



Interim report January-June 2018



Yet another quarter of strong growth and good results

- The organic growth rate continues to increase based on good demand at all clinics and amounts to 17 percent
- Continued focus on developing the Nordic business through controlled expansion and several small improvements
- New collaboration at International and Vårdsamverkan increases GHP's competitiveness
- Strategic initiatives in the digital offer, within Vårdsamverkan, will give a long term positive effect on the result

Second quarter 2018

- Sales revenues increased to SEK 287.6 million (249.6)
- Organic growth amounted to 17.0 percent (-4.5)
- EBITDA amounted to SEK 21.1 million (-6.8)
- EBITDA margin amounted to 7.3 percent (-2.7)
- Result after tax (EAT) amounted to SEK 13.6 million (-14.0)
- Result per share amounted to SEK 0.18 (-0.21)

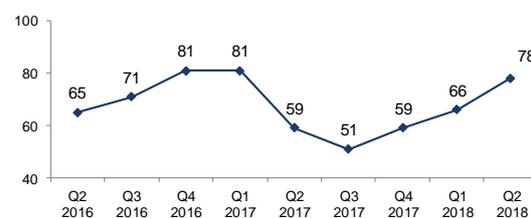
First half of 2018

- Sales revenues increased to SEK 566.2 million (510.4)
- Organic growth increased to 13.7 percent (3.1)
- EBITDA increased to SEK 46.9 million (11.4)
- EBITDA margin increased to 8.3 percent (2.2)
- Result after tax (EAT) increased to SEK 27.7 million (-5.7)
- Result per share amounted to SEK 0.36 million (-0.09)

Sales revenues, rolling 12 months
SEK millions



EBITDA, rolling 12 months
SEK millions



The operating result in Q2 2017 was impacted by a capital loss of SEK -16.3 million

Segment summary				
Sek millions	Sales revenue		Operating result (EBIT)	
	Second quarter		Second quarter	
	2018	2017	2018	2017
Nordic region	259.4	224.5	14.4	-14.1
International	16.5	16.2	4.2	3.3
Vårdsamverkan	11.7	8.9	-4.3	-2.8
Total	287.6	249.6	14.3	-13.6

CEO's comments



The positive development that we have seen in recent quarters has also continued during the second quarter of 2018. We have both good growth and good results. Of course, we continue to have many challenges but the difference compared to a year ago is a greater focus on results in the Group and a better cost structure.

In the **Nordic Region** development continues due to expansion, shorter care times, new managers and closer collaboration with those referring patients to us. GHP Spine Center Göteborg is being expanded during this summer which will give us significantly higher inpatient capacity in Gothenburg. We have worked on shortening care times for our prosthetic patients in Stockholm and Gothenburg for a fairly long period of time. This has led to us mainly employing 24-hour care for this group of patients and this is what enables increased efficiency and activity. During the quarter we have also carried out changes in management at a couple of clinics with a view to strengthening local management and commitment. Finally, we have conducted several activities to strengthen our collaboration with referring physicians.

In **International** development of our SKMCA hospital group continues. The trauma units in particular are growing fast and now take on serious trauma cases at the same level as the largest hospitals in Sweden and United Arab Emirates at the same time as we have been able to considerably raise the medical quality. We have new collaboration in the region with Skåne Care, Region Skåne's international arm, with a view to working together to find new business. By combining our competencies, Skåne Care with all of Skåne's university hospital care and us with our leading clinics and business operations in place in the region, we are able to take other types of project than what each party can on its own.

On 1 July we started up the new collaboration with Trygg Hansa in **Vårdsamverkan**. This means that the collaboration is now worth approximately SEK 100 million on an annual basis and that we can reach such a size that we can truly develop the business. At the moment we have a pilot scheme together with the company Doctrin where we are developing our digital access to health care and we will gain very detailed knowledge of each patient's condition. This knowledge means that we can save time in the health care we provide in the future, but above all we can combine our knowledge with the data in our other systems. This means that we can conduct continuous development

work where we become a little better the whole time at optimising individual patients' care. Over time this will add up to considerable improvements in efficiency and quality. Combining different digital tools for a seamless passage through health care for the patient is one of the parts that makes Vårdsamverkan unique and is something that is only possible with this sort of closer collaboration with the customers. We are now developing these digital tools and despite these strategically important initiatives we are able to uphold the group's positive development of the result. One important aspect is that Vårdsamverkan buys care from our clinics at market rates so the greatest profit from the business model is so far in the Nordic Region segment.

We look forward to an exciting autumn where it is a matter of continuing to develop the Nordic business through controlled expansion and many small improvements. In Vårdsamverkan and International we see that we will take large steps in our development: for Vårdsamverkan in the products offered and in International we are working on several exciting projects.

Daniel Öhman, CEO

Nordic Region

Continued very strong demand for our services is supported by continuous improvement work in all parts of the business.

During the summer we will expand Spine Center Göteborg, and Gildhøj in Copenhagen will follow in the autumn.

International

Continued good results from the assessment criteria that determine our remuneration.

Business development continues, including a visit from Saudi Arabia's Minister of Health at one of our Swedish clinics in June.

Vårdsamverkan

Collaboration with Trygg Hansa for all orthopaedics and spine surgery/care throughout Sweden started on 1 July. This will drive growth in the segment during the coming 12 months.

The focus is now on developing the product, in particular the digital parts.

Financial summary

Sales revenues

Sales growth amounted to 15 percent (-5) for the second quarter and to 11 percent (3) for the half year, of which 17 percent (-5) was organic growth for the second quarter and 14 percent (3) for the half year.

Operating result

The operating result before depreciation and amortisation for the second quarter of 2018 amounted to SEK 21.1 million (-6.8), corresponding to an EBITDA margin of 7 percent (-3). The EBIT margin amounted to 5 percent (-5) during the second quarter of the year and to 6 percent (-0.4) for the half year.

