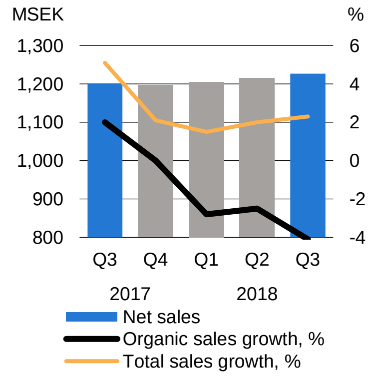
Organic sales growth was negatively impacted by significantly lower inpatient volumes following a lack of doctors in some general hospitals, and a lower price on parts of the specialist care activity (MSEK -12). Also, the flu outbreak hit very hard in Q1 2018 (estimated impact of MSEK -20). At comparable exchange rates total sales growth was -3.2% (1.1).

Result and margin were negatively impacted by the lower inpatient volumes and prices as well as by increased costs for temporary staff and recruitment following the doctor turnover. The result impact from the flu is estimated to approximately MSEK -15. During Q2, an extensive restructuring program to drive Modern Medicine was initiated in the general hospitals. Two of the hospital managers have been changed as well as a number of doctors in order to get full commitment to Modern Medicine. Restructuring measures during Q2 impacted by MSEK -15 below the EBITA result.

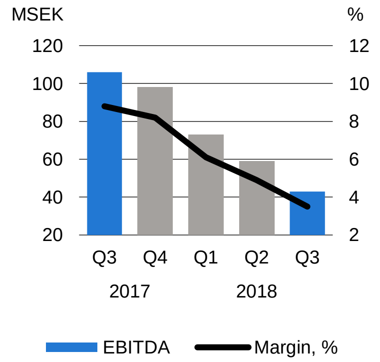
Net capex was mainly related to maintenance and the finalization of a refurbishment project in a general hospital.

Quarterly development from the third quarter 2017 to the third quarter 2018

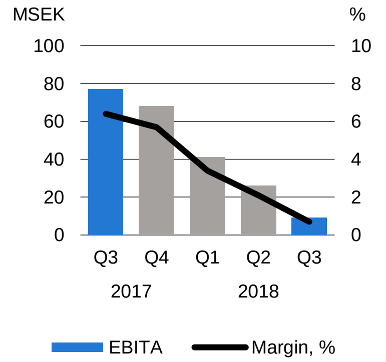
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Cash flow

Capio Group	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR RTM	FULL YEAR 2017
Net debt opening	**-3,910**	**-3,563**	**-3,691**	**-2,872**	**-3,704**	**-2,872**
EBITA	**66**	**53**	**415**	**427**	**647**	**659**
Capital expenditure	-118	-109	-338	-272	-591	-525
Divestments of fixed assets	0	1	12	12	48	48
Net capital expenditure	**-118**	**-108**	**-326**	**-260**	**-543**	**-477**
In % of net sales	***3.1***	***3.1***	***2.7***	***2.3***	***3.3***	***3.1***
Add-back depreciation	123	115	367	339	483	455
Net investments	**5**	**7**	**41**	**79**	**-60**	**-22**
Change in net customer receivables	86	56	-70	-84	-107	-121
Other changes in operating capital employed	-319	-189	-263	-223	-112	-72
Operating cash flow	**-162**	**-73**	**123**	**199**	**368**	**444**
Cash conversion, %	***-245.5***	***-137.7***	***29.6***	***46.6***	***56.9***	***67.4***
Income taxes paid	-21	-33	-43	-70	-65	-92
Free cash flow before financial items	**-183**	**-106**	**80**	**129**	**303**	**352**
Cash conversion, %	***-277.3***	***-200.0***	***19.3***	***30.2***	***46.8***	***53.4***
Net financial items paid	-31	-27	-82	-73	-103	-94
Free cash flow after financial items	**-214**	**-133**	**-2**	**56**	**200**	**258**
Cash conversion, %	***-324.2***	***-250.9***	***-0.5***	***13.1***	***30.9***	***39.2***
Acquisitions and divestments of operations	-367	-5	-460	-685	-560	-785
Received/paid restructuring and other non-recurring items	-40	-3	-77	-11	-84	-18
Shareholder transactions	-2	-2	-138	-130	-137	-129
Net cash flow	**-623**	**-143**	**-677**	**-770**	**-581**	**-674**
Cash conversion, %	***-943.9***	***-269.8***	***-163.1***	***-180.3***	***-89.8***	***-102.3***
Other items	4	2	-161	-62	-244	-145
Net debt closing	**-4,529**	**-3,704**	**-4,529**	**-3,704**	**-4,529**	**-3,691**

Cash flow July – September 2018

Net investments were in line with last year. Changes in working capital were impacted by seasonal and timing effects.

The decrease of income tax paid was mainly related to lower tax installments in France. Net financial items paid increased due to a higher net debt.

The outflow from acquisitions was mainly related to the acquisition of Legevisitten (Nordic). Received/paid restructuring and other non-recurring items were mainly related to the ongoing projects in France and Germany combined with payments related to the public cash offer by Ramsay GdS and the previously planned divestment of Capio France.

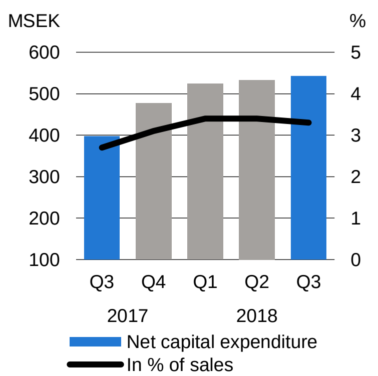
Cash flow January – September 2018

Capex increased to last year following timing effects of maintenance capex, acquisitions, some expansion projects in France and Germany supporting business growth and changes in exchange rates. Depreciation increased to last year, impacted by higher capex, recent acquisitions and changes in exchange rates. Changes in other operating capital employed were impacted by seasonal and timing effects while the lower income tax paid mainly was due to lower tax installments in France. The increase in net financial items paid was related to a higher net debt.

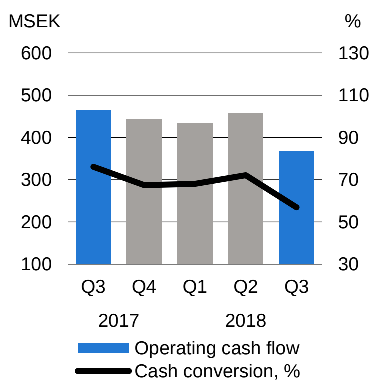
The outflow from acquisitions was mainly related to the Nordic segment (Legevisitten and Novakliniken) and outpatient authorizations in Germany. Received/paid restructuring and other non-recurring items were mainly related to the ongoing projects in France and Germany and payments related to the public cash offer by Ramsay GdS and the previously planned divestment of Capio France. Shareholder transactions mainly comprised the dividend paid. Other items affecting net debt were mainly related to changes in exchange rates.

Quarterly development from the third quarter 2017 to the third quarter 2018

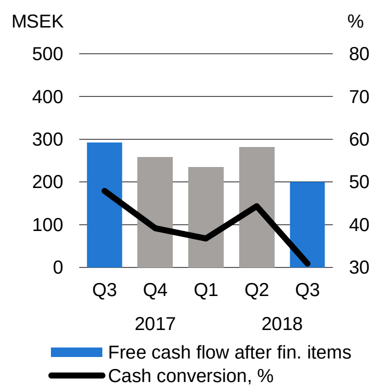
Net capex and in % of net sales (RTM)



Operating CF and cash conversion (RTM)



Free CF after fin. items and cash conv. (RTM)



Capital employed and financing

Capio Group	2018 30 Sep	2017 31 Dec	2017 30 Sep
Operating fixed assets (excl. real estate)	1,705	1,640	1,456
Net customer receivables	1,656	1,474	1,435
Other operating assets and liabilities	-2,060	-2,106	-1,889
Operating capital employed 1	**1,301**	**1,008**	**1,002**
In % of net sales	*8.0*	*6.6*	*6.7*
Operating real estate	760	771	765
Operating capital employed 2	**2,061**	**1,779**	**1,767**
In % of net sales	*12.7*	*11.6*	*11.8*
Other capital employed	8,313	7,668	7,470
Capital employed	**10,374**	**9,447**	**9,237**
Return on capital employed, %	*6.2*	*7.0*	*6.6*
Net debt	4,529	3,691	3,704
Financial leverage	*4.0*	*3.3*	*3.5*
Equity	5,845	5,756	5,533
Total financing	**10,374**	**9,447**	**9,237**

Capital employed as of September 30, 2018

The increase in operating fixed assets compared with December 31, 2017 was mainly related to changes in exchange rates. The increase in net customer receivables was mainly due to higher activity in September 2018 compared with December 2017, a slightly higher DSO as well as the acquisitions of Legevisitten and Novakliniken. The change in other operating assets and liabilities was mainly due to seasonal and timing effects combined with changes in exchange rates. The decrease of operating real estate was mainly due to the impairment of two French hospital properties which was almost off-set by changes in exchange rates and a refurbishment project in one of the German hospitals.

Compared with December 31, 2017, other capital employed was mainly impacted by changes of acquisition related surplus values and exchange rates. The return on capital employed was 6.2% (7.0 as of December 31, 2017) and was negatively impacted by effects from acquisitions (not included twelve months in the RTM EBITA).

Financing as of September 30, 2018

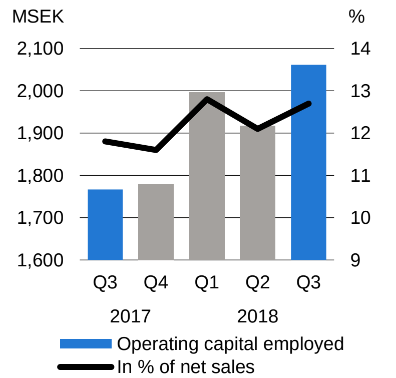
The net debt increase compared with December 31, 2017, was mainly due to changes in exchange rates (impact of MSEK -118) and the net effect from acquisitions and divestments (MSEK -460). The visible financial leverage increased from 3.3x at year-end 2017 to 4.0x at September 30, 2018, mainly impacted by acquisitions and the weak Swedish krona. If adjusted for the full year effect of acquisitions the financial leverage was 3.8x (3.2).

