



Interim report January - June 2020



Swift adaptation to manage the pandemic gave results

- Revenues decreased in the quarter due to Covid-19
- Positive quarterly results owing to adaptation in the businesses and cost-cutting measures
- Vårdsamverkan's best quarterly results so far
- GHP has supported the care of Covid-19 patients with staff, materials and equipment

Second quarter 2020

- Sales revenues amounted to SEK 317.0 million (335.7)
- Organic growth amounted to -8.2 percent (15.8)
- EBITDA increased to SEK 45.2 million (38.1)
- EBITDA margin increased to 14.3 percent (11.4)
- EBIT increased to SEK 20.5 million (17.1)
- EBIT margin increased to 6.5 percent (5.1)
- Result after tax amounted to SEK 11.5 million (12.7)
- Result per share amounted to SEK 0.13 (0.17)

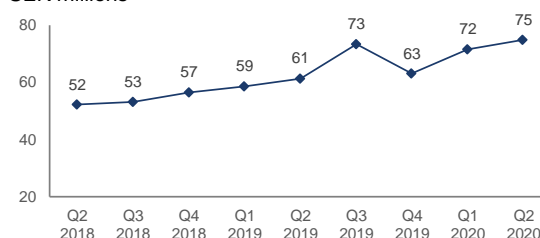
First half 2020

- Sales revenues increased to SEK 700.0 million (666.1)
- Organic growth amounted to 1.7 percent (16.5)
- EBITDA increased to SEK 99.4 million (80.3)
- EBITDA margin increased to 14.2 percent (12.0)
- EBIT increased to SEK 50.4 million (38.5)
- EBIT margin increased to 7.2 percent (5.8)
- Result after tax amounted to SEK 34.6 million (27.9)
- Result per share amounted to SEK 0.43 SEK (0.35)

Sales revenues, rolling 12 months
SEK millions



EBIT, rolling 12 months
SEK millions



Segment summary				
Sek millions	Sales revenue		Operating result (EBIT)	
	Second Quarter		Second Quarter	
	2020	2019	2020	2019
Nordic region	262.5	276.9	21.2	22.8
International	26.5	25.5	5.0	8.4
Vårdsamverkan	28.0	33.3	3.6	-2.4
Other	0.0	0.0	-9.3	-11.6
Total	317.0	335.7	20.5	17.1

Items reported as Other are attributable to Parent Company functions. For more information on the Parent Company's results, please refer to page 17.

Examples of how GHP has been supportive in the care of Covid-19 patients

- **Let out staff to the public healthcare:** Closed parts of our regular business in Stockholm to instead lend anaesthesia, intensive care and other medical staff to the public sector hospitals. Staff from halted business has supported geriatric care in Stockholm. Completely halted business in Denmark for a few weeks as the public sector wanted access to our resources.
- **Supported the public healthcare with drugs:** Stopped using Propofol (anaesthetic needed in intensive care), given Propofol to intensive care. These has been possible due to the transition to alternative anaesthesia methods and drugs.
- **Served patients outside of our ordinary scope:** Treated prostate cancer patients queueing for Karolinska. Taken care of subacute orthopaedics for Västra Götaland. Investigated suspected cancer patients in Skåne.
- **Supported international healthcare to cope with Covid-19:** At SKMCA in the UAE the number of intensive care places has been greatly expanded and we are the primary hospital for covid care in the northern part of the country. In Kuwait, Kuwait Hospital now cares for mainly paediatric patients coming from public hospitals so that there are more places for covid patients there.
- **Supported insurance companies:** Supported insurance companies in medical issues related to Covid-19.
- **Temporarily stopped appointments with risk-group patients**

CEO's comments



This spring has placed great demands on our business, where rapid action and adaptation have been necessary. As a health care Group, GHP has had to manage the consequences of the pandemic at close quarters. In the Nordic Region we have lent personnel, material and equipment to the public hospitals at the same time as we have had to cancel the appointments of all risk-group patients. In International we have adapted to almost only taking care of Covid-19 patients in the UAE and in Kuwait the hospital is now temporarily a paediatric hospital. Furthermore, in some parts of the business we have been forced to furlough members of staff, temporarily reduce new employment levels and terminate consultants. Even though this has been tough, it has been incredibly pleasing to see the commitment and ability of all our employees, who in our decentralised organisation have made these rapid changes work fantastically well.

Normally we would not have been able to manage a loss of sales of this magnitude in such a fine way and extraordinary efforts have been necessary on the part of our employees. There are many positive things from the swift adaptation and the commitment that we can take with us into the future but we need to return to our normal demand to achieve a sustainable level of profitability. There is a lot indicating that this will be the case as early as after the summer holiday, when the staff we have lent will probably come back.

In the **Nordic Region** the lending of anaesthesia staff to public health care has created a large imbalance in which professional groups we have available at the same time as fewer people have sought care and we have cancelled risk-group appointments. Furthermore, our business in Denmark was forbidden from operating on patients for a while. We have managed this by reducing our costs at the same time as we have taken on new, more relevant assignments such as cancer surgery and geriatrics. During the second half of the quarter we experienced a certain recovery.

In **International** the hospitals in the UAE and Kuwait have adapted their businesses in an exemplary manner so as to be able to support society during the pandemic. In Ajman most of the health care has focused on managing Covid-19 patients and in Kuwait the scaling up of the hospital has been put on hold in order to instead support the public sector in the form of a paediatric hospital. This means that our revenues will be lower for a period but these important efforts strengthen GHP's position in the region over time.