The operating result for the second quarter and the first half of 2017 were impacted by divestment of the subsidiaries GHP OPA Privathospital Aarhus A/S and GHP Gastro Clinic Helsinki Oy, amounting to a capital loss of SEK -16.3 million.

Net financial items

Net financial items amounted to SEK 2.8 million (-0.8) for the second quarter of 2018 and to SEK 2.0 million (-1.6) for the half year.

Net financial items for the second quarter were impacted by a positive effect of SEK 3.7 million from a repaid investment from a minor holding.

Income tax

The tax expense amounted to SEK -3.5 million (0.4) for the second quarter and to SEK -7.9 million (-1.9) for the half year.

The repayment of an investment from a minor holding during the second quarter of 2018 is non-taxable income. This impacts the effective tax rate positively.

Result for the period

The result after tax for the second quarter of 2018 was SEK 13.6 million (-14.0), of which SEK 12.0 million (-14.2) was attributable to Parent Company shareholders. The corresponding figures for the half year 2018 were SEK 27.7 million (-5.7), of which SEK 24.4 million (-6.2) was attributable to Parent Company shareholders.

Current and non-current interest-bearing liabilities

At 30 June 2018 the company had utilised credit of SEK 138.1 million (139.9). Of this sum, SEK 28.1 million (25.0) is classified as current liabilities and SEK 110.0 million (114.9) non-current liabilities.

Cash flow and financial position

The second quarter of 2018 had a positive cash flow of SEK 3.8 million (-41.1) and the half year had a positive cash flow of SEK 5.8 million (-49.1).

The cash flow from operating activities included changes in operating capital of SEK -0.3 million (-7.6) for the second quarter of 2018 and of SEK -5.9 million (-4.9) for the half year.

The cash flow during the second quarter was affected, amongst other things, from a repaid investment from minor holding, by dividend to non-controlling interests, investments in hospital equipment and amortisation of a leasing liability and bank loans.

The Group's cash and cash equivalents amounted to SEK 28.1 million (25.7) at 30 June 2018. GHP has a controlling interest in all cash-generating subsidiaries.

Net loan debt amounted to SEK 110.0 million (114.2) at 30 June 2018 and all covenants were met during the period.

Personnel

The average number of employees for the first half of 2018 amounted to 561 (529).

Consolidated sales revenues and results					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Sales revenues	287.6	249.6	566.2	510.4	990.8
Growth, %	15.2	-4.7	10.9	3.4	3.7
...whereof organic, %	17.0	-4.5	13.7	3.1	6.0
...whereof acquired/divested, %	-2.6	-1.5	-3.2	-0.5	1.6
Operating result before depreciation and amortisation (EBITDA)	21.1	-6.8	46.9	11.4	42.2
Adjusted operating result before depreciation and amortisation (EBITDA) ¹⁾	21.1	9.5	46.9	27.7	58.8
Operating result (EBIT)	14.3	-13.6	33.6	-2.2	16.2
Adjusted operating result (EBIT) ¹⁾	14.3	2.7	33.6	14.1	32.8

1) Adjusted for capital loss of SEK -16.3 million for the second quarter of 2017 and SEK -16.6 million for the full year 2017.

Consolidated cashflow					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Cash flow from operating activities	16.1	-2.2	33.5	14.8	31.2
Cash flow from investing activities	-6.5	-9.5	-10.2	-18.7	-31.3
Cash flow from financing activities	-7.2	-29.5	-19.4	-45.1	-51.9
Exchange rate differences in cash and cash equivalents	1.4	0.0	1.9	-0.2	-0.6
Cash flow	3.8	-41.1	5.8	-49.2	-52.6

Segment summary

Nordic Region

In the Nordic Region GHP runs 18 specialist care clinics in the fields of orthopaedics, spine surgery/spine care, obesity surgery and diabetes care, gastroenterology, urology, general surgery, arrhythmia, sports medicine, neurology and specialist dentistry. The businesses focus on quality, continuity, development and efficiency and it is our conviction that this stems from a high degree of specialisation. The clinics' customers consist of County Councils/Regions, insurance companies and to a certain extent private individuals. In the Nordic Region GHP has one clinic in Denmark and the other businesses are in Sweden.

Just like the two previous quarters, the second quarter displayed an increase in both sales and results. Some of the improvement can be explained by Easter effects, but the underlying business has also made clear

progress in the period. All the clinics in the segment's two largest sub-markets, Stockholm and West of Sweden, improved their results compared with the previous year. Demand and patient inflows were high in all clinics in the Nordic Region during the quarter. The work on increasing efficiency and capacity had a positive effect in the quarter and this work will continue in the coming quarters.

GHP's quality results continue to be at a very high level and during the quarter work was carried out to be able to more clearly present this to patients, customers and other stakeholders during the autumn.

During the second quarter of 2017, the clinics in Helsinki and Århus were divested, which involved a capital loss of SEK -16.3 million.

Sales revenues

Second quarter 2018

SEK 259.4 million
(224.5)

Operating result

Second quarter 2018

SEK 14.4 million
(-14.1)

Operating margin

Second quarter 2018

5.6 %
(-6.3)

4

Seasonal variations

GHP's business is affected by seasonal variations, in particular round about the summer holiday. As most of the Group's clinics do not carry out any surgical procedures at all during a few summer weeks, sales, the operating result and cash flow are affected negatively during the third quarter. The clinics are closed during this period due to the fact that it is

inefficient to run a clinic at half capacity as certain economies of scale are lost. It is also the case that the demand for operations is considerably lower during the holidays as many people do not want to have recently undergone surgery during the holiday.

International

The International business area conducts business in the United Arab Emirates (UAE). GHP has conducted diabetes care at a clinic in the UAE for a number of years but during 2016 GHP expanded its business operations after having won a procurement process at the end of 2015. The procurement process comprised a management contract for the diabetes clinic, two accident and emergency hospitals and a paediatric and obstetric hospital. During the fourth quarter of 2016 GHP took over the day-to-day running of the hospitals. The hospitals' assets and employees remain under hospital management and GHP's company in the UAE only employs the Group management, which consists of seven people, and the four hospital directors. Through this Group management, GHP will run the hospitals with the aim of improving both their quality and efficiency.

