

Capio CFR A/S

Hans Bekkevolds Allé 2 B 2900 Hellerup

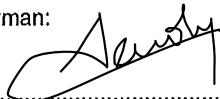
CVR no. 27 50 69 09

Annual report 2020

(Period 1 January – 30 June 2020)

Approved at the Company's annual general meeting on November 30, 2020

Chairman:



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Arnaud Michel Marie Jeudy

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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Capio CFR A/S for the financial year 1 January – 30 June 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 January – 30 June 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Hellerup, November 30, 2020

Executive Board:

Christian Bech Høngaard

Board of Directors:

Arnaud Michel Marie Jeudy
Chairman

Bo Marcus Nord

Nils Henrik Wilhelm Brehmer

Independent auditor's report

To the shareholders of Capio CFR A/S

Opinion

We have audited the financial statements of Capio CFR A/S for the financial year 1 January – 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations and cash flows for the financial year 1 January – 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Report on other legal and regulatory requirements

Non-compliance with anti-money laundering act

During the financial year, the company received a cash payment in connection with the sale of operating services that exceed the limits of the Anti-Money Laundering Act, whereby the management may incur liability in this respect.

Copenhagen, November 30, 2020

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Ole Hedemann
State Authorised
Public Accountant
mne14949



Kim Thomsen
State Authorised
Public Accountant
mne26736



Management's review

Financial highlights for the Company

The development in the Company during the last 5 years can be described as follows:

DKK'000	2020	2019	2018	2017	2016
Key figures					
Gross margin	70,006	177,572	186,013	162,105	137,731
Ordinary operating profit	-18,438	-9,009	20,454	22,948	9,474
Net financials	-84	-33	75	601	375
Profit for the year	-14,393	-7,615	13,371	17,126	4,843
Total assets					
Total assets	147,700	141,962	126,847	126,514	98,602
Portion relating to investments in items of property, plant and equipment					
Equity	21,507	0	2,277	5,209	8,409
Equity	43,322	57,715	65,330	51,959	31,717
Financial ratios					
Liquidity ratio	150,2	169,0	186,3	126,6	121,2
Equity ratio	29,3	40,6	51,5	41,1	32,2
Return on equity	-28,5	-12,4	22,8	40,9	14,7
Average number of full-time employees					
Average number of full-time employees	243	252	238	199	177

Comparative figures 2016 have not been adjusted for mergers previous years between Capio CFR A/S and the following subsidiaries

- Viborg Privathospital
- GHP OPA A/S
- Smertecenter Skørping A/S
- Københavns Privathospital A/S
- Københavns Privathospital Facility ApS
- Københavns Privathospital Facility 2 ApS
- Center for Billeddiagnostik ApS
- Astra Billeddiagnostik A/S
- Privathospital Hunnerup ApS

as it has not been possible in practice to quantify the adjustments. Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society. For terms and definitions, please see the accounting policies.

The Company changed the financial year from 01.01 – 31.12 to 01.07 - 30.06. First financial year after the change is the period 01.01.20 – 30.06.20.

The conversion has been carried out as a result of the establishment of new group affiliation. The comparative figures are therefore not comparable, as the financial year for the comparative year is 12 months and the current year is for 6 months.

Management's review

Management commentary

The company's main activities

The company has as in prior year's operated as Privat Hospital, providing patient consultations, picture diagnostics, surgery, and physiotherapy in 6 locations across Denmark.

Notice was given to landlord for Lyngby facility to make it possible to increase synergies by moving activities from Lyngby to Hellerup and optimize use of assets – this move concluded by 31st March 2020.

Patients are a mix of insurance customers, public health authority referrals and private customers.

Financial Review

Gross Margin of MDKK 70 is impacted due to the Covid19 lockdown that occurred during March to May 2020.

Operating profit amounted to MDKK -18,4, resulting from the Covid19 lockdown – this includes wage compensation for the period of MDKK 1,6. The result is in line with the company's expectations.

Outlook

The Company ownership has changed to become a part of a global health care organisation. The goal for the group will be to expand the responsibility for European health care where large differences are seen between the countries. The company will be ready to lift a larger part of responsibilities in the Danish health care system and utilizing Group initiatives and commercial offerings in the Danish market.

Digitization of patient offerings and processes in the Company will the shape the agenda for the foreseeable future.

Insurance company agreements are up for renewal and we are already experiencing price pressure and rising attention to quality measures, so it is critical that the company explores the digitization agenda and continue to improve operational efficiency.

The company expects a significant increase in profit before tax whereby the result will be positive for the financial year 2020/21.