Vårdsamverkan's positive contribution has been extra clear this quarter. The segment improved its results in the quarter, based on a combination of the fact that less

health care is purchased as a result of Covid-19, but also because the work of analysing and improving the care chains is bearing fruit. Moreover, in several parts of the Group we have been able to take advantage of the technical solutions that Vårdsamverkan has developed. During the pandemic the knowledge in Vårdsamverkan has been used to accelerate the use of digital care meetings at our clinics.

Even though the second quarter has largely been characterised by the ongoing pandemic, we have continued to work on business development in all three of our segments, and this has worked surprisingly well. We see increased opportunities to grow in new markets, with new collaboration and with new clinics. We experience that there is great demand for the services and the models we offer and therefore our investments in business development are important even when society faces tough challenges.

We have an intensive quarter behind us and we are prepared for the fact that we have a period ahead of us that will mean a lot of hard work. The way that our organisation has handled the situation during the second quarter convinces me that we will also be able to adapt to manage coming challenges and opportunities very well. Have a good summer and stay safe!

Daniel Öhman, CEO

Nordic Region

In several areas GHP has supported public health care during Covid-19.

Most of the clinics have had lower revenues as a result of Covid-19 but all clinics have adapted to manage the effects of the pandemic. This has resulted in us being able to reduce the segment's costs and the segment's results being positive in the period.

During Covid-19 a considerable health care debt has built up in society and this will need to be managed when the situation becomes more normal again.

International

The hospitals in the UAE and in Kuwait have been adapted to support society during the pandemic.

Halved revenues in Kuwait in Q2 and Q3 as a result of GHP's normal work in Kuwait being limited due to Covid-19.

The change in the reporting of revenues in the UAE that was made in 2019 had a negative effect of SEK 6 million on results for the quarter compared with the corresponding period the previous year.

The work on business development is ongoing and during the quarter has focused most on a potential diabetes business in Saudi Arabia.

Vårdsamverkan

Improved results in the period related to less purchased care and positive effects from the work on improving care chains.

Vårdsamverkan's digital solutions are used to reduce the number of physical appointments at GHP.

Financial summary for the second quarter of 2020

Sales revenues

Sales growth amounted to -5.6 percent (16.7) for the second quarter and to 5.1 percent (17.6) for the half year, of which organic growth was -8.2 percent (15.8) for the second quarter and 1.7 percent (16.5) for the half year.

Operating result

The operating result before depreciation and amortisation for the second quarter of 2020 increased to SEK 45.2 million (38.1), corresponding to an EBITDA margin of 14.3 percent (11.4).

The operating result after depreciation and amortisation amounted to SEK 20.5 million (17.1) for the second quarter of 2020, corresponding to an EBIT margin of 6.5 percent (5.1), and to 7.2 percent (5.8) for the half year.

Net financial items

Net financial items amounted to SEK -1.8 million (-0.4) for the second quarter of 2020 and to SEK -3.6 million (-1.9) for the half year.

Income tax

The tax expense amounted to SEK -7.1 million (-4.0) for the second quarter and to SEK -12.2 million (-8.7) for the first half year.

Result for the period

The result after tax for the second quarter of 2020 amounted to SEK 11.5 million (12.7), of which SEK 9.0 million (11.3) was attributable to Parent Company shareholders. For the first half of 2020 the corresponding figure was SEK 34.6 million (27.9), of which SEK 29.6 million (23.6) was attributable to Parent Company shareholders.

Reflections on Covid-19

The Covid-19 pandemic had a negative effect on GHP's revenues for the quarter. Management's assessment is that the need for health care services will increase as a result of Covid-19 but demand may decrease, however, in the short term.

During the period when Covid-19 has a significant impact on society, activity in GHP's clinics may both increase and decrease. The unpredictability that arises in connection with the pandemic leads to rapid swings in volumes, which means that it becomes more difficult to maintain efficiency at the clinics. GHP is actively working on reducing any negative financial effects at the clinics by adapting the clinics' cost base in those cases where business activities decrease. This is done, amongst other things, by hiring out personnel to publicly run hospital health care. GHP has also taken advantage of the support package that was introduced by the governments in Sweden and Denmark, for example short-term furlough support and reduced employer's social security contributions.

Covid-19 is not assessed to have impacted the long-term value of GHP's assets. Most of GHP's customers are public organisations and large insurance companies, which means that the risk of future credit losses is assessed to be low. In GHP's assessment there is no impairment requirement for the Group's assets as a result of the coronavirus.

Current and non-current interest-bearing liabilities

At 30 June 2020 the company had utilised credit of SEK 360.2 million (259.6). Of this figure, SEK 64.6 million (67.0) is current liabilities and SEK 295.6 million (192.6) non-current liabilities.

Cash flow and financial position

There was a positive cash flow of SEK 116.9 million (-18.9) for the second quarter of 2020 and of SEK 161.1 million (-15.9) for the half year.

The cash flow from operating activities included changes in working capital of SEK 36.2 million (-3.0) for the second quarter of 2020 and of SEK 36.1 million (-18.1) for the half year.

The cash flow during the second quarter was affected, amongst other things, by the fact that other interest-bearing current liabilities increased by SEK 58.7 million due to respite on payment to the Swedish Tax Agency. Investments in hospital equipment of SEK 0.6 million were made, as well as investments in office equipment of SEK 2.4 million.

The Group's cash and cash equivalents amounted to SEK 186.7 million (16.1) at 30 June 2020. In addition, the Group has been granted credit of SEK 70.0 million by a bank but this credit is as yet unutilised. GHP has a controlling interest in all cash-generating subsidiaries.

Net loan debt amounted to SEK 173.5 million (243.5) at 30 June 2020. All covenants were met during the period.