GHP's remuneration from the management contract consists of a number of components, which are mainly based on how well we can deliver a number of predefined criteria and on key performance indicators (KPIs) regarding quality and efficiency. GHP's remuneration and profitability during the course of the agreement may therefore vary from quarter to quarter and also because we invoice in the local AED currency.

During the autumn of 2017 a change was made in the remuneration model in dialogue with our customer. This

means that the quarterly remuneration is more clearly tied to specific activities carried out in each quarter and that a larger part of the annual remuneration will be paid in the fourth quarter each year. During the second quarter somewhat fewer of the specific activities were carried out. These will instead be carried out and paid for later on during the year. The improvement in the hospitals and the KPIs reflecting this have developed positively in the quarter.

In parallel with developing the existing business in the UAE, work on creating new business in the area continued during the quarter. Amongst other things, Saudi Arabia's Minister of Health visited GHP Ortho Center Göteborg in June to familiarise himself with the work that needs to be done to achieve the fine quality results.

In May an agreement was entered into with Skåne Care to further increase GHP's competitiveness in the Gulf region. Skåne Care has the experience and capacity to offer training and development of care processes and is a strong complement to GHP

Costs for business development linked to GHP's business development office in Dubai are charged against the results for the segment on a continuous basis.



Vårdsamverkan

Vårdsamverkan is GHP's segment that focuses on finding new ways of collaborating with our customers, primarily the insurance companies. We see that, based on detailed knowledge of the insurance population's needs, we can tailor care chains, including digital solutions, so that we raise both the quality and the level of service at the same time as we reduce costs. This is possible by optimising care on the basis of population thinking rather than cost per measure. As this requires comprehensive analysis and development of solutions, we have chosen to structure this as a segment of its own in GHP that can be fully focused on the development of these offerings. We have been in collaboration with Skandia for the first time over the past two years, and there we have population responsibility for everyone insured by them in Stockholm with regard to shoulder, hip and back problems. We have already been able to show that the business that we have built up for this purpose has been able to raise the level of service and reduce costs considerably. Furthermore, the planning of care has been run for Trygg-Hansa since the summer of 2017. GHP is responsible for coordination of the care of everyone covered by Trygg-Hansa insurance policies

In April 2018 GHP and Trygg-Hansa entered into collaboration whereby GHP Vårdsamverkan will be responsible for ensuring that all of Trygg-Hansa's patients with orthopaedic or spine-related problems receive effective care of the highest quality, from the first symptom until their treatment is complete. In contrast with how health care is traditionally purchased, with the focus on cost per measure taken, this collaboration focuses on quality outcomes, preventive work, service and total health care costs for the population. The agreement came into force on 1 July 2018. During the quarter GHP Vårdsamverkan worked on preparing technical and organisational solutions to be able to deliver on the agreement.

In June GHP initiated collaboration with the company Doctrin regarding digital retrieval of patients' medical records so as to be able to continue to develop GHP Vårdsamverkan's innovative and high-quality offering. This service means that patients submit information about their medical needs in a digital tool. This tool is based on an extensive medical algorithm that gathers information about patients' medical records in a structured and dynamic fashion. On the basis of this information GHP develops and optimises care chains.

GHP reports the Vårdsamverkan segment not as a care provider but as an independent business that innovates and optimises health care for insurance companies by developing existing care chains, with greater focus on preventive and digital tools. At the same time we follow up, evaluate and challenge health care providers both outside and within our own Group so as to secure the best outcomes. This means that the purchase of care from both GHP's own clinics and from external clinics is seen as costs for Vårdsamverkan and that what is seen as the operating result in Vårdsamverkan is the difference between what payment we manage to obtain from the insurance companies to run health care and the costs for purchasing and developing this care. The positive effect on results for GHP from the actual providing of care for Vårdsamverkan patients arises in the Nordic region segment.

Most of the segment's increase in sales in the quarter relates to the health care planning agreement with Trygg-Hansa which was started in July 2017. The establishment of the business, together with other investments, has involved costs which mean that the segment initially displays a negative result.

Sales revenues
Second quarter 2018
SEK 11.7 million
(8.9)

Operating result
Second quarter 2018
SEK -4.3 million
(-2.8)

Operating margin
Second quarter 2018
-36,8 %
(-31.5)

Segment summary

Sales revenues

Sek millions	Second quarter		Change %	First six months		Change %	Year 2017
	2018	2017		2018	2017		
Nordic region	265.3	229.3	15.7	520.6	469.9	10.8	900.8
<i>whereof Sweden</i>	224.9	190.2	18.2	442.7	389.9	13.5	753.6
Eliminations	-5.9	-4.8					-17.1
<i>whereof Vårdsamverkan</i>	-5.9	-4.8		-9.4	-8.3		-17.1
Nordic region	259.4	224.5	15.5	511.2	461.6	10.7	883.7
International	16.5	16.2	1.6	31.8	31.7	0.4	66.3
Vårdsamverkan	11.7	8.9	30.5	23.2	17.1	35.6	40.8
<i>whereof Sweden</i>	11.7	8.9	30.5	23.2	17.1	35.6	40.8
Group sales revenues	287.6	249.6	15.2	566.2	510.4	46.7	990.8

Operating result

Sek millions	Second quarter		First six months		Year 2017
	2018	2017	2018	2017	
Nordic region	14.4	-14.1	31.4	-2.8	7.1
International	4.2	3.3	7.9	5.0	16.6
Vårdsamverkan	-4.3	-2.8	-5.7	-4.4	-7.4
GHP Group operating result	14.3	-13.6	33.6	-2.2	16.2
Net financial items	2.8	-0.8	2.0	-1.6	-3.4
Result before tax	17.1	-14.4	35.6	-3.8	12.8

