Capio A/S

Hans Bekkevolds Allé 2 B 2900 Hellerup

CVR no. 27 50 69 09

Annual report 2023 (Restated)

(Period 1 July – 30 June 2023)

Approved at the Company's annual general meeting on March 26, 2024

Chairman:

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Søren Ryssel Kjeldsen

Contents

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 A/S for the financial year 1 July 2022 – 30 June 2023.

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 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

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, March 26, 2024

Executive Board:

Søren Ryssel Kjeldsen

Board of Directors:

Bo Marcus Nord Chairman	Nils Henrik Wilhelm Brehmer
Karl Johan Cagmo	Jerome Brice

Independent auditor's report

To the shareholders of Capio A/S

Opinion

We have audited the financial statements of Capio A/S for the financial year 1 July 2022 – 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity 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 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 2023 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter in the financial statements

We draw attention to note 3 to the financial statements, which states that the company has restated its financial statements for the fiscal year 1 July 2022 – 30 June 2023, as the original annual report is materially misstated. The acquisition of subsidiaries and subsequent merger with the subsidiaries were not correctly recognised in the financial statements. Consequently, this restated version replaces the original version of the annual report.

We have not modified our opinion in respect of this matter.

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 on the basis of 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:

Independent auditor's report

- 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.
- 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.

Frederiksberg, 26 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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	2022/23	2021/22	2020/2021	2020 (6 month)	2019
Key figures					
Revenue	659,599	456,422	423,259	158,954	371,278
Ordinary operating profit	3,517	15,917	-2,158	-18,438	-9,009
Net financials	-8,792	-2,695	-241	-84	-33
Profit for the year	-11,522	10,307	-1,878	-14,393	-7,615
Total assets	335,412	303,918	134,742	147,700	141,962
Portion relating to investments in items of property, plant, and equipment	20,095	44,813	27,563	8,596	0
Equity	45,437	51,751	41,444	43,322	57,715
Financial ratios					
Liquidity ratio	69.1	79.2	123.6	150.2	169.0
Equity ratio	13.5	17.0	30.8	29.3	40.6
Return on equity	-23.7	22.1	-4.4	-28.5	-12.4
Average number of full-time employees	423	302	281	243	252

For terms and definitions, please see 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.

Management's review

Management commentary

The company's main activities

The company has as in prior year's operated private hospitals, providing patient consultations, imaging diagnostics, surgery, and physiotherapy in 8 locations across Denmark.

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

Restatement

This annual report for the fiscal year 1 July 2022 – 30 June 2023 represents a restatement of the original annual report, dated 22 December 2023, as the original annual report is materially misstated.

The company acquired 100% of the share capital in Gildhøj Privathospital in Brøndby as well as two dormant companies 30 December 2022 from its parent company. On the 15 February 2023 Capio A/S merged with Gildhøj Privathospital and the two dormant companies, with Capio A/S as the surviving company. The acquired entities were initial recognised in the financial statements as of 30 December 2022 at the value after purchase price allocation. The acquired entities should initially have been recognised using the book value method. Consequently, the difference between the acquisition price and the net booked value of the entities (goodwill) should have been recognised against retained earnings in equity because the transaction took place under the same controlling interest. The subsequent merger of Capio A/S and the acquired entities should have been recognised in the financial statements as from 1 July 2022 using the group method (in Danish: Koncernmetoden). Further, an earn-out from the acquisition has been recognised of DKK 5,183 thousand. Relative to the original annual report dated 22 December 2023 the profit before tax increased DKK 5,489 thousand, tax increased DKK 387 thousand, and profit for the year increased DKK 5,102 thousand. The balance sheet total at 30 June 2023 has decreased DKK 33,453 thousand from not recognizing goodwill of DKK 34,029 and an increase of DKK 576 thousand in deferred tax assets. Liabilities has increased by DKK 5,183 thousand and equity decreased DKK 38,636 thousand.

Financial Review

Loss for the year of MDKK 11.5 is a decline of MDKK 21.8 compared to FY21/22 profit MDKK 10.3.

The result for FY22/23 was affected by total losses of MDKK 12.7 under special items versus total losses of MDKK 0.3 on special items in FY21/22. Adjusted for special items the profit of the year shows a decline of MDKK 9.4.

Capio A/S recorded an increase in revenue from January 2023 onwards, following the acquisition of Gildhøj Privathospital in Brøndby. The merger was approved on 15th February 2023 and went into effect as from 1st July 2022 and have had a negative impact on the loss for the year. The purchase price for Gildhøj Privathospital was MDKK 14.5 financed by group contribution out of which goodwill amounted to MDKK 4.1 which has subsequently been recognised directly in equity. Comparison figures has not been updated to reflect prior years for Gildhøj Privathospital.

The increase seen in patient volumes in FY22/23 compared to FY21/22 is offset by higher material and staff cost negatively impacted by inflation which has lowered the company's gross margin significantly.