Personnel

The average number of employees for the first half of 2020 amounted to 726 (635).

Consolidated sales revenues and results					
Sek millions	Second quarter		First six months		Year
	2020	2019	2020	2019	2019
Sales revenues	317.0	335.7	700.0	666.1	1,313.3
Growth, %	-5.6	16.7	5.1	17.6	17.2
whereof organic, %	-8.2	15.8	1.7	16.5	14.3
whereof acquired/divested, %	2.6	0.0	2.9	0.0	1.8
Operating result before depreciation and amortisation (EBITDA)	45.2	38.1	99.4	80.3	150.4
Operating result (EBIT)	20.5	17.1	50.4	38.5	63.0

Consolidated cashflow					
Sek millions	Second quarter		First six months		Year
	2020	2019	2020	2019	2019
Cash flow from operating activities	80.1	46.5	134.9	79.4	122.6
Cash flow from investing activities	-3.0	-16.5	-7.9	-27.0	-59.5
Cash flow from financing activities	40.8	-48.8	34.2	-69.3	-70.8
Exchange rate differences in cash and cash equivalents	-1.0	-0.1	0.0	1.0	1.3
Cash flow	116.9	-18.9	161.1	-15.9	-6.5

Segment summary

Nordic Region

In the Nordic Region GHP runs 22 specialty care clinics in the fields of orthopaedics, spine surgery/spine care, obesity surgery and diabetes care, gastroenterology, urology, general surgery, arrhythmia, sports medicine, neurology, skin 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.

During the quarter most of the clinics had lower revenues as a result of Covid-19. The reason for the decrease is that several clinics did not admit risk-group patients and that the clinics' resources were hired out to support the public health care sector. The clinics in Stockholm and Copenhagen were the clinics most

impacted by Covid-19 during the second quarter. During the second half of the quarter we experienced a certain recovery in patient volumes.

All the Nordic businesses adapted to manage the effects of the pandemic. This resulted in the segment's costs being able to be lowered and in positive results for the segment in the period. Despite the negative organic growth in the quarter, the Nordic region managed to maintain the operating margin at the same level as the previous year.

As private and public sector health care providers cut back planned care during Covid-19, a considerable health care debt has built up and this will need to be managed when the situation becomes more normal again. This means that demand for the health care that GHP provides is assessed to be high in the longer term.

Sales revenues

Second quarter 2020

SEK 262.5 million
(276.9)

Operating result

Second quarter 2020

SEK 21.2 million
(22.8)

Operating margin

Second quarter 2020

8.1 %
(8.2)

Seasonal variation

GHP's business is affected by seasonal variation, 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 segment conducts business in the United Arab Emirates (UAE) and in Kuwait.

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. The hospitals' assets and employees remain under hospital management and GHP's company in the UAE only employs the hospitals' Group management. Through this Group management, GHP will run the hospitals with the aim of improving both their quality and efficiency.

On 17 June 2019 GHP signed an agreement with Kuwait Medical Center Holding Company (KMCH) whereby GHP is the operator of Kuwait Hospital in Kuwait City. The agreement runs for five years as from 1 July 2019 and can be extended. The agreement means that GHP is taking yet another step towards becoming a leading hospital operator in the Middle East.

During the second quarter of 2019 GHP made a change in how revenues from the management contract in the UAE should be managed over a one-year cycle. The

change means that revenues from the management contract are divided more evenly over the year and reflect the point in time when GHP carries out the services. The change does not impact revenues or results on a full-year basis but the fourth quarter contains a smaller percentage of revenues and results for the year compared with previous years. The impact of this change on revenues and results for the second quarter of 2020 is SEK -6 million compared with the corresponding quarter the year before.

During the quarter the hospitals in the UAE adapted their business to focusing on managing Covid-19 patients. This has worked very well and has been met with great appreciation by society in Ajman.

During the second quarter the intended scaling up of the hospital in Kuwait was by and large put on hold. The hospital has instead been temporarily adapted to be used as a paediatric hospital. As GHP's normal work cannot proceed during the pandemic, GHP's remuneration in Kuwait was halved during the quarter, which impacted revenues by approximately SEK -5 million in the quarter. The lower level of remuneration will also be applied during the third quarter.

GHP's work on business development in the region is ongoing, where the development of models for diabetes care in Saudi Arabia had high priority in the quarter. However, some of these processes are impacted by the travel restrictions that the corona situation entails.



Vårdsamverkan

In the Vårdsamverkan segment we create unique health care concepts that focus on finding new ways of collaborating with our customers, primarily the insurance companies. Vårdsamverkan means that we have left remuneration per measure taken in favour of remuneration based on population responsibility, with a sliding scale based on quality outcomes. This means that GHP is able to optimise entire care chains, for example by working with really well-informed patients and new technical solutions. In Vårdsamverkan GHP has worked in collaboration with both Skandia and Trygg-Hansa for several years.

Through data analysis, our collective medical expertise in the Group and using digital algorithmic control, we have been able to identify and initiate promising efficiency projects in several parts of the care chain. We began to see the effect of these projects during the quarter. During the second quarter Covid-19 also meant some short-term changes in the priority given to our projects and areas of focus. Amongst other things, in the quarter we speeded up our work on developing the entire Group's digital offering to patients and customers. During the quarter, together with our Nordic businesses, we enabled digital patient communication in large parts of the Group. In connection with corona and the ensuing increased need for digital communication, this work enabled us to rapidly strengthen our offering.

Vårdsamverkan is an independent business of its own that purchases and optimises health care flows with its

collaboration partners. This means that costs arise in business areas when care is purchased, both from GHP's own clinics and external clinics. The operating result in Vårdsamverkan is the difference between what we receive in remuneration 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.