Operating margin

%	Second quarter		First six months		Year 2017
	2018	2017	2018	2017	
Nordic region	5.6	-6.3	6.1	-0.6	0.8
International	25.5	20.4	25.0	15.7	25.0
Vårdsamverkan	-36.8	-31.5	-24.7	-25.6	-18.2
Group operating margin	5.0	-5.4	5.9	-0.4	1.6

Consolidated income statement and other comprehensive income

Consolidated Income Statement					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Sales revenues	287.6	249.6	566.2	510.4	990.8
Other operating revenues	1.5	1.0	2.2	2.2	3.4
Operating revenues	289.1	250.6	568.4	512.7	994.2
Purchase of goods and services	-50.2	-45.3	-98.5	-91.0	-175.3
Other external costs	-66.6	-64.6	-129.8	-132.5	-250.3
Personnel costs	-151.1	-131.2	-293.3	-261.5	-509.7
Depreciation, amortisation and write-downs	-6.8	-6.8	-13.4	-13.6	-26.0
	0.0	-16.3	0.0	-16.3	-16.7
Operating costs	-274.9	-264.2	-534.9	-514.9	-978.0
Operating result	14.3	-13.6	33.6	-2.2	16.2
Interest income and similar items	0.0	0.0	0.0	0.0	0.1
Interest expenses and similar items	-0.8	-0.9	-1.6	-1.7	-3.4
Other financial income/expenses	3.7	0.1	3.6	0.1	-0.1
Net financial items	2.8	-0.8	2.0	-1.6	-3.4
Result before tax	17.1	-14.4	35.6	-3.8	12.8
Tax on result for the period	-3.5	0.4	-7.9	-1.9	-3.6
Result for the period *	13.6	-14.0	27.7	-5.7	9.2
* Result attributable to:					0
Parent Company shareholders	12.0	-14.2	24.4	-6.2	5.3
Non-controlling interests	1.6	0.2	3.3	0.5	3.9
	13.6	-14.0	27.7	-5.7	9.2
Result per share, SEK:					
Before dilution	0.18	-0.21	0.36	-0.09	0.08
After dilution	0.18	-0.21	0.36	-0.09	0.08

Consolidated statement of comprehensive income					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Result for the period	13.6	-14.0	27.7	-5.7	9.2
Items that will not be reclassified to income statement	-	-	-	-	-
Items that may be reclassified subsequently to income statement:					
Accumulated translation differences reversed to income	-0.8	-	-0.8	0.0	0.8
Change in translation reserve	4.1	0.6	6.7	-0.3	-4.5
Total other comprehensive income	3.3	0.6	5.9	-0.3	-3.7
Comprehensive income for the period *	16.9	-13.4	33.6	-6.1	5.5
* Attributable to:					
Parent Company shareholders	15.3	-14.0	30.3	-7.0	1.6
Non-controlling interests	1.6	0.6	3.3	0.9	3.9

Consolidated balance sheet and statement of cash flows

Consolidated balance sheet, summarised					
Sek millions	Note	30 Jun 2018	30 Jun 2017	31 Dec 2017	
Assets					
Non-current assets					
Intangible assets		390.2	389.6	389.8	
Other tangible assets		111.4	94.4	102.3	
Total non-current assets		501.6	484.0	492.1	
Current assets					
Trade receivables and other assets		217.3	169.6	180.1	
Cash and cash equivalents		28.1	25.7	22.3	
Total current assets		245.4	195.3	202.4	
Total assets		746.9	679.3	694.5	
Equity and liabilities					
Equity pertaining to Parent Company shareholders		384.0	345.6	352.4	
Total equity		384.0	345.6	352.4	
Non-current liabilities	6	179.7	169.1	183.6	
Current liabilities	6	183.1	164.6	158.5	
Total liabilities		362.8	333.7	342.1	
Total equity and liabilities		746.9	679.3	694.5	

Consolidated statement of cash flows						
Sek millions	Note	Second quarter		First six months		Full Year
		2018	2017	2018	2017	2017
Operating activities						
Operating result		14.3	-13.6	33.6	-2.2	16.2
Depreciation/amortisation and write-downs		6.8	6.8	13.4	13.6	26.0
Paid tax		-3.5	-3.0	-5.5	-6.2	-5.4
Other adjustments – net		-1.4	15.2	-2.1	14.5	13.8
Change in working capital – net		-0.3	-7.6	-5.9	-4.9	-19.4
Cash flow from operating activities		16.1	-2.2	33.5	14.8	31.2
Investing activities						
Divestment of subsidiary		0.0	-3.8	-	-3.4	-7.9
Other investments		-6.5	-5.7	-10.2	-15.3	-23.5
Other disposals		0.0	0.0	0.0	0.0	0.1
Cash flow from investing activities		-6.5	-9.5	-10.2	-18.7	-31.3
Financing activities						
Acquisition of participating interest from non-controlling interests	4	0.0	-1.3	-4.2	-9.3	-10.4
Contribution/reimbursement non-controlling interests		0.0	-0.2	-0.3	-0.2	-0.2
Divestment of participating interest to non-controlling interests		0.1	0.0	1.3	-	0.2
Dividend to shareholders		0.0	-20.5	-	-20.5	-20.5
Dividend to non-controlling interests		-2.3	-0.2	-2.9	-1.1	-1.4
Repayment of financial lease debt		-2.0	-1.8	-3.9	15.7	-7.2
New borrowings		0.0	18.7	0.0	0.0	44.4
Repayment of loans		-3.1	-24.2	-9.4	-29.7	-56.8
Cash flow from financing activities		-7.2	-29.5	-19.4	-45.1	-51.9
Exchange rate differences in cash and cash		1.4	0.0	1.9	-0.2	-0.6
Cash flow for the period		3.8	-41.1	5.8	-49.1	-52.6
Cash and cash equivalents at beginning of period		24.3	66.9	22.3	74.9	74.9
Cash and cash equivalents at end of period		28.1	25.7	28.1	25.7	22.3
Interest paid		-0.5	-0.6	-1.1	-1.2	-2.3
Interest and dividends received		1.5	-	1.5	-	-