During Q1 2018 an amendment and extension of the Group's MEUR 235 revolving credit facility (RCF) was completed, see page 13 for more information.

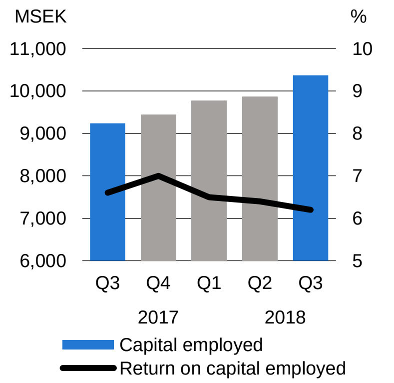
The financing facility of the Group contains two financial covenants; one covenant with a maximum financial leverage and one covenant with a minimum interest cover. As of September 30, 2018 Capio was in compliance with both covenants.

Quarterly development from the third quarter 2017 to the third quarter 2018

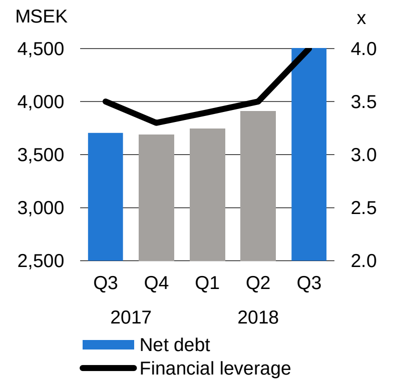
Operating capital employed and in % of net sales



Capital employed and ROCE



Net debt and financial leverage



Significant events during the period

Acquisitions, January – September 2018

Acquisition of Swedish healthcare group Legevisitten
As announced on July 11, 2018, Capio has acquired 100% of Legevisitten with specialist and primary care activities in Sweden. The acquisition increases Capio's capacity within geriatrics and related services for the elderly patients in the Stockholm area and strengthens Capio's position facing the geriatric free healthcare choice introduction in Stockholm in 2019. The acquisition added about 82,000 listed patients to Capio's base of recurring primary care patients, which further supports Capio's digi-physical offering with digital consultations and a broad network of physical primary care units.

In 2017, Legevisitten's net sales were MSEK 613, of which 90% was related to free healthcare choice and 10% to tendered contracts. Enterprise value is MSEK 365. The acquisition was closed on September 3 and the operations are consolidated in Capio from September 1, 2018. Synergy effects, mainly on the administrative side by utilizing more shared services and procurement, are expected to be realized from 2019 with full impact in 2020. The acquisition of Legevisitten is expected to be accretive on an earnings per share basis from 2019.

Selected financials for significant acquisitions closed as of September 30, 2018[1]	Legevisitten
Share of voting rights and equity, %	
Date of consolidation	September 1
Capio segment	Nordic
Country of operation	Sweden
Enterprise value	365
Yearly net sales (2017)	613
Contribution to net sales since consolidation	57
Contribution to operating result (EBIT) since consolidation	2
Goodwill	252
Acquisition related intangible assets	115

[1] Refer to note 5 for further information about acquisitions during the period.

Other significant events, January – September 2018

Rejection of the initial public cash offer from Ramsay Générale de Santé
On July 13, 2018 Ramsay GdS announced a public offer to the shareholders in Capio to sell all of their shares to Ramsay GdS at a price of SEK 48.50 per share. As announced in a press release on the same day, Capio's Board of Directors unanimously rejected the offer. Refer to Significant events after the period for more information about the increased public offer by Ramsay GdS, which is being recommended by the Capio Board of Directors.

Possible repositioning of Capio towards the Nordic markets
On June 25, 2018, Capio announced that there were ongoing discussions relating to possible divestments of its non-Nordic operations. On August 21, 2018, Capio announced the proposed sale of Capio France to Vivalto Santé, refer to the press releases of August 21 and September 25, 2018 for more information. The completion of the transaction was subject to certain conditions, including the approval of Capio's shareholders at an EGM, as required under Swedish takeover regulation. Refer to Significant events after the period for more information about the previously planned divestment of Capio France and the EGM (notice published on September 25), which has now been withdrawn/cancelled as the Capio Board recommends shareholders to accept the increased public offer by Ramsay GdS.

Attila Vegh was appointed new CEO
On June 21, 2018 Capio announced that the Board of Directors appointed Attila Vegh as new President and CEO of Capio. Attila joined Capio on September 1, 2018 and took over the CEO responsibility from Thomas Berglund as of October 1, 2018.

Loss of two outsourcing contracts in Stockholm
As announced on April 11, 2018, the Stockholm County Council (SCC) has resolved to award the contract to run acute geriatric activities at Dalen's hospital in Stockholm and the contract to run specialized addiction treatment in SCC (today Capio Maria) respectively to other healthcare providers when the current contract periods end. The current acute geriatric contract expires on October 31, 2018 while the contract for specialized addiction treatment ends on December 31, 2018. Capio appealed against the decision to award the specialized addiction treatment in SCC to another healthcare provider but the appeal was rejected and the contract with the new healthcare provider has now been signed.

The loss of the contracts is expected to impact the Group's financial development in 2019 negatively with combined annual net sales of around MSEK 470 and EBITA of around MSEK 40. The loss of the contracts will not significantly impact the Group in 2018.

Over time, the share of contracts in % of total net sales has decreased and the trend is towards more free healthcare choice where the patient is free to choose healthcare provider based on quality and availability.

Significant events during the period (cont.)

Capio Sweden's current contract portfolio has the following maturity structure (net sales, MSEK)[1]:

2018	2019	2020	2021-2025	2026	2027
600[2]	200	300	250	2,050[3]	50

[1] Rounded to even fifties and incl. extension options.

[2] Incl. Capio Geriatrics Dalen and Capio Maria with combined net sales of MSEK 470.

[3] Mainly Capio S:t Göran with final maturity in 2026 (incl. extension option).

Over the next five years, the market potential for new contracts in Sweden is estimated to around MSEK 1,250, of which submitted bids and ongoing tenders are around MSEK 350 and the potential for new contracts during 2019-2022 is MSEK 900 (source: Capio market studies).

In addition, the SCC has resolved to introduce free health-care choice according to the act (2008:962) on System of choice (Sw: Lag om *valfrihetssystem*, LOV) for geriatric out and inpatient care – Care Choice Geriatrics for healthcare providers with own facilities – from May 1, 2019. This will complement Capio's remaining advanced homecare and palliative care operations at Dalen's hospital, which are not part of the lost contract, and the acute geriatric, advanced homecare, and palliative care activities at Nacka hospital.

Based on our experience in providing healthcare for elderly patients and to increase our preparedness for the free healthcare choice introduction, Capio will further specialize its offering within these specialties, including new concepts and strengthening of care chains to attract patients. For example, Capio is currently developing a facility project, establishing a brand new specialized hospital North West of Stockholm with a combined offering for elderly patients.

In 2017, SCC's cost for geriatric care was around MSEK 2,000 (source: Hälso- och sjukvårdsförvaltningen i SLLs Årsredovisning 2017).

Other events during the period

Capio awarded contract to run specialist care in Motala

In January 2018, it was announced that Capio had been awarded a new contract to run the orthopedic, general surgery and anesthesia operations at the hospital in Motala, Sweden. The resolution was appealed by a competitor and in April the court ruled in favor of the competitor. Capio and Region Östergötland appealed to reverse the decision and in June the administrative court of appeal in Jönköping granted leave to appeal. In October the administrative court of appeal ruled in favor of Capio and Region Östergötland and Capio has now signed the contract with Region Östergötland. The new contract is a four + two + two year contract, valid from April 1, 2019, with annual net sales of about MSEK 200. The contract is not expected to significantly impact the Group's earnings in 2019.

Capio awarded contract to run psychiatric care in Stockholm

In June 2018, it was announced that Capio had been awarded a new contract to run psychiatric out and inpatient specialist care in Stockholm, Sweden. The new contract is a four year contract, valid from January 1, 2019, with annual net sales of about MSEK 40. The contract is not expected to significantly impact the Group's earnings in 2018.

Tariffs for healthcare reimbursement in France 2018

On February 26, 2018 the French government announced that tariffs to reimburse healthcare were being decreased by 1.2% from March 1, 2018, compared to 2017 tariff levels. The price reduction was slightly better than Capio's expectations for the French market for 2018 and significantly lower than the price reductions in 2015-2017 of 2.1-2.5% per year. The new prices are valid until February 28, 2019.

In March, the French government announced that they would retrospectively reimburse an additional part of the volume component of the 2017 price reduction due to updated statistics about healthcare expenditures in France in 2017. This was paid as a one-off payment during April – June 2018. The positive result impact for Capio of around MEUR 1 was recognized in the January – March 2018 result. In addition, the French president Macron stated in a TV interview in April that there will be no more savings on hospitals in the coming four years (source: rmc.bfmtv.com).

Acquisition of Swedish primary care group Novakliniken

As announced on February 26, 2018, Capio has acquired 100% of Novakliniken with operations in the southeastern parts of Skåne, Sweden. Enterprise value was MSEK 88 and the acquisition was closed on April 3, 2018. Novakliniken operates eight primary care centers and two branches, and provides some occupational health and dental services. 2017 net sales were MSEK 245. The acquisition of Novakliniken complements and strengthens Capio's presence and healthcare offering in Skåne. The acquisition is not expected to significantly impact the Group's earnings in 2018.

Amendment and extension of Revolving Credit Facility

As announced on January 17, 2018, Capio has completed an amendment and extension of its MEUR 235 revolving credit facility (RCF), which is part of the total Group financing facility of MEUR 500. The agreement includes a 2.5 year extension as well as an increase of the RCF of MEUR 108. All other terms have remained unchanged. The agreement will not significantly impact the Group's financial items in 2018.