Management's review

Events after balance sheet date

Since the summer of 2020, the level of activity has increased from public customers, as the public health services are trying to bring down the backlog of patients and treatments, that were halted during the 1st wave of Covid 19 in the spring of 2020.

The months of August to October 2020 have seen activity levels exceeding previous year activity levels, providing revenue growth and continuing the financial turnaround of the company.

Special risk

Currency risks

The company is not immediately affected by exchange rate fluctuations, as both income and expenses are settled in local currency.

Interest rate risks

As a result of the company's solvency and financial preparedness, moderate changes in interest rates will have no significant direct effect on earnings. Therefore, interest rate risks are not hedged.

Credit risks

The company's credit risks are partly related to primary financial assets. Credit risks associated with financial assets correspond to the values recognized in the balance sheet. The company does not have significant risks regarding a single customer or business partner. The company's policy for assumed credit risks means that all major customers and other business partners are continuously credit-rated.

Knowledge resources

The company offers services provided by highly qualified employees, which places great demands on the collection and dissemination of new knowledge. During the year, the company has worked to attract competent and experienced employees, which has strengthened the company's knowledge and competence starting point.

Financial statements 1 January – 30 June

Income statement

Note	DKK'000	2020 (6 month)	2019
	Gross margin	70,006	177,572
3	Staff costs	-83,657	-174,527
4	Amortisation and depreciation of intangible assets and property, plant and equipment	-4,787	-12,054
	Operating profit	-18,438	-9,009
5	Financial expenses	-84	-33
	Profit before tax	-18,522	-9,042
6	Tax for the year	4,129	1,427
	Profit for the year	-14,393	-7,615

Financial statements 1 January – 30 June

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Non-current assets		
7	Intangible assets		
	Goodwill	2,519	5,038
		<u>2,519</u>	<u>5,038</u>
8	Property, plant and equipment		
	Leasehold improvements	3,370	1,703
	Fixtures and fittings, tools and equipment	8,594	3,933
		<u>11,964</u>	<u>5,636</u>
9	Financial assets		
	Other receivables	7,024	6,973
		<u>7,024</u>	<u>6,973</u>
	Total non-current assets	<u>21,507</u>	<u>17,647</u>
	Current assets		
	Receivables		
	Trade receivables	51,312	79,319
	Other receivables	1,767	34
10	Deferred tax assets	7,474	6,584
11	Prepayments	4,044	5,070
	Amounts owed by group entities	61,420	32,984
		<u>126,0171</u>	<u>123,991</u>
	Cash	<u>222</u>	<u>324</u>
	Total current assets	<u>126,239</u>	<u>124,315</u>
	TOTAL ASSETS	<u>147,746</u>	<u>141,962</u>

Financial statements 1 January – 30 June

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	1,053	1,053
	Retained earnings	42,269	56,662
	Dividend proposed for the year	0	0
	Total equity	43,322	57,715
	Long-term liabilities		
13	Other provisions	5,932	10,684
	Debt to credit institutions	2,701	0
	Total long-term liabilities	8,633	10,684
	Short-term liabilities		
13	Other provisions	11,708	0
	Debt to credit institutions	1,035	1,392
	Trade payables	8,837	11,919
	Amounts owed to group entities	5,584	5,584
	Income taxes	0	3,286
	Other payables	68,627	51,382
	Total short-term liabilities	95,791	73,563
	TOTAL EQUITY AND LIABILITIES	147,746	141,962

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Financial statements 1 January – 30 June

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2020	1,053	56,662	0	57,715
17	Appropriation of profit	0	-14,393	0	-14,393
	Equity at 30 June 2020	1,053	42,269	0	43,322

Financial statements 1 January – 30 June

Notes

1 Accounting policies

The annual report of Capio CFR A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-size reporting class C entities.

Change of financial year

The Company changed the financial year from 01.01 – 31.12 to 01.07 - 30.06. First financial year after the change is the period 01.01.20 – 30.06.20.

The conversion has been carried out as a result of the establishment of new group affiliation. The comparative figures are therefore not comparable, as the financial year for the comparative year is 12 months and the current year is for 6 months.

Apart from the above areas, the accounting policies applied are unchanged from last year.

Omission of cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Ramsay Health Care Limited.

Business combinations

Acquired entities are recognised in the financial statements from the date of acquisition or formation.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition.

Restructuring costs, recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition, are included in the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring, determined by the acquiring entity, must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the year of acquisition.

Intra-group business combinations

The 'book value method' is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Tax-fee legal mergers with subsidiaries acquired in the financial year are recognised at the beginning of the financial year although the acquisition actually took place at a later date. As such, the profit or loss for the twelve months period ended 30 June of acquired entities is recognised in the Company's financial statements. The difference between the opening balance sheet of the acquired entity at the beginning of the year and the acquisition balance sheet is recognised directly in equity.