Revenues for the quarter decreased compared with the corresponding period the previous year. The change is primarily due to our efforts to achieve less health care brokerage which results in decreased revenue and costs for the segment.. The results for the quarter improved compared with the same period the previous year. Some of the positive results come from the short-term effects of Covid-19, which meant less purchasing of care than we had expected. This will probably be evened out in later periods when the consumption of health care in society increases again. In addition to the external factors that impacted the results, we also see an improvement in results linked to the constant work we conduct on controlling and analysing care that is purchased. Several development projects are ongoing in the segment which have a negative impact on the results but which are assessed will be able to have a positive effect over time.



Segment summary

Sales revenues									
Sek millions	Second Quarter			Change %	First two quarters			Change %	Year 2019
	2020	2019			2020	2019			
	Nordic region	276.3	296.6		-6.8	618.2	596.5		
<i>whereof Sweden</i>	221.4	236.6	-6.4	499.2	480.9	3.8	929.2		
Eliminations	-13.8	-19.7		-31.5	-33.2		-65.4		
<i>whereof Vårdsamverkan</i>	-13.8	-19.7		-31.5	-33.2		-65.4		
Nordic region	262.5	276.9	-5.2	586.7	563.3	4.2	1097.1		
International	26.5	25.5	3.7	56.0	38.3	46.2	94.3		
Vårdsamverkan	28.0	33.3	-15.8	57.4	64.5	-11.1	121.9		
Other	0.0	0.0	N/A	0.0	0.0	N/A	0.0		
Group sales revenues	317.0	335.7	-5.6	700.0	666.1	5.1	1,313.3		

Operating result					
Sek millions	Second Quarter		First two quarters		Year 2019
	2020	2019	2020	2019	
Nordic region	21.2	22.8	54.3	52.4	81.2
International	5.0	8.4	15.0	10.5	27.2
Vårdsamverkan	3.6	-2.4	3.7	-2.7	-2.0
Other	-9.3	-11.6	-22.6	-21.7	-43.5
GHP Group operating result	20.5	17.1	50.4	38.5	63.0
Net financial items	-1.8	-0.4	-3.6	-1.9	-5.7
Result before tax	18.6	16.8	46.8	36.5	57.2

Operating margin					
%	Second Quarter		First two quarters		Year 2019
	2020	2019	2020	2019	
Nordic region	8.1	8.2	9.3	9.3	7.4
International	18.7	32.8	26.9	27.5	28.9
Vårdsamverkan	12.8	-7.4	6.4	-4.3	-1.6
Other	N/A	N/A	N/A	N/A	N/A
Group operating margin	6.5	5.1	7.2	5.8	4.8

Items reported as Other are attributable to Parent Company functions. For more information on the Parent Company's results, please refer to page 17.

Consolidated income statement and statement of comprehensive income

Consolidated Income Statement						
Sek millions	Note	Second quarter		First six months		Year
		2020	2019	2020	2019	2019
Sales revenues	6	317.0	335.7	700.0	666.1	1,313.3
Other operating revenues		21.3	2.4	23.8	4.0	6.2
Operating revenues		338.3	338.1	723.8	670.1	1,319.5
Purchase of goods and services		-50.9	-66.7	-122.5	-135.8	-250.6
Other external costs		-54.5	-65.2	-121.9	-126.6	-256.1
Personnel costs		-187.7	-168.1	-380.0	-327.4	-662.3
Depreciation, amortisation and write-downs		-24.7	-21.0	-49.0	-41.8	-87.5
Operating costs		-317.8	-321.0	-673.4	-631.6	-1,256.5
Operating result		20.5	17.1	50.4	38.5	63.0
Interest income		-0.2	1.1	-0.2	1.0	1.1
Interest expenses and similar items		-1.7	-1.5	-3.4	-2.9	-6.6
Other financial income/expenses		0.0	0.0	0.0	0.0	-0.3
Net financial items		-1.8	-0.4	-3.6	-1.9	-5.7
Result before tax		18.6	16.8	46.8	36.5	57.2
Tax on result for the period		-7.1	-4.0	-12.2	-8.7	-13.5
Result for the period *		11.5	12.7	34.6	27.9	43.8
* Result attributable to:						
Parent Company shareholders		9.0	11.3	29.6	23.6	36.0
Non-controlling interests		2.6	1.4	4.9	4.2	7.7
		11.5	12.7	34.6	27.9	43.8
Result per share, SEK:						
Before dilution		0.13	0.17	0.4	0.3	0.53
After dilution		0.13	0.17	0.4	0.3	0.53

Consolidated statement of comprehensive income						
Sek millions	Note	Second quarter		First six months		Year
		2020	2019	2020	2019	2019
Result for the period		11.5	12.7	34.6	27.9	43.8
Items that will not be reclassified to income statement		-	-	-	-	-
Items that may be reclassified subsequently to income statement:						
Accumulated translation differences reversed to income		-1.9	0.0	0.8	0.0	1.7
Change in translation reserve		-3.2	0.2	-0.4	1.9	1.8
Total other comprehensive income		-5.1	0.2	0.4	1.9	3.5
Comprehensive income for the period *		6.4	12.9	35.0	29.8	47.3
* Attributable to:						
Parent Company shareholders		3.8	11.4	30.0	25.5	38.4
Non-controlling interests		2.6	1.5	5.0	4.3	8.9