Significant events after the period

Capio's Board of Directors unanimously recommends the public cash offer by Ramsay GdS and cancelled the announced EGM

Following the cash offer from Ramsay Générale de Santé on July 13, 2018, of SEK 48.50 per share (the "Initial Offer"), Ramsay GdS announced an increased cash offer of SEK 58 per share (the "Increased Offer") to the shareholders in Capio on October 8, 2018. The Increased Offer represents a premium of approximately 39% to the closing price of SEK 41.80 per share on Nasdaq Stockholm on July 12, 2018 (the last trading day prior to the announcement of the Initial Offer), a premium of approximately 14% to the closing price of SEK 50.80 per share on Nasdaq Stockholm on October 5, 2018, and an increase of approximately 20% from the Initial Offer by Ramsay GdS of SEK 48.50 per share on July 13, 2018. On October 10, 2018, Ramsay GdS decided to lower the acceptance level condition to 75% (on a fully diluted basis). As announced on October 10, 2018 the Board of Capio unanimously recommends the shareholders in Capio to accept the Increased Offer. As a result, the Board also decided to withdraw its proposal regarding the sale of Capio France and consequently cancelled the extraordinary general meeting to resolve on such a sale. For more information about the public cash offer, refer to www.ramsaygds.se/en and Capio's press release of October 10, 2018 available on www.capio.com.

On October 26, 2018, Ramsay GdS announced that as of October 25, 2018 (when the acceptance period initially expired) the offer had been accepted by shareholders holding a total of 135,532,943 shares, corresponding to approximately 96% of the total number of shares and votes in Capio. Ramsay GdS concluded in the press release that all conditions for the completion of the offer had now been satisfied and that Ramsay GdS is completing the offer. At the same time, Ramsay GdS announced that the acceptance period had been extended to November 7, 2018 in order to give remaining shareholders an additional possibility to accept the offer.

Other events after the period

VAT treatment of hiring of healthcare staff

On October 25, 2018 the Swedish Tax Authority published an opinion about the VAT treatment of hiring of healthcare staff. The opinion lays down that private healthcare providers are to pay VAT when hiring staff from employment service companies (both traditional staffing companies and self-employed medical staff) and is based on a ruling by the Swedish Supreme Administrative Court in June this year. The conclusion of the Supreme Administrative Court made clear that it is the hiring as such that is to be assessed and not the service provided by the temporary staff (healthcare services are exempt from VAT). The Swedish Tax Authority will apply its new position in this matter from July 1, 2019. Capio estimates the gross VAT exposure of its Swedish operations due to the change in interpretation to about MSEK 173. Mitigating actions have been prepared and initiated and will now be reinforced, why the net VAT exposure is not expected to have a significant negative impact on the Group's earnings going forward.

Risks and uncertainties

Political, operational and financial risks
The Group is exposed, through its international operations, to a variety of risks that may give rise to fluctuation in profit/loss, other comprehensive income and cash flow. Key areas of risk encompass political, operational and financial risks. Various policies govern the management of key risks. Refer to the Capio Annual Report 2017 for a further description of risks and risk management.

Seasonal variations
The Group's net sales and operating result fluctuate across the year, mainly due to lower elective (planned) activity during the summer period and lower activity during the holiday season at the end of the year. Operations are also impacted by e.g. Easter holiday and bank holidays, whichever could occur in different months/quarters in different years. The Group's cash flow is normally stronger in the second half of the year, impacted by some seasonal effects including improvements in working capital. The above factors should be taken into consideration when making assessments on the basis of interim financial information.

Condensed financial reports

Condensed statement of comprehensive income – Capio Group

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	**2017**	**2018**	**2017**	**RTM**	**2017**
Net sales	3,816	3,455	12,151	11,250	16,228	15,327
Direct costs	-3,262	-2,960	-10,215	-9,423	-13,555	-12,763
Gross result	**554**	**495**	**1,936**	**1,827**	**2,673**	**2,564**
Administrative expenses	-488	-442	-1,521	-1,400	-2,026	-1,905
EBITA	**66**	**53**	**415**	**427**	**647**	**659**
Amortization on surplus values	-28	-27	-82	-79	-110	-107
Restructuring and other non-recurring items and acquisition related costs	-77	-8	-73	-13	-72	-12
Operating result (EBIT)	**-39**	**18**	**260**	**335**	**465**	**540**
Net interest	-22	-19	-67	-57	-88	-78
Other financial items	-8	-7	-26	-17	-33	-24
Profit after financial items	**-69**	**-8**	**167**	**261**	**344**	**438**
Income tax	14	1	-22	-45	-43	-66
Profit for the period	**-55**	**-7**	**145**	**216**	**301**	**372**
EBITDA	**189**	**168**	**782**	**766**	**1,130**	**1,114**
Other comprehensive income that will be reclassified into profit/loss:						
Hedge effect in foreign investment	-5	3	28	-10	22	-16
Translation differences	-45	-43	141	5	252	116
Other comprehensive income that will be reclassified into profit/loss, net of income tax	**-50**	**-40**	**169**	**-5**	**274**	**100**
Other comprehensive income that will not be reclassified into profit/loss:						
Revaluation of defined benefit plans	-13	-7	-108	-19	-155	-66
Income taxes related to other comprehensive income	3	1	22	3	32	13
Other comprehensive income that will not be reclassified into profit/loss, net of income tax	**-10**	**-6**	**-86**	**-16**	**-123**	**-53**
Total comprehensive income for the period, net of income tax	**-115**	**-53**	**228**	**195**	**452**	**419**
Profit attributable to:						
Parent Company shareholders	-54	-7	145	215	300	370
Non-controlling interest	-1	0	0	1	1	2
	-55	**-7**	**145**	**216**	**301**	**372**
Total comprehensive income attributable to:						
Parent Company shareholders	-114	-52	229	196	451	418
Non-controlling interest	-1	-1	-1	-1	1	1
	-115	**-53**	**228**	**195**	**452**	**419**
Earnings per share[1]:						
Earnings per share before dilution, SEK	-0.38	-0.05	1.03	1.52	2.13	2.62
Earnings per share after dilution, SEK	-0.36	-0.03	1.05	1.53	2.14	2.62

[1] Refer to note 2 for calculation of earnings per share (before and after dilution).

Condensed financial reports (cont.)

Condensed balance sheet – Capio Group

	2018	2017	
	30 Sep	31 Dec	30 Sep
Intangible assets	8,897	8,210	7,966
Tangible fixed assets	2,473	2,465	2,309
Financial fixed assets	745	712	707
Total fixed assets	**12,115**	**11,387**	**10,982**
Inventories	294	267	258
Accounts receivables - trade	890	889	805
Short-term investments and interest-bearing receivables	4	2	2
Cash and cash equivalents	218	283	173
Other current assets	1,509	1,219	1,268
Total current assets	**2,915**	**2,660**	**2,506**
Total assets	**15,030**	**14,047**	**13,488**
Equity attributable to Parent Company shareholders	5,823	5,731	5,509
Equity attributable to non-controlling interest	22	25	24
Total equity	**5,845**	**5,756**	**5,533**
Provisions for employee benefits	444	376	352
Deferred income tax liabilities	615	608	654
Long-term liabilities, interest-bearing	3,263	3,203	3,143
Long-term liabilities and provisions, non-interest-bearing	322	367	329
Total long-term liabilities and provisions	**4,644**	**4,554**	**4,478**
Current liabilities, interest-bearing	1,547	832	793
Accounts payable – trade	720	852	653
Current income tax liabilities	24	2	13
Accrued expenses and prepaid income	1,791	1,586	1,550
Other current liabilities	459	465	468
Total current liabilities	**4,541**	**3,737**	**3,477**
Total liabilities, provisions and shareholders' equity	**15,030**	**14,047**	**13,488**

Condensed financial reports (cont.)

Condensed statement of cash flow – Capio Group

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	**2017**	**2018**	**2017**	**RTM**	**2017**
Operating result (EBIT)	-39	18	260	335	465	540
Reversal of depreciations/amortizations and impairments	196	144	498	424	641	567
Items not affecting cash flow[1]	0	0	0	-17	2	-15
Interest received and paid	-31	-27	-92	-73	-113	-94
Taxes paid	-21	-33	-43	-70	-65	-92
Cash flow from operating activities before changes in working capital	**105**	**102**	**623**	**599**	**930**	**906**
Change in net working capital	-227	-131	-350	-315	-185	-150
Cash flow from operating activities	**-122**	**-29**	**273**	**284**	**745**	**756**
Acquisition of operations	-361	-3	-437	-658	-482	-703
Divestment of operations	1	3	1	32	2	33
Payment to non-controlling interest	-2	-1	-4	-7	-5	-8
Acquisition/divestment of financial fixed assets	-	-	-	-13	-49	-62
Investments in tangible and intangible fixed assets	-118	-109	-338	-272	-591	-525
Divestments of tangible fixed assets	-	1	12	44	16	48
Cash flow from investment activities	**-480**	**-109**	**-766**	**-874**	**-1,109**	**-1,217**
Increase/decrease in external loans	414	2	721	702	756	737
Amortizations	-54	-37	-151	-135	-209	-193
Dividend	-	-	-134	-127	-134	-127
Cash flow from financing activities	**360**	**-35**	**436**	**440**	**413**	**417**
Cash flow from operations	**-242**	**-173**	**-57**	**-150**	**49**	**-44**
Currency differences in cash and cash equivalents	-7	-1	-8	2	-4	6
Change in cash and cash equivalents	**-249**	**-174**	**-65**	**-148**	**45**	**-38**
Opening balance, cash and cash equivalents	**467**	**347**	**283**	**321**	**173**	**321**
Closing balance, cash and cash equivalents	**218**	**173**	**218**	**173**	**218**	**283**

[1] Related to capital gains.

Condensed financial reports (cont.)