Consolidated statement of changes in equity

Consolidated statement of changes in equity, summarised			
Sek millions	Second quarter		
	2018		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	369.3	0.0	369.3
Result after tax	12.0	1.6	13.6
Other comprehensive income	3.3	0.0	3.3
Total comprehensive income	15.3	1.6	16.9
Transfer of surplus value between majority owners and non-controlling interests	0.0	0.0	0.0
Dividend to non-controlling interests	0.0	-2.2	-2.2
Re-payment of capital injection to/ capital injection from non-controlling interests	0.0	0.0	0.0
Sales to (+) acquisitions from (-) non-controlling interests	-0.6	0.6	0.0
Reclassification of non-controlling interests	0.0	0.0	0.0
Closing balance	384.0	0.0	384.0

Sek millions	Second quarter		
	2017		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	374.7	0.0	374.7
Result after tax	-14.2	0.2	-14.0
Other comprehensive income	0.2	0.4	0.6
Total comprehensive income	-14.0	0.6	-13.2
Transfer of surplus value between majority owners and non-controlling interests	0.0	0.2	0.2
Dividend to shareholders	-20.5	-	-20.5
Dividend to non-controlling interests	0.0	-0.1	-0.1
Re-payment of capital injection from non-controlling interests	-	-0.2	-0.2
Sales to (+) acquisitions from (-) non-controlling interests	-1.0	5.8	4.8
Reclassification of non-controlling interests	6.3	-6.3	0.0
Closing balance	345.6	0.0	345.6

Sek millions	First six months		
	2018		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	352.4	0.0	352.4
Result after tax	24.4	3.3	27.7
Other comprehensive income	5.8	0.1	5.9
Total comprehensive income	30.1	3.3	33.6
Transfer of surplus value between majority owners and non-controlling interests	0.0	0.0	0.0
Dividend to shareholders	0.0	-	0.0
Dividend to non-controlling interests	-	-2.9	-2.9
Re-payment of capital injection from non-controlling interests and other capital injection from NCI	-	-0.3	-0.3
Sales to (+) acquisitions from (-) non-controlling interests	-0.2	1.5	1.3
Reclassification of non-controlling interests	1.7	-1.7	0.0
Closing balance	384.0	0.0	384.0

Sek millions	First six months		
	2017		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	369.1	0.0	369.1
Result after tax	-6.2	0.5	-5.7
Other comprehensive income	-0.8	0.4	-0.4
Total comprehensive income	-7.0	0.9	-6.1
Transfer of surplus value between majority owners and non-controlling interests	-0.2	0.2	0.0
Dividend to shareholders	-20.5	-	-20.5
Dividend to non-controlling interests	-	-1.1	-1.1
Re-payment of capital injection from non-controlling interests and other capital injection from NCI	-	-0.2	-0.2
Sales to (+) acquisitions from (-) non-controlling interests	-1.3	5.6	4.3
Reclassification of non-controlling interests	5.4	-5.4	0.0
Closing balance	345.5	0.0	345.5

	Year		
	2017		
	Shareholders' share	Attributable to non- controlling interests	Total
Opening balance	369.1	0.0	369.1
Result after tax	5.3	3.9	9.2
Other comprehensive income	-3.7	0.0	-3.7
Total comprehensive income	1.6	3.9	5.5
Transfer of surplus value between majority owners and non-controlling interests	-0.2	0.2	0.0
Dividend to shareholders	-20.5	-	-20.5
Dividend to non-controlling interests	-	-1.4	-1.4
Re-payment of capital injection from non-controlling interests and other capital injection from NCI	-	-0.1	-0.1
Sales to (+) acquisitions from (-) non-controlling interests	-0.1	7.7	7.6
Revaluation liability put option	-7.8	-	-7.8
Reclassification of non-controlling interests	10.3	-10.3	0.0
Closing balance	352.4	0.0	352.4

Quarterly figures

Quarterly figures					
Consolidated income statement					
Sek millions unless otherwise stated	17Q2	17Q3	17Q4	18Q1	18Q2
Sales revenues	249.6	191.9	288.5	278.7	287.6
Other operating revenues	1.0	0.4	0.8	0.6	1.5
Operating revenues	250.6	192.3	289.3	279.3	289.1
Purchase of goods and services	-45.3	-34.5	-49.8	-48.2	-50.2
Other external costs	-64.6	-51.2	-66.7	-63.2	-66.6
Personnel costs	-131.2	-106.8	-141.4	-142.1	-151.1
Depreciation, amortisation and write-downs	-6.8	-6.2	-6.3	-6.5	-6.8
Other operating costs	-16.3	0.0	-0.3	0.0	0.0
Operating costs	-264.2	-198.6	-264.5	-260.0	-274.9
Operating result	-13.6	-6.4	24.8	19.3	14.3
Interest income and similar items	0.0	0.0	0.0	0.0	0.0
Interest expenses and similar items	-0.9	-0.8	-0.9	-0.8	-0.8
Other financial income/expenses	0.1	-0.1	0.0	0.0	3.7
Net financial items	-0.8	-0.9	-0.9	-0.8	2.8
Result before tax	-14.4	-7.3	23.9	18.5	17.1
Tax on result for the period	0.4	4.5	-6.2	-4.4	-3.5
Result for the period *	-14.0	-2.8	17.7	14.1	13.6
* Result attributable to:					
Parent Company shareholders	-14.2	-3.4	14.9	12.4	12.0
Non-controlling interests	0.2	0.6	2.8	1.7	1.6
	-14.0	-2.8	17.7	14.1	13.6