Consolidated balance sheet and statement of cash flow

Consolidated balance sheet, summarised				
Sek millions	Note	30-jun 2020	30-jun 2019	31-dec 2019
Assets				
Non-current assets				
Intangible assets		408.3	391.1	408.9
Right-of-use assets		153.0	143.6	154.6
Other non-current assets		106.0	104.8	106.4
Total non-current assets		667.3	639.6	670.0
Current assets				
Trade receivables and other assets		266.5	263.2	287.8
Cash and cash equivalents		186.7	16.1	25.6
Total current assets		453.2	279.3	313.4
Total assets		1,120.5	918.9	983.4
Equity and liabilities				
Equity pertaining to Parent Company shareholders		461.0	384.0	404.3
Total equity		461.0	384.0	404.3
Non-current liabilities	7	206.7	160.5	184.6
Non-current leasing liabilities		83.1	83.3	88.4
Total non-current liabilities		289.8	243.9	273.0
Current liabilities				
Current liabilities	7	306.0	228.0	242.7
Current leasing liabilities		63.7	62.9	63.5
Total current liabilities		369.6	291.0	306.2
Total equity and liabilities		1,120.5	918.9	983.4

Consolidated statement of cash flows						
Sek millions	Note	Second quarter		First six months		Full Year
		2020	2019	2020	2019	2019
Operating activities						
Operating result		20.5	17.1	50.4	38.5	63.0
Depreciation/amortisation and write-downs		24.7	21.0	49.0	41.8	87.6
Interest received		0.1	0.1	0.1	0.0	0.0
Interest paid		-1.9	-1.4	-3.6	-2.9	-6.4
Paid tax		0.6	-1.2	2.9	-6.6	-15.2
Other adjustments - net		0.0	1.2	0.0	1.2	1.1
Changes in working capital - net		36.1	9.7	36.1	7.4	-7.5
Cash flow from operating activities		80.1	46.5	134.9	79.4	122.6
Investing activities						
Acquisition /sale of subsidiaries		0.0	0.0	0.0	0.0	-9.5
Other investments		-3.0	-16.5	-7.9	-27.0	-50.0
Cash flow from investing activities		-3.0	-16.5	-7.9	-27.0	-59.5
Financing activities						
Acquisition of participating interest from non-controlling interests	5	0.0	-15.0	-1.1	-15.0	-15.0
Contribution/reimbursement non-controlling interests		0.3	0.0	0.3	0.0	0.0
Divestment of participating interest to non-controlling interests		0.0	0.3	0.1	0.3	0.3
Dividend to holders with controlling influence		0.0	-20.5	0.0	-20.5	-20.5
Dividend to shareholders		0.0	-3.2	-0.4	-3.9	-4.0
Repayment of financial lease debt		-17.5	-14.5	-36.4	-29.0	-65.7
New loans		58.1	15.0	71.8	8.4	39.4
Repayment of loans		0.0	-10.9	0.0	-9.6	-5.3
Cash flow from financing activities		40.8	-48.8	34.2	-69.3	-70.8
Exchange rate differences in cash		-1.0	-0.1	0.0	1.0	1.3
Cash flow for the period		116.9	-18.9	161.1	-15.9	-6.5
Cash and cash equivalents at the beginning of the period		69.8	35.0	25.6	32.0	32.0
Cash and cash equivalents at the end of the period		186.7	16.1	186.7	16.1	25.6

Consolidated statement of changes in equity, summarised

Consolidated statement of changes in equity, summarised			
Sek millions	Second quarter		
	2020		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	441.1	0.0	441.1
Result after tax	9.0	2.6	11.5
Other comprehensive income	-5.1	0.0	-5.1
Total comprehensive income	3.8	2.6	6.4
New issue of options	0.3	0.0	0.3
New issue of shares	12.1	0.0	12.1
Sales to (+) acquisitions from (-) non-controlling interests	8.2	-8.3	-0.1
Revaluation, liability put option	1.2	0.0	1.2
Reclassification of non-controlling interests	-5.7	5.7	0.0
Closing balance	461.0	0.0	460.9

Consolidated statement of changes in equity, summarised			
	Second quarter		
	2019		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	397.8	0.0	397.8
Result after tax	11.3	1.4	12.7
Other comprehensive income	0.1	0.0	0.1
Total comprehensive income	11.4	1.5	12.9
Dividend to shareholders	-20.5	0.0	-20.5
Dividend to non-controlling interests	0.0	-3.2	-3.2
Sales to (+) acquisitions from (-) non-controlling interests	-1.9	-5.4	-7.4
Revaluation, liability put option	4.6	0.0	4.6
Reclassification of non-controlling interests	-7.3	7.3	0.0
Closing balance	384.0	0.0	384.0

Consolidated statement of changes in equity, summarised			
	First two quarters		
	2020		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	404.3	0.0	404.3
Result after tax	29.6	4.9	34.6
Other comprehensive income	0.4	0.0	0.4
Total comprehensive income	30.0	5.0	35.0
Dividend to non-controlling interests	-	-0.4	-0.4
New issue of options	0.3	-	0.3
New share issue	12.1	0.0	12.1
Conversion of loan to equity	9.7	-	9.7
Sales to (+) acquisitions from (-) non-controlling interests	7.8	-8.8	-1.0
Revaluation, liability put option	1.2	-	1.2
Reclassification of non-controlling interests	-4.3	4.3	0.0
Closing balance	461.0	0.0	461.0

Consolidated statement of changes in equity, summarized			
	First two quarters		
	2019		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	383.5	0.0	383.5
Result after tax	23.6	4.2	27.9
Other comprehensive income	1.8	0.1	1.9
Total comprehensive income	25.3	4.3	29.7
Dividend to shareholders	-20.5	-	-20.5
Dividend to non-controlling interests	-	-3.9	-3.9
Sales to (+) acquisitions from (-) non-controlling interests	-5.2	-4.2	-9.4
Revaluation, liability put option	4.6	-	4.6
Reclassification of non-controlling interests	-3.8	3.8	0.0
Closing balance	384.0	0.0	384.0