For accounting purposes, legal mergers with subsidiaries, which are legally considered, completed at the first day of the financial year, regardless of whether the transaction will actually take place at a later date, are accounted for at the first day of the financial year.

Financial statements 1 January – 30 June

Notes

1 Accounting policies (continued)

Reporting currency

The financial statements have been presented in DKK.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of surgeries is recognised in revenue when the surgery is completed.

Income from the sale of services is recognised in revenue on a straight-line basis as the services are rendered, as the services are provided in the form of an indefinite number of actions over a specified period of time.

Revenue is measured at fair value of the agreed consideration less VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items revenue, cost of sales, other external expenses and other operating income and expenses have been aggregated into one item called "Gross margin".

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses comprise costs incurred in the year relating to the Company's main activity, including costs of distribution, sales, advertising, administration, facilities, bad debts, payments relating to operating leases, etc.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	4 years
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Financial statements 1 January – 30 June

Notes

1 Accounting policies (continued)

The basis of depreciation, which is calculated as cost less any residual value and is reduced by impairment losses, if any, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Leasehold improvements	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years

The residual value of property, plant and equipment is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Staff costs

Staff costs comprise wages and salaries, incl. holiday pay and pensions, as well as other social security costs, etc., to the Company's employees.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual acquired business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is assessed as 4 years. The amortisation period is fixed on the basis of the expected repayment horizon.

Property, plant and equipment

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Financial statements 1 January – 30 June

Notes

1 Accounting policies (continued)

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under "Contractual obligations and contingencies, etc."

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

Financial statements 1 January – 30 June

Notes

1 Accounting policies (continued)

Equity

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Deferred tax is measured by using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office facilities and other items where temporary differences, apart from business combinations, arise at the date of acquisition, without an affecting neither the profit/loss for the year nor for the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are recognised when the Company has a present obligation (legal or a constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future and the effect of the time value of money is material, the obligation is measured at fair value.

Provisions relating to expected costs to mitigate risk associated with remedial action in respects of surgeries are measured at net realisable value and recognised based on past experience.

Provisions relating to earn-out arrangements are measured at net realisable value and recognised based on the expected outcome of the respective earn-out arrangements.

Financial statements 1 January – 30 June

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1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Liquidity ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Financial statements 1 January – 30 June

Notes

2 Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. expenses incurred to extensive structuring of processes and basic structural adjustments, as well as any relating disposal gains and losses, and which over time have a material impact. Special items also comprise significant one-off items, which in the opinion of Management do not form part of the Group's operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2020 (6 month)	2019
Expenses		
Refurbishment cost in connection with termination of lease	0	4,897
Cost regarding settlement of holiday pay to employees	0	12,889
Negative goodwill in connection with purchase of GHP-OPA A/S	0	0
Income		
Payroll Covid-19 compensation	1,624	0
Special items are recognised in the below financial statement items		
Other external expenses	0	4,897
Staff cost	0	12,889
Other operating income	1,624	0
Net profit/loss from special items	1,624	17,786
3 Staff costs		
Wages and salaries	76,021	160,610
Pensions	5,636	10,060
Other social security costs	516	1,528
Other payroll-related expenses	1,484	2,329
	83,657	174,527
Average number of full-time employees	243	252

Staff costs include remuneration to the Executive Board, totalling DKK 1,367 thousand (2019: DKK 3,015 thousand) and directors' fees to the members of the Board of Directors, totalling DKK 0 thousand (2019: DKK 0 thousand).

Financial statements 1 January – 30 June

Notes

4	Amortisation and depreciation of intangible assets and property, plant and equipment		
	DKK'000	2020 (6 month)	2019
	Amortisation of intangible assets	2,519	7,565
	Depreciation of property, plant and equipment	2,268	4,489
	Write-down of earn-out	0	0
		<u>4,787</u>	<u>12,054</u>
5	Financial expenses		
	Interest expenses, group entities	2	3
	Other financial expenses	82	30
		<u>84</u>	<u>33</u>
6	Tax for the year		
	Current tax for the year	-3,239	3,174
	Adjustment of the deferred tax charge for the year	-890	-4,579
	Prior-year adjustments	0	-22
		<u>-4,129</u>	<u>-1,427</u>
7	Intangible assets		
	DKK'000		Goodwill
	Cost at 1 January 2020		89,814
	Additions		0
	Disposals		0
	Cost at 30 June 2020		<u>89,814</u>
	Amortisation at 1 January 2020		84,776
	Amortisation in the year		2,519
	Amortisation at 30 June 2020		<u>87,295</u>
	Carrying amount at 30 June 2020		<u>2,519</u>
	Amortised over		<u>4 years</u>

Management has not identified any evidence of impairment relating to the carrying amount of goodwill.