Key ratios					
EBITDA	-6.8	-0.2	31.0	25.8	21.1
EBITDA margin, %	-2.7	-0.1	10.7	9.3	7.3
Adjusted EBITDA ¹⁾	9.5	n/a	31.3	n/a	n/a
Adjusted EBITDA margin, % ¹⁾	3.8	n/a	10.9	n/a	n/a
EBIT	-13.6	-6.4	24.8	19.3	14.3
EBIT margin, %	-5.4	-3.3	8.6	6.9	5.0
Adjusted EBIT ¹⁾	2.7	n/a	25.1	n/a	n/a
Adjusted EBIT margin, % ¹⁾	1.1	n/a	8.7	n/a	n/a
Cash flow from operating activities per share, SEK	-0.06	-0.41	0.62	0.26	0.24
Cash flow per share, SEK	-0.60	-0.60	0.13	0.03	0.06
Equity/assets ratio, %	51	49	51	52	51
Net loan debt	114.2	152.1	126.8	117.2	110.0
Equity per share, SEK	5.06	4.96	5.16	5.41	5.62

1) Adjusted for one-time costs for divestment of subsidiaries during second and fourth quarter 2017.

Quarterly figures

Alternative performance measures					
Sek millions unless otherwise stated	17Q2	17Q3	17Q4	18Q1	18Q2
EBITDA					
Operating result	-13.6	-6.4	24.8	19.3	14.3
Reversal: Depreciation and amortization	6.8	6.2	6.3	6.5	6.8
EBITDA	-6.8	-0.2	31.0	25.8	21.1
Adjusted EBITDA					
EBITDA	-6.8	-0.2	31.0	25.8	21.1
Reversal exit loss	16.3	0.0	0.3	0.0	0.0
Adjusted EBITDA	9.5	-0.2	31.3	25.8	21.1
Sales revenues, change					
Sales revenues	249.6	191.9	288.5	278.7	287.6
Sales revenues compared with corresponding period previous year	262.0	189.1	272.8	260.8	249.6
Sales revenues, change	-12.4	2.8	15.7	17.9	38.0
Acquisitions/divestments	3.8	8.4	10.8	10.0	6.6
Fluctuations in exchange rates	-3.3	0.4	1.8	-0.1	-2.1
Organic growth	-11.8	11.6	28.3	27.9	42.4
Acquisitions/divestments, %	-1.5	-4.4	-4.0	-3.9	-2.6
Organic growth, %	-4.5	6.1	10.4	10.7	17.0
Net loan debt					
Interest-bearing provisions and liabilities	139.9	165.7	149.1	141.5	138.1
Minus: Interest-bearing assets	-25.7	-13.6	-22.3	-24.3	-28.1
Net loan debt	114.2	152.1	126.8	117.2	110.0

Definitions etc.

Sales revenues

Revenues from the core business.

EBITDA

Operating result before depreciation and amortisation.

Adjusted EBITDA

Operating result before depreciation and amortisation and one-time expenses/revenues. Items affecting comparability are items of a one-time nature such as capital gains/losses when companies are divested.

EBITDA margin, %

Operating result before depreciation and amortisation as a percentage of sales revenues for the period.

Adjusted EBITDA-margin, %

Adjusted operating result before depreciation and amortisation as a percentage of sales revenues for the period.

EBIT

Operating result.

Adjusted EBIT

Operating result before one-time expenses/revenues. Items affecting comparability are items of a one-time nature such as capital gains/losses when companies are divested.

EBIT margin, %

Operating result as a percentage of the sales revenues for the period.

Adjusted EBIT margin, %

Adjusted operating result as a percentage of the sales revenues for the period.

Cash flow from operating activities per share

The cash flow from operating activities for the period divided by the average number of shares before dilution (convertibles).

Cash flow per share

The net cash flow for the period divided by the average number of shares outstanding before dilution (convertibles).

Equity/assets ratio

Total equity as a percentage of the total assets.

Net loan debt

Net of interest-bearing provisions and liabilities minus interest-bearing assets at closing day. A negative figure indicates a net loan receivable.

Equity per share, SEK

Total equity per share outstanding at the end of the period.

Organic growth

Growth adjusted for currency effects and acquisitions/divestments.

Share data

Result per share

The average number of ordinary shares outstanding amounted to 68,282,585 (68,282,585) for the second quarter of 2018 and to 68,282,585 (68,282,585) for the first half of 2018.

With regards to the convertible instrument programme implemented during the second quarter of 2016, there has been no dilution effect pursuant to IAS 33 for the second quarter 2018. Convertible liabilities do not give rise to a dilution effect when their

interest per ordinary share that can be obtained upon conversion is greater than the result per share before dilution.

Share capital

As of 30 June 2018, there were 68,282,585 ordinary shares outstanding (68,282,585) with a nominal value of SEK 1 per share.

Quarterly figures					
Share data	17Q2	17Q3	17Q4	18Q1	18Q2
Result per share before dilution, SEK ¹⁾	-0.21	-0.05	0.22	0.18	0.18
Result per share after dilution, SEK ¹⁾	-0.21	-0.05	0.22	0.18	0.18
Number of outstanding shares in thousands	68,283	68,283	68,283	68,283	68,283
Average number of shares outstanding before dilution, thousands	68,283	68,283	68,283	68,283	68,283
Average number of shares outstanding after dilution, thousands	68,283	68,283	68,283	68,283	68,283

1) The result per share has been calculated as follows: the result after tax attributable to Parent Company shareholders has been divided by the average number of ordinary shares outstanding during the period.

Note 1 Accounting principles

GHP Specialty Care AB (publ), corporate identity number 556757-1103, is registered in Gothenburg, Sweden, and the head office is located at Södra Hamngatan 45.

The Company's financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. The preparation of financial statements in compliance with IFRS requires the use of estimates and assumptions that affect the reported values of assets, liabilities, revenues and costs for the reporting period. Although these estimates are based on management's knowledge of the amounts, events and actions taken, actual results may differ from the estimates and assumptions made.

Unless otherwise stated, all amounts are in millions of Swedish kronor (SEK millions).