Consolidated statement of changes in equity, summarised			
	Full year		
	2019		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	383.5	0.0	383.5
Result after tax	36.0	7.7	43.8
Other comprehensive income	3.5	0.1	3.6
Total comprehensive income	39.5	7.8	47.3
Dividend to non-controlling interests	0.0	-4.0	-4.0
Shareholders' contribution	-20.5	0.0	-20.5
Shareholders' contribution	-1.3	1.3	0.0
Sales to (+) acquisitions from (-) non-controlling interests	-10.5	4.0	-6.5
Revaluation, liability put option	14.3	-	14.3
Additional liability put option	-9.8	0.0	-9.8
Reclassification of non-controlling interests	9.0	-9.0	0.0
Closing balance	404.3	0.0	404.3

Quarterly figures

Quarterly figures					
Consolidated Income statement					
Sek millions unless otherwise stated	19Q2	19Q3	19Q4	20Q1	20Q2
Sales revenues	335.7	274.2	372.9	383.1	317.0
Other operating revenues	2.4	-0.3	2.5	2.5	21.3
Operating revenues	338.1	274.0	375.5	385.5	338.3
Purchase of goods and services	-66.7	-47.3	-67.4	-71.6	-50.9
Other external costs	-65.2	-55.4	-74.1	-67.4	-54.5
Personnel costs	-168.1	-142.4	-192.6	-192.3	-187.7
Depreciation, amortisation and write-downs	-21.0	-22.2	-23.5	-24.3	-24.7
Operating costs	-321.0	-267.3	-357.6	-355.6	-317.8
Operating result	17.1	6.6	17.8	30.0	20.5
Interest income and similar items	1.1	0.2	0.0	0.0	-0.2
Interest expenses and similar items	-1.5	-1.5	-2.2	-1.7	-1.7
Other financial income/expenses	0.0	0.0	-0.2	0.0	0.0
Net financial items	-0.4	-1.3	-2.4	-1.8	-1.8
Result before tax	16.8	5.3	15.4	28.2	18.6
Tax on result for the period	-4.0	-2.5	-2.3	-5.1	-7.1
Result for the period *	12.7	2.8	13.1	23.0	11.5
* Result attributable to:					
Parent Company shareholders	11.3	1.3	9.9	20.7	9.0
Non-controlling interests	1.4	1.4	3.2	2.4	2.6
	12.7	2.8	13.1	23.0	11.5
Key ratios					
EBITDA	38.1	28.9	41.3	54.2	45.2
EBITDA margin, %	11.4	10.5	11.1	14.2	14.3
EBIT	17.1	6.6	17.8	30.0	20.5
EBIT margin, %	5.1	2.4	4.8	7.8	6.5
Cash flow from operating activities per share, SEK	0.49	-0.45	0.88	0.8	1.2
Cash flow per share, SEK	-0.28	0.10	0.04	0.7	1.7
Equity/assets ratio, %	42	40	41	42.4	41.1
Net loan debt	243.5	291.2	279.5	231.4	173.5
Equity per share, SEK	5.62	5.74	5.92	6.37	6.56

Quarterly figures

Alternative performance measures					
Sek millions unless otherwise stated	19Q2	19Q3	19Q4	20Q1	20Q2
EBITDA					
Operating result	17.1	6.6	17.8	30.0	20.5
Reversal: Depreciation and amortization	21.0	22.2	23.5	24.3	24.7
EBITDA	38.2	28.9	41.3	54.2	45.2
Sales revenues, change					
Sales revenues	335.7	274.2	372.9	383.1	317.0
Sales revenues compared with corresponding period previous year	287.6	218.2	336.0	330.4	335.7
Sales revenues, change	48.1	56.0	37.0	52.7	-18.7
Acquisitions/divestments	0.0	-8.9	-11.3	-10.5	-8.7
Fluctuations in exchange rates	-2.8	-2.7	-2.7	-1.5	0.0
Organic growth	45.2	44.5	23.0	40.7	-27.4
Acquisitions/divestments, %	0.0	4.1	3.4	3.2	2.6
Organic growth, %	15.8	20.4	6.8	12.3	-8.2
Net loan debt					
Interest-bearing provisions and liabilities	259.6	314.6	305.1	301.3	360.2
Minus: Interest-bearing assets	-16.2	-23.4	-25.6	-69.9	-186.7
Net loan debt	243.5	291.2	279.5	231.4	173.5

Definitions

Sales revenues

Revenues from the core business.

EBITDA

Operating result before depreciation, amortisation and impairment.

EBITDA margin, %

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

EBIT

Operating result.

EBIT margin, %

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 (warrants and convertibles).

Cash flow per share

The net cash flow for the period divided by the average number of shares outstanding before dilution (warrants and 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

Result per share has been calculated by the result after tax attributable to Parent Company shareholders being divided by the average number of ordinary shares outstanding during the period. The average number of ordinary shares outstanding amounted to 69,261,357 (68,282,585) for the second quarter of 2020.

The incentive programme carried out on 23 April 2020 consisting of issued warrants has not given rise to any dilution effect on the result per share. This is because

the average share price does not exceed the subscription price.

Share capital

As of 30 June 2020, there were 70,256,949 ordinary shares outstanding (68,282,585) with a quota value of SEK 1 per share.