Changes in shareholders' equity – Capio Group

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2017	**72**	**710**	**-147**	**379**	**4,429**	**29**	**5,472**
Reclassification[1]		8	147		-155		
Profit for the year					215	1	216
Other comprehensive income				-3	-16	-2	-21
Total comprehensive income	**-**	**-**	**-**	**-3**	**199**	**-1**	**195**
Dividend					-127		**-127**
Dividend to non-controlling interest					-2		**-2**
Change in non-controlling interest					-1	-4	**-5**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-130**	**-4**	**-134**
Closing balance at September 30, 2017	**72**	**718**	**-**	**376**	**4,343**	**24**	**5,533**

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2017	**72**	**710**	**-147**	**379**	**4,429**	**29**	**5,472**
Reclassification[1]		8	147		-155		
Profit for the year					370	2	372
Other comprehensive income				101	-53	-1	47
Total comprehensive income	**-**	**-**	**-**	**101**	**317**	**1**	**419**
Dividend					-127		-127
Dividend to non-controlling interest					-2	-1	-3
Change in non-controlling interest					-1	-4	-5
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-130**	**-5**	**-135**
Closing balance at December 31, 2017	**72**	**718**	**-**	**480**	**4,461**	**25**	**5,756**

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2018	**72**	**718**	**-**	**480**	**4,461**	**25**	**5,756**
Profit for the year					145	0	145
Other comprehensive income				170	-86	-1	83
Total comprehensive income	**-**	**-**	**-**	**170**	**59**	**-1**	**228**
Dividend					-134		-134
Dividend to non-controlling interest					-3	-2	-5
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-137**	**-2**	**-139**
Closing balance at September 30, 2018	**72**	**718**	**-**	**650**	**4,383**	**22**	**5,845**

[1] Reclassification is mainly related to historical actuarial gains and losses from defined benefit plans.

Parent Company

Condensed statement of comprehensive income – Parent Company

	JUL - SEP		JAN - SEP		FULL YEAR
	2018	2017	2018	2017	2017
Net sales	5	4	21	19	26
Gross result	**5**	**4**	**21**	**19**	**26**
Administrative expenses	-11	-9	-34	-31	-43
Operating profit/loss	**-6**	**-5**	**-13**	**-12**	**-17**
Financial items	-3	-3	-8	-8	138
Profit/loss after financial items	**-9**	**-8**	**-21**	**-20**	**121**
Income tax	0	-	0	-	0
Profit/loss for the period	**-9**	**-8**	**-21**	**-20**	**121**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period, net of income tax	**-9**	**-8**	**-21**	**-20**	**121**

Condensed balance sheet – Parent Company

	2018	2017	
	30 Sep	31 Dec	30 Sep
Fixed assets	4,071	4,074	4,025
Current assets	709	854	760
Total assets	**4,780**	**4,928**	**4,785**
Equity	4,607	4,762	4,621
Liabilities	173	166	164
Total equity and liabilities	**4,780**	**4,928**	**4,785**

The Group's Parent Company, Capio AB (publ), is not involved in any operating activities. It only provides group management functions.

July – September 2018
The Parent Company's net sales and gross result in the quarter derive from management fees charged to subsidiaries. The administrative expenses in the quarter were mainly related to personnel costs.

Financial items in the quarter were related to interest costs for the convertible debenture loans issued during the third quarter in 2016. The financial items for the full year 2017 included a group contribution received (MSEK 148) and interest costs for the convertible debenture loans.

January – September 2018
The Parent Company's net sales and gross result during the first nine months derive from management fees charged to subsidiaries. The administrative expenses were mainly related to personnel costs.

Financial items were related to interest costs for the convertible debenture loans issued during the third quarter in 2016. The financial items for the full year 2017 included a group contribution received (MSEK 148) and interest costs for the convertible debenture loans.

As of September 30, 2018
The Parent Company's fixed assets as of September 30, 2018 amounted to MSEK 4,071 (4,074 as of December 31, 2017) and mainly comprised shares in subsidiaries. Current assets as of September 30, 2018 amounted to MSEK 709 (854 as of December 31, 2017) and mainly comprised of cash and cash equivalents. The change in current assets compared to December 31, 2017 was mainly explained by the reduction of cash and cash equivalents due to the payment of dividend to shareholders during the second quarter 2018 (MSEK -134).

Shareholders' equity as of September 30, 2018 amounted to MSEK 4,607 (4,762 as of December 31, 2017). The decrease compared to December 31, 2017 was mainly explained by the paid dividend. The Parent Company's liabilities amounted to MSEK 173 as of September 30, 2018 (166 as of December 31, 2017) and were mainly related to the convertible debenture loans and personnel related accruals.

Notes

1. Accounting principles

All amounts in the interim report are stated in millions of Swedish kronor (MSEK) if not else stated.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. Capio's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34.16A appear in addition to the interim financial statements also in other parts of the interim report. The applied accounting principles are available in Capio's Annual Report 2017 which is also available on the Group's website www.capio.com. The Parent Company's financial statements are prepared in accordance with chapter nine of the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

Effects of amended and revised IFRS 2018

Newly issued and changed IFRS effective for annual periods beginning on or after January 1, 2018 that affect the Group's consolidated financial statements and/or disclosure requirements are described below.

IFRS 9 Financial Instruments

IFRS 9 encompasses the accounting standard for financial assets and liabilities, and replaces IAS 39 Financial Instruments: Recognition and Measurement. The implementation of IFRS 9 has, in summary, caused the following changes to the classification and measurement of financial instruments:

Holdings of equity instruments have historically been reported at cost, but are in accordance with IFRS 9, valued at their fair value through profit and loss or other comprehensive income. The revaluation of holdings to fair value had no effect since the cost of the asset does not deviate significantly from its fair value.

In accordance with IFRS 9, a credit risk reserve should be calculated and booked based on expected credit losses. The implementation of a model that takes into account the expected credit loss has not resulted in any change in the value of the reserve. This is an effect of the fact that Capio historically has included a variable of expected credit losses in the reserve. Based on the above the Group has concluded that the total effect from IFRS 9 in the opening balance as of January 1, 2018 is MSEK 0.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all previous requirements with regards to revenue recognition. The standard is based on the principle that revenue should be recognized when the control over delivered goods or services has been transferred from the seller to the customer. The Group has adopted the new standard in accordance with the transition option of modified retrospective application. The Group has evaluated the impact from the new accounting principle on the consolidated financial statements by identifying and analyzing essential customer contracts for the Group companies based on the five-step model presented in IFRS 15. Capio is applying the same business model in all segments with minor differences and the single most important performance obligation is to provide healthcare services to patients. Hence, the identified effect of implementing IFRS 15 is the same in the whole Group. The main revenue streams for the Group are outpatients, inpatients and other. Other revenue is mainly small services performed and delivered in association to the performed medical care. The Group's recognition of revenue according to IFRS 15 is the same compared to previous standards. The revenue for outpatients is recognized at the point in time when the healthcare is provided and for inpatients the revenue is recognized over time. Revenue is recognized to the amount that is expected to be received in exchange for the delivered healthcare services based on the contract parameters. The transaction price is based on tariffs (fee for services or bundled payments) or capitation (fixed fee/patient) for the services performed for all segments. For contracts that include price adjustments such as production caps, service guarantees or reimbursements, revenue is recognized initially when there is no risk for revenue adjustment in the next period. Based on the above the Group has concluded that IFRS 15 has not caused any quantifiable effect in the opening balance as of January 1, 2018. However, there is an increase with regards to the disclosure requirements in annual reports as well as in interim reports. The Group's main revenue streams are disclosed in note 6 Segments.

Effects of amended and revised IFRS 2019

IFRS 16 Leases

IFRS 16 replaces IAS 17 and will be effective for annual periods beginning on or after January 1, 2019. The Group has significant lease agreements for properties where the healthcare business is conducted, which means the implementation of IFRS 16 will have a significant effect on the Group's consolidated financial statements. The Group is currently analyzing the potential effect of IFRS 16.

Other significant estimates

For critical estimates and assessments, provisions and contingent liabilities refer to Capio's Annual Report 2017. If no significant events have occurred relating to the information in the 2017 Annual Report, no further comments are made in the interim report.

Notes (cont.)

2. Earnings per share

BEFORE DILUTION	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR RTM	FULL YEAR 2017
Average number of outstanding shares, Number[1]	141,159,661	141,159,661	141,159,661	141,159,661	141,159,661	141,159,661
Profit for the period attributable to Parent Company shareholders net of income tax	-54	-7	145	215	300	370
Adjusted profit for the period attributable to Parent Company shareholders net of income tax[2]	28	22	244	286	423	465
Earnings per share before dilution, SEK[2]	**-0.38**	**-0.05**	**1.03**	**1.52**	**2.13**	**2.62**
Adjusted earnings per share before dilution, SEK[2]	**0.20**	**0.16**	**1.73**	**2.03**	**3.00**	**3.29**

[1] Total number of outstanding shares as of September 30, 2018 was 141,159,661 (all common shares).
[2] Refer to definitions on page 34.

AFTER DILUTION	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR RTM	FULL YEAR 2017
Average number of outstanding shares, Number[1]	144,094,983	144,094,983	144,094,983	144,094,983	144,094,983	144,094,983
Profit for the period attributable to Parent Company shareholders net of income tax	-52	-5	151	221	308	378
Adjusted profit for the period attributable to Parent Company shareholders net of income tax[2]	30	24	250	292	431	473
Earnings per share after dilution, SEK[2]	**-0.36**	**-0.03**	**1.05**	**1.53**	**2.14**	**2.62**
Adjusted earnings per share after dilution, SEK[2]	**0.21**	**0.17**	**1.73**	**2.03**	**2.99**	**3.28**

[1] Average number of outstanding shares after dilution including effects from the convertible debenture loans issued during the third quarter 2016.
[2] Refer to definitions on page 34.