On 27 April 2016 an incentive programme was approved by the Annual General Meeting. The programme consists of issued convertible bonds. During the period 24 February 2020 until 23 March 2020 bond holders are able to convert these to new shares in GHP at a predetermined conversion rate of SEK 9.67. If conversion does not take place, the loan matures on 14 April 2020. A convertible bond is a so-called compound financial instrument which gives rise to a financial liability for the Company and which contains an option for the owner of the instrument to convert the liability into an equity instrument in the Company. These two parts are recognised separately in accordance with IAS 32, p. 29. IFRS 9 deals with the valuation of the financial instrument, which means that the value of the option will form the residual amount after the liability has been valued and deducted from the fair value of the instrument as a whole (IAS 32, p 31, 32). The cost of producing the convertible instrument, SEK 0.5 million, is allocated proportionately to the liability and the option (IFRS 9, p 5.1.1). That part that has been referred to the liability is distributed over the term of the loan and will then be recognised as an interest expense calculated according to the effective interest method together with the liability. The equity component, that is the value of the option, amounts to the price of the option, SEK 1.38, (according to a calculation received from Swedbank) and GHP received SEK 9,650,000, which corresponds to 958,292 convertible instruments. The loan will initially be recognised at its fair value (present value of payments) and during the term of the loan the present value of the convertible instrument will increase up to its nominal value. The difference is distributed over the term of the loan as an interest expense and increases the liability. The Parent Company of the Group, which applies RFR2, recognises the convertible instruments in the same way as the Group

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR2 for legal entities. The accounting principles that have been applied are in accordance with what is stated in the Annual Report 2017, with the exception of the new principles presented below.

For further information on the accounting principles, please refer to GHP's Annual Report for 2017, pages 42-46.

New accounting principles as from 2018

IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers are applied as from 1 January 2018. Neither of the new standards has had any significant impact on GHP's reporting for the first six months of 2018.

Rounding up/down

The rounding up/down of figures may mean that in some cases the figures presented in this interim report do not add up exactly to the total and percentages may deviate from the exact percentages.

ESMA's guidelines for alternative performance measures

As from 3 July 2016, GHP has applied the guidelines issued by ESMA regarding alternative performance measures. Figures for alternative performance measures are presented on page 12 of this report. Alternative performance measures are used in addition to GAAP key ratios, as company management has assessed that they are relevant for both internal and external stakeholders in their assessment of the company's financial performance.

Seasonal variations

For information on seasonal variations, please refer to the segment summary.

Note 2 Risks and uncertainties

GHP is exposed to various types of risk in its business. In general, these can be divided into market-related risks, business-related risks and risks related to financing activities. A more detailed description of these risks is to be found in GHP's Annual Report for 2017, page 34.

Some political parties are pushing questions regarding in what form and whether profits are to be allowed in Swedish welfare. It cannot be completely ruled out that any legislation that arises from this may have a certain negative impact on GHP and/or its owners.

In the company's assessment, no further significant risks have arisen during 2018, apart from those described in "Events after closing day" in GHP's Annual Report for 2017, page 62 (in Swedish only).

Note 3 Transactions with related parties

During the second quarter of 2018 dividend of SEK 2.3 million was paid to non-controlling interests.

During the first half of 2018 a purchase consideration of SEK 4.2 million entered as a liability for an acquisition in December 2016 was paid to non-controlling interests in GHP Arytmi Center Stockholm AB. Furthermore, shares were divested during the first half of the year to new partners. This had an impact of SEK 1.3 million on cash and cash equivalents, of which SEK 0.1 million was during the second quarter.

A consultant's fee of SEK 0.8 million has been paid during the year to a doctor who is the husband of the CEO of GHP Gastro Center Skåne. Remuneration was in line with market rates.

There were no other significant transactions with related parties in the second quarter of 2018.

Note 4 Acquisitions and divestments

A purchase consideration of SEK -4.2 million entered as a liability has been paid by interests in GHP Arytmi Center Stockholm AB during the first six months.

Shares in GHP Ortho Center Stockholm AB and GHP Ortho Center Göteborg AB were divested to non-controlling interests to the tune of SEK 1.3 million in total.

Acquisition/divestment of subsidiaries and bolt-on acquisition		30 Jun 2018
Sek millions		Total
Transactions with non-controlling interests – effects on Group’s cash and cash equivalents:		
a) Payment of supplementary consideration previously entered as a liability GHP Arytmi Center Stockholm AB		-4.2
b) Divestment of 7,0 per cent of shares in GHP Ortho Center Stockholm AB to non-controlling interests		1.2
c) Divestment of 5,0 per cent of shares in GHP Ortho Center Göteborg AB to non-controlling interests		0.1
Effect on Group’s cash and cash equivalents, total net cash flow		-2.9
a) Effects on Group’s financial position of settlement of purchase price in GHP Arytmi Center Stockholm AB previously entered as a liability		
Total net value of divested assets and liabilities:		
Additional purchase price entered as a liability, current portion		-4.2
Effect on Group’s cash and cash equivalents, total net cash flow		-4.2

Note 5 Information on sub-division of revenues

Sek millions	Sales revenues - sub-market				
	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Stockholm area	168.7	139.5	330.7	284.5	553.6
Finland	0.0	0.3	0.0	0.6	0.6
West of Sweden	48.4	41.4	96.3	87.5	168.8
Denmark	34.5	34.8	68.5	71.1	130.9
Skåne	19.4	17.5	39.0	35.0	70.6
United Arab Emirates	16.5	16.2	31.8	31.7	66.3
GHP Group sales revenues	287.6	249.6	566.2	510.4	990.8

Note 6 Financial instruments

Information is given in the table below on the measurement of fair value for the financial instruments valued at fair value in the report on the financial position.

Measurement of fair value is divided up into three levels:

Level 1: in accordance with prices in an active market for identical instruments

Level 2: on the basis of direct or indirect observable market data not included in level 1

Level 3: on the basis of inputs that are not observable in the market

The liability for put options and any supplementary considerations entered as a liability have been valued at fair value. The liability is dependent on assessments of the subsidiaries' future profitability. There is also an uncertainty factor regarding when the liability will be settled.