Quarterly figures					
Share data	19Q2	19Q3	19Q4	20Q1	20Q2
Result per share before dilution, SEK ¹⁾	0.17	0.02	0.16	0.30	0.13
Result per share after dilution, SEK ¹⁾	0.17	0.02	0.16	0.30	0.13
Number of outstanding shares in thousands	68,283	68,283	68,283	69,241	70,257
Average number of shares outstanding before dilution, thousands	68,283	68,283	68,283	68,506	69,261
Average number of shares outstanding after dilution, thousands	68,283	68,283	68,283	68,506	69,261

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 Principles

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

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 2019 Annual Report, except for the new principles presented below.

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

For further information on the accounting principles, please refer to GHP's Annual Report for 2019, pages 42-48

New accounting principles as from 1 January 2020 or later

Addendum to IFRS 3: Definition of business combinations

In October 2018 IASB issued amendments regarding the definition of a business combination in IFRS 3. The classification of an acquisition as either a business combination or an asset acquisition gives rise to large reporting differences.

This applies not least to goodwill, which is not reported in an asset acquisition, but also applies to the reporting and measurement of supplementary considerations, acquisition costs and deferred tax. Criteria for an acquisition constituting a business combination are that there must be financial resources (input) and a substantive process that together significantly contribute to an ability to result in a return (output). The new guidance provides a framework to evaluate when input and a substantive process exist.

An acquisition that contains an output, a crucial process for creating output and a workforce that is trained in managing the process constitutes a business. If there is no workforce in the acquisition, it may still be the case that the process acquired is so unique or unusual or costly to replace in order to create output that the acquisition still constitutes a business. The new guidance clarifies when an acquisition without output shall constitute a business combination. The Group's previous acquisitions have been business combinations and the Group notes that the addendum does not give rise to any change in the financial reporting. The EU has approved the pronouncement and it will be applied by the Group as from 1 January 2020.

Addendum to IAS 1 and IAS 8: Definition of materiality

In October 2018 the IASB issued amendments concerning the definition of materiality in IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates

and Errors. The new addendum states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that readers make on the basis of the financial information provided on a specific company. The Group notes that the financial reporting will be essentially unchanged when this addendum is introduced. The EU has approved the pronouncement and the Group is applying it as from 1 January 2020.

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.

Seasonal variation

For information on seasonal variation, 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 2019, pages 28-29.

In the company's assessment, no further significant risks have arisen during 2020.

Note 3 Transactions with related parties

During the second quarter of 2020 no dividend was paid to non-controlling interests.

There were no other significant transactions with related parties in the second quarter of 2020.

Note 4 Incentive programme

On 23 April 2020 an incentive programme was approved by the Annual General Meeting. The programme consists of issued warrants which give the opportunity to subscribe for shares. Each warrant entitles the warrant holder to subscribe for 1 new share in GHP. Subscription may occur during the period 8 May 2023 up until 5 June 2023. The strike price has been set at SEK 18, in accordance with the warrants' terms and conditions. Employees paid SEK 1.12 per warrant, which constituted the market value (according to a calculation received from the valuation institute Kaptena). GHP received SEK 324,800, which corresponds to 290,000 warrants. The subscription price for the share corresponds to 130 percent of the volume-weighted average price paid on Nasdaq Stockholm during the period from 24 April 2020 up until 8 May 2020.

Note 5 Acquisitions and divestments

Shares in GHP Kirurgkliniken AB were acquired from non-controlling interests for a total of SEK -0.2 million. Shares in GHP Orthocenter Stockholm AB were acquired from non-controlling interests for SEK -0.8 million. Shares in GHP Specialisttandläkarna AB were acquired from non-controlling interests for SEK -0.1 million. Shares in GHP Gastro Center Skåne were acquired from non-controlling interests for SEK -12.4 million. Payment was made through a private placement of new shares in GHP Specialty Care AB corresponding to SEK 12.4 million.

Shares in GHP Orthocenter Göteborg AB were acquired from non-controlling interests for SEK -0.1 million.

Shares in GHP Ortho Center Storängsbotten AB were divested to non-controlling interests to the tune of SEK 0.1 million in total.

Acquisition/divestment of subsidiaries and bolt-on acquisition		30 June 2020
Sek millions		Total
Transactions with non-controlling interests – effects on Group's cash and cash equivalents:		
a) Acquisition of 2,22 percent of shares outstanding in GHP Kirurgkliniken AB from non-controlling interests		-0.2
b) Acquisition of 3,0 percent of shares outstanding in GHP Orthocenter Stockholm AB from non-controlling interests		-0.8
c) Divestment of 5,0 percent of shares in GHP Ortho Center Storängsbotten AB to non-controlling interests		0.1
d) Acquisition of 6 percent of shares outstanding in GHP Specialisttandläkarna AB from non-controlling interests		-0.1
e) Acquisition of 15 percent of shares outstanding in GHP Kirurgkliniken AB from non-controlling interests		-12.4
e) Acquisition of 15 percent of shares outstanding in GHP Orthocenter Göteborg AB from non-controlling interests		-0.1
Effect on Group's cash and cash equivalents, total net cash flow		-1.1
a) Effects on Group's financial position of settlement of put option in GHP Kirurgkliniken AB previously entered as a liability:		
Total purchase consideration		0.2
Total net value of divested assets and liabilities:		
Put option entered as a liability		-0.2
Value adjustment put option		0.0
Effect on Group's cash and cash equivalents, total net cash flow		-0.2
b) Effects on Group's financial position of settlement of put option in GHP Orthocenter Stockholm AB previously entered as a liability:		
Total purchase consideration		0.8
Total net value of divested assets and liabilities:		
Put option entered as a liability		1.2
Value adjustment put option		-0.4
Effect on Group's cash and cash equivalents, total net cash flow		0.8
d) Effects on Group's financial position of settlement of put option in GHP Specialisttandläkarna AB previously entered as a liability:		
Total purchase consideration		0.1
Total net value of divested assets and liabilities:		
Put option entered as a liability		-0.1
Value adjustment put option		0.0
Effect on Group's cash and cash equivalents, total net cash flow		-0.1
e) Effects on Group's financial position of settlement of put option in GHP Gastro Center Skåne AB previously entered as a liability:		
Total purchase consideration		12.4
New issue of shares		-12.4
Total net value of divested assets and liabilities:		
Put option entered as a liability		0.0
Value adjustment put option		0.0
Effect on Group's cash and cash equivalents, total net cash flow		0.0
f) Effects on Group's financial position of settlement of put option in GHP Orthocenter Göteborg AB previously entered as a liability:		
Total purchase consideration		0.1
Total net value of divested assets and liabilities:		
Put option entered as a liability		-0.1
Value adjustment put option		0.0
Effect on Group's cash and cash equivalents, total net cash flow		-0.1