Reconciliation of reported and adjusted profit

BEFORE DILUTION	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR RTM	FULL YEAR 2017
Profit for the period attributable to Parent Company shareholders net of income tax	-54	-7	145	215	300	370
Amortization on surplus values	29	27	82	79	110	107
Restructuring and other non-recurring items and acquisition related costs	77	8	73	13	72	12
Income tax related to adjustments	-24	-6	-56	-21	-59	-24
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	**28**	**22**	**244**	**286**	**423**	**465**

AFTER DILUTION	JUL - SEP 2018	JUL - SEP 2017	JAN - SEP 2018	JAN - SEP 2017	FULL YEAR RTM	FULL YEAR 2017
Profit for the period attributable to Parent Company shareholders net of income tax	-52	-5	151	221	308	378
Amortization on surplus values	29	27	82	79	110	107
Restructuring and other non-recurring items and acquisition related costs	77	8	73	13	72	12
Income tax related to adjustments	-24	-6	-56	-21	-59	-24
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	**30**	**24**	**250**	**292**	**431**	**473**

Notes (cont.)

3. Restructuring and other non-recurring items and acquisition related costs

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Divestment of operations[1]	-	0	-	17	-2	15
Restructuring projects including redundancies[2]	-18	-2	-46	-9	-47	-10
Impairments[2]	-46	-1	-49	-5	-49	-5
Revaluation of provisions for outstanding purchase price[3]	14	-	55	-	55	-
Public cash offer and proposed sale of Capio France	-17	-	-17	-	-17	-
Other	-6	-2	-6	-1	0	5
Acquisition related costs[4]	-4	-3	-10	-15	-12	-17
Restructuring and other non-recurring items and acquisition related costs	**-77**	**-8**	**-73**	**-13**	**-72**	**-12**

[1] Divestment of operations in 2017 were mainly related to a capital gain from the divestment of the hospital in Weissenburg (Germany).

[2] Restructuring and impairment costs were related to ongoing structural projects in the French and German segments. The structural projects in France refer to the ongoing constructions and refurbishments of hospital facilities as well as the upgrading of support system for the medical agenda including redundancies as part of the ongoing actions. The restructuring costs in France in the first nine months of 2018 were mainly related to ongoing projects in Lyon, Toulouse and La Rochelle. During the third quarter 2018 two existing hospital properties have been impaired with a total amount of MSEK -45 to reflect the changes in market values as a consequence of the outcome in the process of building permits. The structural projects in Germany mainly relates to redundancies as a consequence of ongoing restructuring measures to speed up implementation of Rapid Recovery with shorter lengths of stay resulting in increasing productivity. In the first nine months of 2017 restructuring costs mainly related to the French segment but also to some structural costs in Germany.

[3] During 2017 the Group acquired 70% of the shares in CFR Hospitaler A/S with an option for Capio to acquire (and the non-controlling interest to sell) the remaining 30% after two years. The acquired company is consolidated to 100% and a provision related to the option are recognized at fair value. During 2018, the provision has been revaluated, generating a decrease in provision with MSEK 55.

[4] Acquisition related costs refer to transaction cost in connection with the Group's acquisition of operations.

4. Financial instruments

In terms of financial assets and liabilities fair value is deemed to be approximately equal to their book values. Derivatives are reported as level 2 and used for the purpose of hedging interest rates. The derivatives were valued using the mid-point of the yield curve prevailing on the reporting date and represent the net present value of the difference between the contracted rate and the valuation rate. Any change in the fair value of the interest rate cap transactions is recognized in the income statement and amounted to MSEK 0 as of September 30, 2018. The table discloses the portion of the market value arising from future changes in market interest rates.

	2018	2017	
	30 Sep	31 Dec	30 Sep
Interest rate caps (Options)	0	-2	-1

Notes (cont.)

5. Acquisitions of operations

Capio has acquired 100% of the Swedish healthcare group Legevisitten. The acquisition was closed on September 3, 2018 and is expected to be accretive on an earnings per share basis from 2019. Capio has also acquired 100% of the primary care group "Novakliniken" in Sweden. The acquisition was closed on April 3, 2018 and is not expected to significantly impact the Group's earnings in 2018. In addition, the first nine months 2018 included acquisitions of outpatient authorizations in Germany.

Acquisitions during 2018	**Legevisitten**	**Other**	**Total**
Share of voting rights and equity %	100	100	
Acquired net assets[1]:			
Capital employed	20	-22	-2
Net debt	-4	29	25
Acquired net assets (excluding acquisition related intangible assets)	**16**	**7**	**23**
Acquisition related intangible assets	115	37	152
Deferred income tax	-24	-8	-32
Goodwill	252	80	332
Total purchase price	**359**	**116**	**475**
Outstanding purchase price	-15	-	-15
Less acquired cash	2	-40	-38
Payment related to acquisitions from previous years	-	15	15
Cash flow effect of acquisitions	**346**	**91**	**437**
Contribution to Group's net sales and operating result:			
Net sales[2]	57	120	177
Operating result (EBIT)	2	7	9

1 Purchase price allocations are still preliminary
2 If the acquisitions in 2018 had taken place as per January 1, 2018, the net sales pro forma during 2018 would have been MSEK 670

Notes (cont.)

6. Segments

Capio organizes its business in three operational segments: Capio Nordic (Sweden, Norway, Denmark and Capio Go), Capio France and Capio Germany. Each segment provides a wide range of healthcare services and the organization is structured to facilitate the provision of healthcare at the most efficient care level for each patient. Further information about the segments are found in Capio Annual Report 2017 (Business overview). The units in the segments are consolidated in accordance with the same principles applied for the Group as a whole. Transactions between Group companies and business areas are conducted on a strictly commercial basis. Other in this context relates to the Parent Company and a number of holding companies. Within Capio Nordic, a customer relationship based on one contract corresponded to a total net sales of MSEK 461 during the third quarter 2018 and MSEK 1,510 during the first nine months 2018 (Jul-Sep 2017: MSEK 416; Jan-Sep 2017: MSEK 1,360; Jan-Dec 2017: MSEK 1,881), which is equivalent to more than 10% of the Group's net sales.

Income statement

	JUL - SEP				JAN - SEP				FULL YEAR			
Net sales and organic sales growth	**2018**	**%**	**2017**	**%**	**2018**	**%**	**2017**	**%**	**RTM**	**%**	**2017**	**%**
Net sales outpatients	1,542		1,424		4,810		4,473		6,457		6,120	
Net sales inpatients	626		549		1,983		1,767		2,615		2,399	
Net sales other	45		34		139		131		184		176	
Capio Nordic	2,213	*2.6*	2,007	*4.3*	6,932	*2.8*	6,371	*3.8*	9,256	*3.3*	8,695	*4.1*
Net sales outpatients	406		348		1,360		1,220		1,811		1,671	
Net sales inpatients	712		668		2,336		2,226		3,116		3,006	
Net sales other	213		172		615		555		818		758	
Capio France	1,331	*2.9*	1,188	*-0.8*	4,311	*1.1*	4,001	*-0.4*	5,745	*1.5*	5,435	*0.4*
Net sales outpatients	54		47		168		134		223		189	
Net sales inpatients	211		205		717		720		979		982	
Net sales other	7		8		23		24		25		26	
Capio Germany	272	*-4.8*	260	*2.4*	908	*-4.7*	878	*0.8*	1,227	*-4.1*	1,197	*0.0*
Other	-		-		-		-		-		-	
Eliminations	-		-		-		-		-		-	
Capio Group	**3,816**	***2.1***	**3,455**	***2.2***	**12,151**	***1.6***	**11,250**	***2.0***	**16,228**	***2.0***	**15,327**	***2.4***
EBITDA and margin												
Capio Nordic	172	*7.8*	153	*7.6*	497	*7.2*	447	*7.0*	682	*7.4*	632	*7.3*
Capio France	47	*3.5*	29	*2.4*	349	*8.1*	323	*8.1*	497	*8.7*	471	*8.7*
Capio Germany	-10	*-3.7*	6	*2.3*	8	*0.9*	63	*7.2*	43	*3.5*	98	*8.2*
Other	-20		-20		-72		-67		-92		-87	
Eliminations	-		-		-		-		-		-	
Capio Group	**189**	***5.0***	**168**	***4.9***	**782**	***6.4***	**766**	***6.8***	**1,130**	***7.0***	**1,114**	***7.3***
EBITA and margin												
Capio Nordic	127	*5.7*	107	*5.3*	354	*5.1*	313	*4.9*	500	*5.4*	459	*5.3*
Capio France	-20	*-1.5*	-31	*-2.6*	156	*3.6*	144	*3.6*	238	*4.1*	226	*4.2*
Capio Germany	-19	*-7.0*	-2	*-0.8*	-18	*-2.0*	41	*4.7*	9	*0.7*	68	*5.7*
Other	-22		-21		-77		-71		-100		-94	
Eliminations	-		-		-		-		-		-	
Capio Group	**66**	***1.7***	**53**	***1.5***	**415**	***3.4***	**427**	***3.8***	**647**	***4.0***	**659**	***4.3***
Operating result (EBIT) and margin												
Capio Nordic	121	*5.5*	86	*4.3*	350	*5.0*	255	*4.0*	457	*4.9*	362	*4.2*
Capio France	-85	*-6.4*	-37	*-3.1*	67	*1.6*	121	*3.0*	162	*2.8*	216	*4.0*
Capio Germany	-25	*-9.2*	-7	*-2.7*	-50	*-5.5*	35	*4.0*	-28	*-2.3*	57	*4.8*
Other	-50		-24		-107		-76		-126		-95	
Eliminations	-		-		-		-		-		-	
Capio Group	**-39**	***-1.0***	**18**	***0.5***	**260**	***2.1***	**335**	***3.0***	**465**	***2.9***	**540**	***3.5***

Cash flow

	JUL - SEP				JAN - SEP				FULL YEAR			
Capital expenditure and in % of net sales	**2018**	**%**	**2017**	**%**	**2018**	**%**	**2017**	**%**	**RTM**	**%**	**2017**	**%**
Capio Nordic	-32	*1.4*	-37	*1.8*	-105	*1.5*	-105	*1.6*	-180	*1.9*	-180	*2.1*
Capio France	-75	*5.6*	-59	*5.0*	-195	*4.5*	-133	*3.3*	-350	*6.1*	-288	*5.3*
Capio Germany	-13	*4.8*	-11	*4.2*	-35	*3.9*	-29	*3.3*	-49	*4.0*	-43	*3.6*
Other	1		-2		-4		-5		-13		-14	
Eliminations	-		-		-		-		-		-	
Capio Group	**-119**	***3.1***	**-109**	***3.2***	**-339**	***2.8***	**-272**	***2.4***	**-592**	***3.6***	**-525**	***3.4***

Notes (cont.)