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8 Property, plant and equipment

DKK'000	Leasehold improve- ments	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	47,935	82,990	130,925
Additions through mergers with subsidiaries	0	0	0
Additions	2,082	6,514	8,596
Cost at 30 June 2020	50,017	89,504	139,521
Depreciation and impairment losses at 1 January 2020	46,231	79,058	125,289
Depreciation	416	1,852	2,268
Depreciation and impairment losses at 30 June 2020	46,647	80,910	127,557
Carrying amount at 30 June 2020	3,370	8,594	11,964
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	3,736	3,736
Depreciated over	5-10 years	3-10 years	

9 Financial assets

DKK'000	Lease deposits
Other receivables	
Cost at 1 January 2020	6,973
Additions	51
Carrying amount at 30 June 2020	7,024

DKK'000	2020	2019
10 Deferred tax assets		
Deferred tax assets at 1 January	6,584	1,983
Current year adjustment of deferred tax	890	4,601
Deferred tax regarding acquisitions	0	0
	7,474	6,584

As at 30 June 2020, the company has recognised tax assets of DKK 7,428 thousand (2019: 6,584 thousand). Based on budgets and forecasts, Management has assessed that the recognised deferred tax assets can be offset against tax on future earnings within 3-5 years.

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DKK'000	2020	2019
11 Prepayments		
Prepaid insurance premiums	518	1,155
Other prepaid expenses	3,526	3,915
	<u>4,044</u>	<u>5,070</u>

12 Share capital

The share capital comprises 1,053 shares of DKK 1,000 nominal value each. All shares rank equally.

Analysis of changes in the share capital over the past five years:

DKK	2019/20	2018/19	2017/18	2016/17	2015/16
Balance at 1 July	1,053	1,053	1,053	1,092	1,092
Cash capital increase	0	0	0	0	0
Capital reduction to cover loss	0	0	0	39	0
Balance at 30 June	<u>1,053</u>	<u>1,053</u>	<u>1,053</u>	<u>1,053</u>	<u>1,092</u>

DKK'000	2020	2019
13 Other provisions		
Other provisions at 1 January	10,684	7,860
Used during the year	-288	-1,860
Reversal	0	0
Provision for the year	7,244	4,684
Other provisions at 30 June	<u>17,640</u>	<u>10,684</u>

Other provisions are expected to mature within:

< 1 year	11,708	4,684
1-5 years	5,932	2,000
> 5 years	0	4,000
Total	<u>17,640</u>	<u>10,684</u>

Other provisions comprise provisions relating to expected costs to mitigate risk associated with remedial action in respects of surgeries and holiday provisions.

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14 Contractual obligations and contingencies, etc.

Contingent liabilities

Capio CFR A/S is party to a few pending legal disputes. In Management's opinion, the outcome of these legal disputes will not affect the Company's financial position apart from the receivables and payables recognised in the balance sheet at 30 June 2020.

The Company is jointly taxed with other Danish entities in the Capio group and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2020 onwards as well as withholding taxes on interest, royalties and dividends.

Operating lease liabilities

Lease liabilities (operating leases), which fall due within 4 years, total DKK 30,254 thousand (2019: DKK 19,024 thousand).

15 Securities for loans

The Company has provided a payment guarantee of DKK 919 thousand (2019: DKK 919) to Nordea Properties.

16 Related parties

Parent companies that prepare the consolidated financial statements for the largest and the smallest group:

Ramsay, Healthcare limited, for Annual report – www.ramsayhealth.com

Ramsay, Generale De Sante, for Annual report – <https://ramsaygds.fr>

Capio AB, for Annual report – <https://capio.se>

Related party transactions

DKK'000	2020	2019
Interest expenses to group entity	2	3
Receivables from group entity	61,420	32,984
Payables to group entity	5,584	5,584

No other transactions were carried out with shareholders during the year.
Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 3.

Capio CFR A/S' related parties comprise the following:

Parties exercising control

Capio Danmark Holding A/S, Hans Bekkevolds Allé, 2B, 2900 Hellerup.
Capio Danmark Holding A/S holds the entire share capital in the entity.

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DKK'000	<u>2020</u>	<u>2019</u>
17 Appropriation of profit		
Recommended appropriation of profit		
Dividend proposed for the year	0	0
Transferred to reserves under equity	<u>-14,393</u>	<u>-7,615</u>
	<u>-14,393</u>	<u>-7,615</u>