Financial assets and liabilities				
				30 Jun
				2018
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	32.8	32.8
Put options entered as a liability, current portion	-	-	8.1	8.1
Additional purchase price entered as a liability, long-term portion	-	-	0.0	0.0
Additional purchase price entered as a liability, current portion	-	-	0.0	0.0
Total financial liabilities	-	-	40.9	40.9

Financial assets and liabilities				
				30 Jun
				2017
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	35.4	35.4
Put options entered as a liability, current portion	-	-	1.1	1.1
Additional purchase price entered as a liability, long-term portion	-	-	0.1	0.1
Additional purchase price entered as a liability, current portion	-	-	4.4	4.4
Total financial liabilities	-	-	41.0	41.0

Financial assets and liabilities				
				31 Dec
				2017
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	34.6	34.6
Put options entered as a liability, current portion	-	-	6.1	6.1
Additional purchase price entered as a liability, long-term portion	-	-	0.0	0.0
Additional purchase price entered as a liability, current portion	-	-	4.2	4.2
Total financial liabilities	-	-	44.9	44.9

Parent Company income statement and other comprehensive income

GHP Specialty Care AB (publ) has a limited central organisation which gives expert support within areas such as business development, finance, IR, communication, IT, marketing and agreement processes. Steering and control are carried out via corporate governance and the following up of results.

A considerable part of the costs for the central organisation are aimed at generating new business within the selected segments and at analysing and researching other expansion opportunities within the health care sector.

The operating result amounted to SEK -9.6 million (-11.8) for the second quarter of 2018 and to SEK -18.9 million (-22.2) for the first half of the year.

Shares in subsidiaries amounted to SEK 692.5 million (690.9) at 30 June 2018 while cash and cash equivalents were SEK 18.7 million (0.6).

Parent Company - Income statement summarised					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Operating revenues	0.0	0.0	0.0	0.0	0.0
Operating costs, incl. depreciation and amortisation	-9.6	-11.8	-18.9	-22.2	-39.8
Operating result	-9.6	-11.8	-18.9	-22.2	-39.8
Net financial items	0.8	0.6	1.6	1.2	5.0
Result before tax	-8.8	-11.2	-17.3	-20.9	-34.8
Allocations	0.0	0.0	0.0	0.0	60.0
Result after allocations	-8.8	-11.2	-17.3	-20.9	25.2
Tax on result for the period	1.9	2.5	3.8	4.6	-5.0
Result for the period	-6.9	-8.8	-13.5	-16.4	20.2

Parent Company - Statement of comprehensive income					
Sek millions	Second quarter		First six months		Year
	2018	2017	2018	2017	2017
Result for the period	-6.9	-8.8	-13.5	-16.4	20.2
Items that will not be reclassified to income statement	-	-	-	-	-
Items that may be reclassified subsequently to income statement	-	-	-	-	-
Total other comprehensive income	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	-6.9	-8.8	-13.5	-16.4	20.2

Parent Company balance sheet

Parent company - Balance sheet, summarised			
Sek millions	30 Jun 2018	30 Jun 2017	31 Dec 2017
Assets			
Non-current assets			
Intangible assets	0.0	0.1	0.1
Tangible assets	0.3	0.4	0.4
Financial assets			
Shares and participations in Group companies	692.5	690.8	692.4
Deferred tax assets	8.4	14.3	4.7
Other financial assets	0.9	1.3	0.9
Total non-current assets	702.1	707.0	698.5
Current assets			
Current receivables from Group companies	180.3	175.2	220.7
Other assets	1.5	2.9	0.9
Cash and cash equivalents	18.7	0.6	0.0
Total current assets	200.5	178.8	221.6
Total assets	902.6	885.7	920.1
Shareholder's equity and liabilities			
Shareholder's equity	688.7	665.7	702.3
Non-current liabilities	10.2	10.3	10.0
Current liabilities to Group companies	198.4	182.0	189.5
Other current liabilities	5.3	27.8	18.3
Total liabilities	213.9	220.1	217.8
Total shareholder's equity and liabilities	902.6	885.7	920.1

Important events after closing day

No important events have occurred after closing day.

19

13 July 2018
Gothenburg
GHP Specialty Care AB (publ)

Carsten Browall
Chairman of the Board

Bo Wahlström
Member of the Board

Mikael Olsson
Member of the Board

Johan Wachtmeister
Member of the Board

Elisabeth Hansson
Member of the Board

Daniel Öhman
CEO

This report has not been the subject of review by the company's auditor.

Financial calendar

Interim report January-September 2018	25 Oktober 2018
Year-end Report 2018	20 February 2019
Interim report January-March 2019	23 April 2019
Annual General Meeting 2019	24 April 2019
Interim report January-June 2019	12 July 2019
Interim report January-September 2019	24 October 2019

Contact details

Daniel Öhman, CEO	+46 708 55 37 07
Philip Delborn, CFO	+46 702 12 52 64

GHP Specialty Care AB (publ) is required to publish the information herein pursuant to the Swedish Securities Market Act. This information was published, through the agency of the contact persons set out above, on 13 July 2018 at 08:00 am CET. This is a translation of the Swedish version of the Interim report. When in doubt, the Swedish version prevails.



GHP Specialty Care AB (publ)
Södra Hamngatan 45, SE-411 06 Göteborg, Sweden
Tel: +46 (0) 31 712 53 00 Fax: +46 (0) 31 313 13 21
www.ghp.se

GHP is an internationally active health care provider that operates specialist clinics in a select number of diagnostic areas through the application of a business model that is unique in the health care industry, where leading doctors and medical staff become partners and shareholders. Each clinic specialises in a particular patient group, and this leads to increased efficiency and higher quality. This is the cornerstone of GHP's business philosophy – “Quality through specialisation”.