Balance sheet

	2018	2017	
Assets	**30 Sep**	**31 Dec**	**30 Sep**
Capio Nordic	6,477	6,218	5,708
Capio France	7,115	6,862	6,562
Capio Germany	1,569	1,484	1,467
Other	4,007	3,980	3,450
Eliminations	-4,138	-4,497	-3,699
Capio Group	**15,030**	**14,047**	**13,488**
Liabilities			
Capio Nordic	3,474	3,746	3,101
Capio France	3,803	3,690	3,566
Capio Germany	1,208	1,074	1,071
Other	4,838	4,278	3,916
Eliminations	-4,138	-4,497	-3,699
Capio Group	**9,185**	**8,291**	**7,955**

7. Pledged assets

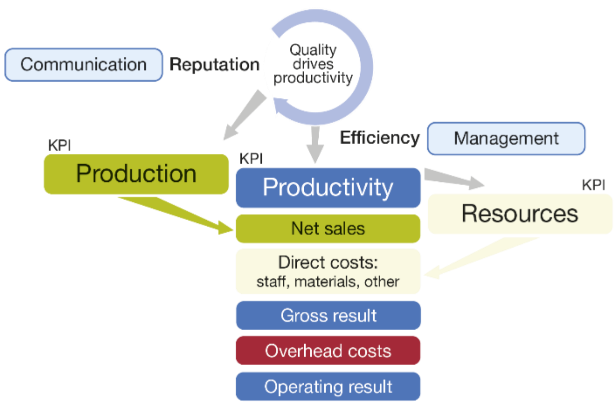
	2018	2017	
For own debts and provisions	**30 Sep**	**31 Dec**	**30 Sep**
Shares in subsidiaries	124	124	124
Cash and cash equivalents	21	20	7
Property mortgages	1,307	1,254	1,225
Endowment insurance	39	39	38
Total	**1,491**	**1,437**	**1,394**

8. Contingent liabilities

	2018	2017	
	30 Sep	**31 Dec**	**30 Sep**
Guarantee and other commitments	26	23	23
Total	**26**	**23**	**23**

9. Non IFRS financial measures

Capio's financial model
In order to support Capio's strategy and managers at all levels, Capio has developed a financial model that links relevant Key Performance Indicators (KPI) with their corresponding financial impact. As the model is based on the relation between quality, productivity and financial outcomes, the financial model supports the Group's understanding of what creates good healthcare and increased quality. This allows Capio to continuously refine its healthcare processes, enabling improved quality in healthcare provided to patients, and concurrently, improved financial results.



Notes (cont.)

Financial statements

The Group's income statement is presented in a functional format in order to measure the productivity from the use of resources in relation to the production of healthcare. To financially measure productivity, direct costs are subtracted from net sales in order to obtain the gross result (and gross margin). Thereafter administrative expenses (overhead costs) are subtracted from gross result in order to obtain the operating result (and operating margin). Gross result is the key measure for productivity, indicating whether the Group performs healthcare operations efficiently. Operating results adds information as to whether the Group's operating structure is efficient.

The Group's income statement includes certain restructuring and other non-recurring items and is adjusted from the Group's definition of EBITA. These items are mainly related to the ongoing program in France whereby a large part of the hospital properties are being modernized. Since this project is carried out during a relatively limited period of time (just over 5 years) compared to a normal cycle (the useful life of a hospital is normally 30 years) and since it covers a considerable part of the business, the Group has made the assessment that effects related to the project are to be considered as restructuring and other non-recurring items. In addition, the Group also assesses the effects from divested and discontinuing operations outside the core business within the definition restructuring and non-recurring items. Correction for acquisition-related expenses is also made in the Group's definition of EBITA as acquisition does not occur every quarter and transaction costs and other acquisition-related costs may be material and thus affect the comparison between year and quarter if corrections for these are not made.

The balance sheet is also presented in an operational format, tracking capital employed, net debt and equity, in order to track and manage capital needs and resources throughout the Group. Capio's overall goal for operating capital management is to strike a balance between optimizing operating capital in order to generate cash flows, while making appropriate investments in order to grow the business. The operating capital management integrates all parts of the organization and requires clear and efficient processes, such as the sales process and salary process. Related to the Group's operational balance sheet the cash flow is also presented in an operational format, reconciling changes in net debt.

To better support Capio's financial model, the Group tracks and presents financial measures which are not measures of financial performance or liquidity under IFRS. Such non-IFRS financial measures are defined on page 34 and in the following tables reconciliations of IFRS measures and non-IFRS measures (Additional Performance Measures, APM) are presented. The presentation of all APMs is made to increase the understanding of the Group's development as followed up by Group Management.

Specification of Income statement items

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
EBITA	**66**	**53**	**415**	**427**	**647**	**659**
whereof depreciation	*123*	*115*	*367*	*339*	*483*	*455*
EBITDA	**189**	**168**	**782**	**766**	**1,130**	**1,114**
whereof rent	*221*	*201*	*651*	*595*	*856*	*800*
EBITDAR	**410**	**369**	**1,433**	**1,361**	**1,986**	**1,914**

Reconciliation of IFRS and APM related to Balance sheet items

	2018	2017	
	30 Sep	31 Dec	30 Sep
Total fixed assets, IFRS	**12,115**	**11,387**	**10,982**
whereof operating capital employed	*2,465*	*2,411*	*2,221*
whereof other capital employed	*9,588*	*8,917*	*8,704*
whereof net debt	*62*	*59*	*57*
Total current assets, IFRS	**2,915**	**2,660**	**2,506**
whereof operating capital employed	*2,564*	*2,256*	*2,233*
whereof other capital employed	*130*	*119*	*98*
whereof net debt	*221*	*285*	*175*
Total long-term liabilities and provisions, IFRS	**4,644**	**4,554**	**4,478**
whereof operating capital employed	*88*	*86*	*90*
whereof other capital employed	*1,291*	*1,265*	*1,245*
whereof net debt	*3,265*	*3,203*	*3,143*
Total current liabilities, IFRS	**4,541**	**3,737**	**3,477**
whereof operating capital employed	*2,880*	*2,802*	*2,598*
whereof other capital employed	*115*	*104*	*86*
whereof net debt	*1,546*	*831*	*793*
Operating capital employed, APM	**2,061**	**1,779**	**1,767**
Other capital employed, APM	**8,313**	**7,668**	**7,470**
Net debt, APM	**4,529**	**3,691**	**3,704**
Equity	**5,845**	**5,756**	**5,533**

Notes (cont.)

Reconciliation of IFRS and APM related to Cash flow items

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Cash flow from operating activities, IFRS	**-122**	**-29**	**273**	**284**	**745**	**756**
Taxes paid	21	33	43	70	65	92
Interest received and paid	31	27	92	73	113	94
Restructuring items	39	8	76	35	50	9
Capital expenditure	-118	-109	-338	-272	-591	-525
Divestments of fixed assets	-	1	12	12	48	48
Other adjustments	-13	-4	-35	-3	-62	-30
Operating cash flow, APM	**-162**	**-73**	**123**	**199**	**368**	**444**

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Acquisition of operations	-361	-3	-437	-658	-482	-703
Divestment of operations	1	3	1	32	2	33
Acquisition/divestment of financial fixed assets	-	-	-	-13	-49	-62
Acquisition and divestments of operations and financial fixed assets, IFRS	**-360**	**0**	**-436**	**-639**	**-529**	**-732**
Acquisition of non-controlling interest	-	0	-	-4	-	-4
Acquired/divested net debt and paid costs acquisition	-7	-5	-24	-42	-31	-49
Acquisition and divestments of operations, APM	**-367**	**-5**	**-460**	**-685**	**-560**	**-785**

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Investments in tangible and intangible fixed assets	-118	-109	-338	-272	-591	-525
Divestments of tangible fixed assets	-	1	12	44	16	48
Investments and divestments, IFRS	**-118**	**-108**	**-326**	**-228**	**-575**	**-477**
Items included in received/paid restructuring and other non-recurring items	-	0	-	-32	32	-
Net capital expenditure, APM	**-118**	**-108**	**-326**	**-260**	**-543**	**-477**

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Interest received and paid, IFRS	**-31**	**-27**	**-92**	**-73**	**-113**	**-94**
Paid borrowing costs included in net debt	-	-	10	-	10	-
Net financial items paid, APM	**-31**	**-27**	**-82**	**-73**	**-103**	**-94**

	JUL - SEP		JAN - SEP		FULL YEAR	
	2018	2017	2018	2017	RTM	2017
Taxes paid, IFRS	**-21**	**-33**	**-43**	**-70**	**-65**	**-92**
Items included in received/paid restructuring and other non-recurring items	-	-	-	-	-	-
Income taxes paid, APM	**-21**	**-33**	**-43**	**-70**	**-65**	**-92**

Signatures

The Board of Directors and the President and CEO hereby certify that the interim report gives a true and fair view of the Parent Company's and Group's operations, financial position and profit/loss and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Capio AB (publ)

Gothenburg, October 29, 2018

Michael Wolf *Chairman*	Attila Vegh *President and CEO*	Gunnar Németh
Gunilla Rudebjer	Hans Ramel	Birgitta Stymne Göransson
Michael Flemming	Pascale Richetta	Joakim Rubin
Kevin Thompson *Employee representative*	Julia Turner *Employee representative*	

This interim report has not been subject to a review by the Company's auditors.