Note 6 Sales revenues per sub-market

Sales revenues - sub-market					
Sek millions	Second Quarter		First two quarters		Year
	2020	2019	2020	2019	2019
Stockholm area	166.0	192.5	380.7	383.8	741.5
West of Sweden	56.1	53.3	118.6	112.9	213.5
Denmark	41.1	40.3	87.5	82.4	167.9
Skåne	27.4	24.1	57.2	48.8	96.1
The Middle East	26.5	25.5	56.0	38.3	94.3
GHP Group sales revenues	317.0	335.7	700.0	666.1	1,313.3

Sales revenues - customer category					
Sek millions	Second Quarter		First two quarters		Year
	2020	2019	2020	2019	2019
County Council	140.4	160.8	324.4	330.7	632.6
Insurance Companies	118.5	121.6	257.7	241.1	480.5
Private	31.6	27.6	61.9	55.9	105.8
International	26.5	25.5	56.0	38.3	94.3
GHP Group sales revenues	317.0	335.7	700.0	666.1	1,313.3

Note 7 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. The liability is considered to be free of interest and is thus not part of the net loan debt.

Financial assets and liabilities measured at fair value				
Sek millions	Level 1	Level 2	Level 3	30-jun
				2020
Financial assets				Total
Equity instrument	-	-	0.0	0.0
Total assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	33.3	33.3
Put options entered as a liability, current portion	-	-	4.5	4.5
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 liabilities	-	-	37.8	37.8

Sek millions	Level 1	Level 2	Level 3	30-jun
				2019
Financial assets				Total
Equity instrument	-	-	0.0	0.0
Total 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	-	-	11.3	11.3
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 liabilities	-	-	45.9	45.9

Sek millions	Level 1	Level 2	Level 3	31 Dec
				2019
Financial assets				Total
Equity instrument	-	-	0.0	0.0
Total assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	39.2	39.2
Put options entered as a liability, current portion	-	-	12.1	12.1
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 liabilities	-	-	51.4	51.4

Parent Company income statement and balance sheet

GHP Specialty Care AB 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.

The operating result amounted to SEK -9.3 million (-11.6) for the second quarter of 2020.

Shares in subsidiaries amounted to SEK 681.5 million (692.5) at 30 June 2020 while cash and cash equivalents were SEK 139.7 million (0).

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

Parent Company - Income statement summarised					
Sek millions	Second quarter		First six months		Year
	2020	2019	2020	2019	2019
Operating revenues	0.8	0.0	0.8	0.0	0.0
Operating costs, incl. depreciation and amortisation	-10.0	-11.6	-23.4	-21.7	-43.5
Operating result	-9.3	-11.6	-22.6	-21.7	-43.5
Net financial items	-11.0	0.9	-9.8	1.7	3.4
Result before tax	-20.3	-10.7	-32.4	-20.0	-40.0
Allocations	0.0	0.0	0.0	0.0	78.3
Result after allocations	-20.3	-10.7	-32.4	-20.0	38.3
Tax on result for the period	1.6	2.3	3.9	4.3	-8.5
Result for the period	-18.6	-8.4	-28.4	-15.7	29.9

Parent company - Balance sheet, summarised			
Sek millions	30-jun	30-jun	31 Dec
	2020	2019	2019
Assets			
Non-current assets			
Intangible assets	0.1	0.1	0.1
Tangible assets	0.2	0.2	0.2
Financial assets			
Shares and participations in Group companies	681.5	692.5	681.5
Deferred tax assets	4.1	4.4	0.0
Other financial assets	0.0	0.5	0.1
Total non-current assets	685.9	697.7	681.9
Current assets			
Current receivables from Group companies	204.3	217.3	299.8
Other assets	0.9	1.5	3.5
Cash and cash equivalents	139.7	0.0	0.0
Total current assets	345.0	218.8	303.3
Total assets	1,030.8	916.5	985.2
Shareholder's equity and liabilities			
Shareholder's equity	727.8	688.7	734.3
Non-current liabilities	0.0	10.0	0.1
Current liabilities to Group companies	285.3	207.2	208.1
Other current liabilities	17.7	10.7	42.7
Total liabilities	303.1	227.9	250.7
Total shareholder's equity and liabilities	1,030.8	916.5	985.2

Important events after closing day

No important events have occurred after closing day.

Financial calendar	
Interim report January-September 2020	22 October 2020

Contact details	
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This information is information that GHP Specialty Care AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 10 July 2020 at 08:00 am CET.

Gothenburg, 10 July 2020
GHP Specialty Care AB

Daniel Öhman
CEO

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

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*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**”.*