Quarterly overview

Income statement by quarter – Group

	2018			2017				FULL YEAR	
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**RTM**	**2017**
Net sales outpatients	2,002	2,200	2,136	2,153	1,820	2,025	1,982	8,491	7,980
In % of net sales	*52.5*	*52.6*	*51.4*	*52.8*	*52.7*	*52.2*	*50.6*	*52.3*	*52.1*
Net sales inpatients	1,549	1,719	1,768	1,674	1,422	1,609	1,682	6,710	6,387
In % of net sales	*40.6*	*41.1*	*42.5*	*41.1*	*41.2*	*41.5*	*43.0*	*41.3*	*41.7*
Net sales other	265	260	252	250	213	247	250	1,027	960
In % of net sales	*6.9*	*6.2*	*6.1*	*6.1*	*6.2*	*6.4*	*6.4*	*6.3*	*6.3*
Net sales	**3,816**	**4,179**	**4,156**	**4,077**	**3,455**	**3,881**	**3,914**	**16,228**	**15,327**
Total sales growth, %	*10.4*	*7.7*	*6.2*	*9.4*	*9.1*	*8.6*	*8.6*	*8.4*	*8.9*
Organic sales growth, %	*2.1*	*1.6*	*1.1*	*3.4*	*2.2*	*0.5*	*3.3*	*2.0*	*2.4*
Direct costs	-3,262	-3,520	-3,433	-3,340	-2,960	-3,262	-3,201	-13,555	-12,763
Gross result	**554**	**659**	**723**	**737**	**495**	**619**	**713**	**2,673**	**2,564**
Gross margin, %	*14.5*	*15.7*	*17.4*	*18.1*	*14.3*	*15.9*	*18.2*	*16.5*	*16.7*
Overhead costs	-488	-521	-512	-505	-442	-477	-481	-2,026	-1,905
EBITA	**66**	**138**	**211**	**232**	**53**	**142**	**232**	**647**	**659**
Margin, %	*1.7*	*3.3*	*5.1*	*5.7*	*1.5*	*3.7*	*5.9*	*4.0*	*4.3*
Amortization on surplus values	-28	-28	-26	-28	-27	-27	-25	-110	-107
Restructuring and other non-recurring items and acquisition related cost	-77	13	-9	1	-8	-7	2	-72	-12
Operating result (EBIT)	**-39**	**123**	**176**	**205**	**18**	**108**	**209**	**465**	**540**
Net interest	-22	-24	-21	-21	-19	-19	-19	-88	-78
Other financial items	-8	-11	-7	-7	-7	-6	-4	-33	-24
Profit after financial items	**-69**	**88**	**148**	**177**	**-8**	**83**	**186**	**344**	**438**
Income tax	14	-13	-23	-21	1	-13	-33	-43	-66
Profit for the period	**-55**	**75**	**125**	**156**	**-7**	**70**	**153**	**301**	**372**
EBITDAR	**410**	**480**	**543**	**553**	**369**	**455**	**537**	**1,986**	**1,914**
Margin, %	*10.7*	*11.5*	*13.1*	*13.6*	*10.7*	*11.7*	*13.7*	*12.2*	*12.5*
EBITDA	**189**	**262**	**331**	**348**	**168**	**256**	**342**	**1,130**	**1,114**
Margin, %	*5.0*	*6.3*	*8.0*	*8.5*	*4.9*	*6.6*	*8.7*	*7.0*	*7.3*

Quarterly overview (cont.)

Capital employed and financing by quarter – Group

	2018			2017			
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Operating capital employed	2,061	1,917	1,996	1,779	1,767	1,669	1,594
In % of net sales	*12.7*	*12.1*	*12.8*	*11.6*	*11.8*	*11.4*	*11.1*
Other capital employed	8,313	7,956	7,786	7,668	7,470	7,481	7,285
Capital employed	**10,374**	**9,873**	**9,782**	**9,447**	**9,237**	**9,150**	**8,879**
Return on capital employed, %	*6.2*	*6.4*	*6.5*	*7.0*	*6.6*	*7.1*	*7.7*
Net debt	4,529	3,910	3,745	3,691	3,704	3,563	3,255
Financial leverage	*4.0*	*3.5*	*3.4*	*3.3*	*3.5*	*3.3*	*2.9*
Equity	5,845	5,963	6,037	5,756	5,533	5,587	5,624
Total financing	**10,374**	**9,873**	**9,782**	**9,447**	**9,237**	**9,150**	**8,879**

Cash flow by quarter – Group

	2018			2017				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2017
Net debt opening	**-3,910**	**-3,745**	**-3,691**	**-3,704**	**-3,563**	**-3,255**	**-2,872**	**-3,704**	**-2,872**
EBITA	**66**	**138**	**211**	**232**	**53**	**142**	**232**	**647**	**659**
Capital expenditure	-118	-104	-116	-253	-109	-85	-78	-591	-525
Divestments of fixed assets	0	10	2	36	1	0	11	48	48
Net capital expenditure	**-118**	**-94**	**-114**	**-217**	**-108**	**-85**	**-67**	**-543**	**-477**
In % of net sales	***3.1***	***2.2***	***2.7***	***5.3***	***3.1***	***2.2***	***1.7***	***3.3***	***3.1***
Add-back depreciation	123	124	120	116	115	114	110	483	455
Net investments	**5**	**30**	**6**	**-101**	**7**	**29**	**43**	**-60**	**-22**
Change in net customer receivables	86	1	-157	-37	56	-54	-86	-107	-121
Other changes in operating capital employed	-319	-19	75	151	-189	10	-44	-112	-72
Operating cash flow	**-162**	**150**	**135**	**245**	**-73**	**127**	**145**	**368**	**444**
Cash conversion, %	***-245.5***	***108.7***	***64.0***	***105.6***	***-137.7***	***89.4***	***62.5***	***56.9***	***67.4***
Income taxes paid	-21	0	-22	-22	-33	-31	-6	-65	-92
Free cash flow before financial items	**-183**	**150**	**113**	**223**	**-106**	**96**	**139**	**303**	**352**
Cash conversion, %	***-277.3***	***108.7***	***53.6***	***96.1***	***-200.0***	***67.6***	***59.9***	***46.8***	***53.4***
Net financial items paid	-31	-29	-22	-21	-27	-21	-25	-103	-94
Free cash flow after financial items	**-214**	**121**	**91**	**202**	**-133**	**75**	**114**	**200**	**258**
Cash conversion, %	***-324.2***	***87.7***	***43.1***	***87.1***	***-250.9***	***52.8***	***49.1***	***30.9***	***39.2***
Acquisitions/divestments of operations	-367	-84	-9	-100	-5	-182	-498	-560	-785
Received/paid restructuring and other non-recurring items	-40	-16	-21	-7	-3	-14	6	-84	-18
Shareholder transactions	-2	-136	0	1	-2	-128	0	-137	-129
Net cash flow	**-623**	**-115**	**61**	**96**	**-143**	**-249**	**-378**	**-581**	**-674**
Cash conversion, %	***-943.9***	***-83.3***	***28.9***	***41.4***	***-269.8***	***-175.4***	***-162.9***	***-89.8***	***-102.3***
Other items	4	-50	-115	-83	2	-59	-5	-244	-145
Net debt closing	**-4,529**	**-3,910**	**-3,745**	**-3,691**	**-3,704**	**-3,563**	**-3,255**	**-4,529**	**-3,691**

Quarterly overview (cont.)

Income statement overview by quarter – Segment

	2018			2017				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2017
Capio Nordic									
Net sales	2,213	2,410	2,309	2,324	2,007	2,211	2,153	9,256	8,695
Total sales growth, %	*10.3*	*9.0*	*7.2*	*15.7*	*16.6*	*13.4*	*13.1*	*10.5*	*14.6*
Organic sales growth, %	*2.6*	*3.4*	*2.4*	*4.8*	*4.3*	*2.4*	*4.9*	*3.3*	*4.1*
EBITDAR	297	284	282	300	266	254	260	1,163	1,080
Margin, %	*13.4*	*11.8*	*12.2*	*12.9*	*13.3*	*11.5*	*12.1*	*12.6*	*12.4*
EBITDA	172	163	162	185	153	142	152	682	632
Margin, %	*7.8*	*6.8*	*7.0*	*8.0*	*7.6*	*6.4*	*7.1*	*7.4*	*7.3*
EBITA	127	114	113	146	107	97	109	500	459
Margin, %	*5.7*	*4.7*	*4.9*	*6.3*	*5.3*	*4.4*	*5.1*	*5.4*	*5.3*
Capio France									
Net sales	1,331	1,468	1,512	1,434	1,188	1,379	1,434	5,745	5,435
Total sales growth, %	*12.0*	*6.5*	*5.4*	*2.9*	*-0.7*	*3.2*	*3.4*	*6.5*	*2.3*
Organic sales growth, %	*2.9*	*0.0*	*0.8*	*2.7*	*-0.8*	*-1.1*	*0.7*	*1.5*	*0.4*
EBITDAR	138	219	260	232	111	208	250	849	801
Margin, %	*10.4*	*15.0*	*17.2*	*16.2*	*9.4*	*15.1*	*17.4*	*14.8*	*14.7*
EBITDA	47	128	174	148	29	124	170	497	471
Margin, %	*3.5*	*8.7*	*11.5*	*10.3*	*2.4*	*9.0*	*11.9*	*8.7*	*8.7*
EBITA	-20	64	112	82	-31	64	111	238	226
Margin, %	*-1.5*	*4.3*	*7.4*	*5.7*	*-2.6*	*4.6*	*7.7*	*4.1*	*4.2*
Capio Germany									
Net sales	272	301	335	319	260	291	327	1,227	1,197
Total sales growth, %	*4.6*	*3.4*	*2.4*	*-0.9*	*3.6*	*1.4*	*4.8*	*2.3*	*2.1*
Organic sales growth, %	*-4.8*	*-3.6*	*-5.6*	*-2.3*	*2.4*	*-4.6*	*4.6*	*-4.1*	*0.0*
EBITDAR	-5	3	24	38	11	16	50	60	115
Margin, %	*-1.8*	*1.0*	*7.2*	*11.9*	*4.2*	*5.5*	*15.3*	*4.9*	*9.6*
EBITDA	-10	-2	20	35	6	12	45	43	98
Margin, %	*-3.7*	*-0.7*	*6.0*	*11.0*	*2.3*	*4.1*	*13.8*	*3.5*	*8.2*
EBITA	-19	-11	12	27	-2	4	39	9	68
Margin, %	*-7.0*	*-3.7*	*3.6*	*8.5*	*-0.8*	*1.4*	*11.9*	*0.7*	*5.7*
Other									
Net sales	-	-	-	-	-	-	-	-	-
EBITDAR	-20	-26	-23	-17	-19	-23	-23	-86	-82
EBITDA	-20	-27	-25	-20	-20	-22	-25	-92	-87
EBITA	-22	-29	-26	-23	-21	-23	-27	-100	-94
Eliminations									
Net sales	-	-	-	-	-	-	-	-	-
EBITDAR	-	-	-	-	-	-	-	-	-
EBITDA	-	-	-	-	-	-	-	-	-
EBITA	-	-	-	-	-	-	-	-	-
Capio Group									
Net sales	3,816	4,179	4,156	4,077	3,455	3,881	3,914	16,228	15,327
Total sales growth, %	*10.4*	*7.7*	*6.2*	*9.4*	*9.1*	*8.6*	*8.6*	*8.4*	*8.9*
Organic sales growth, %	*2.1*	*1.6*	*1.1*	*3.4*	*2.2*	*0.5*	*3.3*	*2.0*	*2.4*
EBITDAR	410	480	543	553	369	455	537	1,986	1,914
Margin, %	*10.7*	*11.5*	*13.1*	*13.6*	*10.7*	*11.7*	*13.7*	*12.2*	*12.5*
EBITDA	189	262	331	348	168	256	342	1,130	1,114
Margin, %	*5.0*	*6.3*	*8.0*	*8.5*	*4.9*	*6.6*	*8.7*	*7.0*	*7.3*
EBITA	66	138	211	232	53	142	232	647	659
Margin, %	*1.7*	*3.3*	*5.1*	*5.7*	*1.5*	*3.7*	*5.9*	*4.0*	*4.3*

Quarterly overview (cont.)

Capital employed by quarter – Segment

	2018			2017			
	30 Sep	**30 Jun**	**31 Mar**	**31 Dec**	**30 Sep**	**30 Jun**	**31 Mar**
Capio Nordic							
Capital employed	4,231	3,732	3,565	3,509	3,680	3,596	3,492
Return on capital employed, %	*11.8*	*12.9*	*13.0*	*13.1*	*11.4*	*11.2*	*11.5*
Capio France							
Capital employed	4,797	4,758	4,641	4,455	4,364	4,375	4,191
Return on capital employed, %	*5.0*	*4.8*	*4.9*	*5.1*	*4.8*	*6.0*	*6.8*
Capio Germany							
Capital employed	1,307	1,308	1,313	1,234	1,185	1,179	1,095
Return on capital employed, %	*0.7*	*2.0*	*3.1*	*5.5*	*6.5*	*6.9*	*8.2*
Other							
Capital employed	39	75	263	249	8	0	101
Eliminations							
Capital employed	-	-	-	-	-	-	-
Capio Group							
Capital employed	10,374	9,873	9,782	9,447	9,237	9,150	8,879
Return on capital employed, %	*6.2*	*6.4*	*6.5*	*7.0*	*6.6*	*7.1*	*7.7*

Net capital expenditure by quarter – Segment

	2018			2017				FULL YEAR	
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**RTM**	**2017**
Capio Nordic									
Net capital expenditure	-31	-39	-33	-75	-37	-31	-37	-178	-180
In % of net sales Nordic	*1.4*	*1.6*	*1.4*	*3.2*	*1.8*	*1.4*	*1.7*	*1.9*	*2.1*
Capio France									
Net capital expenditure	-74	-45	-66	-120	-58	-39	-24	-305	-241
In % of net sales France	*5.6*	*3.1*	*4.4*	*8.4*	*4.9*	*2.8*	*1.7*	*5.3*	*4.4*
Capio Germany									
Net capital expenditure	-13	-8	-14	-14	-11	-14	-4	-49	-43
In % of net sales Germany	*4.8*	*2.7*	*4.2*	*4.4*	*4.2*	*4.8*	*1.2*	*4.0*	*3.6*
Other									
Net capital expenditure	0	-2	-1	-8	-2	-1	-2	-11	-13
Capio Group									
Net capital expenditure	-118	-94	-114	-217	-108	-85	-67	-543	-477
In % of net sales Group	*3.1*	*2.2*	*2.7*	*5.3*	*3.1*	*2.2*	*1.7*	*3.3*	*3.1*

Definitions

Key performance indicators

Number of outpatients Number of patient visits for patients with length of stay shorter than 24 hours.

Number of inpatients Number of patient visits for patients with length of stay longer than 24 hours.

Average length of stay (AVLOS) Average length of an inpatient stay measured in number of days. AVLOS presented excludes psychiatry, rehabilitation, nursing and eating disorder patients. AVLOS in France has also been adjusted for the effect from the transfer between in- and outpatient treatments. These adjustments have been made in order to show a comparable AVLOS between segments and over time.

Number of employees Number of employees as full-time equivalents on average during the year.

Income statement

Total sales growth, % Increase in net sales for the period as a percentage of the previous year's net sales.

Organic sales growth, % Increase in net sales for the period, adjusted for acquisitions/divestments and changes in exchange rates, as a percentage of the previous year's net sales adjusted for divestments.

EBITDAR EBITDA adjusted for rent of premises.

EBITDA EBITA adjusted for depreciations and impairments related to operating fixed assets.

EBITA Operating result before amortizations of group surplus values, restructuring and other non-recurring items and acquisition related costs. Capio's definition of EBITA may be different from the definition in other companies.

Restructuring and other non-recurring items Items relating to restructuring or integration of acquired businesses, structural projects and effects from divested and discontinuing operations outside the core business.

Operating result (EBIT) Operating result before interest and income tax.

Adjusted profit/loss for the period Profit/loss for the period attributable to parent company shareholders adjusted for amortization of group surplus values, restructuring and other non-recurring items, acquisition related costs and write-off of capitalized borrowing costs, net of income tax.

Earnings per share (before dilution) Profit/loss for the period attributable to parent company shareholders in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculation of earnings per share before dilution.

Earnings per share (after dilution) Profit/loss for the period attributable to parent company shareholders, excluding the net cost of outstanding convertible debenture loans issued during the third quarter 2016, in relation to the average number of shares including effects from the convertible debenture loans. Refer to note 2 for calculation of earnings per share after dilution.

Adjusted earnings per share (before dilution) Adjusted profit/loss for the period attributable to parent company shareholders in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculation of adjusted earnings per share before dilution.

Adjusted earnings per share (after dilution) Adjusted profit/loss for the period attributable to parent company shareholders, excluding the net cost of outstanding convertible debenture loans issued during the third quarter 2016, in relation to the average number of shares including effects from the convertible debenture loans. Refer to note 2 for calculation of adjusted earnings per share after dilution.

Capital employed and financing

Net customer receivables and DSO Accounts receivables and accrued production less bad debt provision and advances from customers. DSO, Days sales outstanding, average number of days outstanding on net sales, at balance sheet date.

Operating capital employed Non-interest bearing operating assets and liabilities, mainly operating fixed assets, net customer receivables, supplier payables and other operating assets and liabilities.

Other capital employed Acquisition related surplus values (real estate, goodwill, trademark and other surplus values), tax assets and liabilities and other non-operating capital employed items.

Capital employed Non-interest bearing assets and liabilities as well as provisions for employee-benefits.

Return on capital employed RTM EBITA as a percentage of capital employed.

Net debt Interest-bearing assets and liabilities adjusted for cash and cash equivalents.

Financial leverage Closing balance of net debt in relation to RTM EBITDA.

Cash flow

Net capital expenditure Investments in fixed assets, net of divestments of fixed assets excluding items classified as non-operating, for the period.

Net investments Investments in fixed assets, net of divestments of fixed assets, depreciations and impairments, excluding items classified as non-operating, for the period.

Operating cash flow EBITA adjusted for net investments and changes in working capital.

Free cash flow before financial items Operating cash flow less income taxes paid.

Free cash flow after financial items Free cash flow before financial items less net financial items paid.

Cash conversion, % Cash flow in relation to EBITA.

Acquisitions and divestments of operations in the operational cash flow statement relate to the total net debt impact.

Other

RTM Rolling 12 months.

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For further information regarding Capio's IR activities, refer to www.capio.com.

About Capio

Capio AB (publ) is a leading, pan-European healthcare provider offering a broad range of high quality medical, surgical and psychiatric healthcare services through its hospitals, specialist clinics and primary care units. Capio operates in five countries; Sweden, Norway, Denmark, France and Germany. In 2017, Capio's 13,314 employees (average full-time equivalents) provided healthcare services during 5.1 million patient visits across the Group's facilities, generating net sales of MSEK 15,327. Capio operates across three geographic segments: Nordic (57% of Group net sales 2017), France (35% of Group net sales 2017) and Germany (8% of Group net sales 2017). For more information about Capio, please see www.capio.com.

Creating value for many people

At Capio, we work to achieve the changes and improvements needed to maintain and develop quality and increase productivity in healthcare. This work not only benefits patients and funders, but also ensures that Capio creates value for employees, shareholders and society at large. Efficient, high-quality healthcare, with responsible use of resources, is vital to the long-term development and sustainability of our society. Capio is an innovative and reliable healthcare provider that contributes to developing healthcare.

MISSION
Cure. Relief. Comfort

VISION
The best achievable quality of life for every patient

VALUES
Quality. Compassion. Care

Capio's sustainability focus areas

We organize our sustainability initiatives in four focus areas: Quality, Business ethics, Employees and Environment.

Quality **Business ethics** **Employees** **Environment**

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Read more about Capio's role in society in Capio Annual Report 2017 pages 52-61.