The acute package agreed with the Health Minister and the Regions in February have had a negative impact on both volumes and prices from DUF patients which continues into FY23/24. Even though the acute package only went into effect with lower rates as per 1st June the company has since February seen low number of conversions of referrals from the public sector.

The outlook for FY22/23 was expected profit before tax of mDKK 15-20. The financial year is however negatively impacted by the merger of Gildhøj Privathospital, special items, financial expenses, and inflation.

Outlook

The Company is part of a global health care organisation. The goal for the group is 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.

Management's review

Digitization of patient offerings and processes in the Company will shape the agenda for the foreseeable future to improve patient pathways and the corresponding efficiency in daily operations and processes.

Insurance company agreements have been successfully renewed after the merger with Gildhøj Privathospital and we are looking ahead to improve relationships with corporate customers and help in the quest to improve prevention, quality measures and patient outcomes.

The company has initiated a recovery plan that is approved by Management in January 2024 to recover gross profit but still expects loss before tax of MDKK -25 – MDKK -15 for the financial year FY23/24.

Financial Resources

The company has obtained loan with the parent company in connection merger and acquisition activities. The company is dependent of financial support to service the loan.

The Parent company Capio Group Services AB have issued ‘Letter of support’ securing the financial resources until end of financial year 2023/2024. Capio Group Services AB confirm to be familiar with the fact that Capio A/S is fully dependent on financial support. Under these circumstances the company confirms that they will provide Capio A/S with such financial support as necessary to enable it to meet its liabilities as they fall due, and so that assets are protected, and the company maintained in such a manner that preparation of the statutory accounts on a going concern basis continues to be appropriate. The confirmation of financial support is valid for a period of at least one year and one day from June 30, 2023.

Events after balance sheet date

Since the summer of 2023, the acute package continues having negatively impact on both volumes and prices from public customers.

Capio has acquired additional shares corresponding to 17,25% of shares and votes in WeCare Holding Aps and now controls 68,25% of the total shares. Further Capio has acquired 51% of the shares in WeCare2 Holding Aps. The total purchase price for the shares amount to tDKK 67,098.

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.

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.

Management's review

Report on data ethics

Capio Privathospital have implemented Data Privacy Guidelines, to embody the data privacy and how Capio Privathospital should govern principles of Privacy, Security and Responsibility. Our guidelines will be part of any assessment of our strategic ambitions along with other areas of our considerations when we evaluate business model and our values.

We always keep people in focus, and when we develop new products and services, we naturally focus on privacy by design and standard.

As part of our work with Privacy we have mapped the overall parameters and controllers on various elements of our customers medical data records. This overview details what private data we store within our medical journal system and how we exchange the information for patient treatment purposes.

Security and access to data has been subject to upgrades of systems and user maintenance in relation to onboarding and offboarding of employees and validating relevant user access to patient data based on support of patient treatment.

Capio has established training and guidelines on GDPR, so that all employees are trained in processes for handling patient data securely and ethically. Capio Privathospital DPO continues to build our framework on Data Privacy under GDPR and in preparation for NIS2 legislation.

Responsible use of patient data is paramount to Capio, and our goal is to provide transparency on the collection of patient data and data handling, that is undertaken for the purpose of continually improving patient treatments and positive outcomes. Our information on how we handle, and process patient information is explained in our consent form, that all patients fill out and sign before we commence treatment and is also explained in more detail on our website www.capio.dk where the patient can access information any time of day.

CSR

This section constitutes the statement on corporate social responsibility, cf § 99a

Capio A/S operates Private Hospitals in Denmark and CSR is a natural part of our global commitment – see more detail on our website here https://www.ramsaysante.eu/group-group/ramsay-sante-mission-driven-company.

Approximately 70% of the total CO_2 emissions from hospitals originates from the consumption of goods and services. As we want to exploit the greatest potential to reduce both the climate and environmental footprint of our Hospitals, we work towards buying in properly, reduce consumption and at the same time move away from simply consuming and discarding, to reusing and recycling as much as possible. In other words, reverse the development from a linear to a circular economy.

Within CSR Capio A/S works within three areas, people, planet, and communities.

People
The Ramsay way of people caring for people means that we focus on fostering a safe, caring, and inclusive culture, engaging and developing our people and delivering high quality patient outcomes.

Planet
Ramsay Santé Group is working to limit our environmental impact.

Capio A/S has identified the generation of waste as well as GHG emissions associated with our energy consumption as our focus areas. In 2022/23, Capio A/S worked to ensure the fraction and thus recycling of our waste.

Capio A/S is continuously identifying CO_2 reducing initiatives that are being pursued and will continue the strive to reduce our impact on climate change.

Management's review

Communities

Our responsibility in the community stretches beyond connecting patients to skilled practitioners. We have a role to play in serving society at large. We focus on participating in clinical research, clinical teaching and training and we strive to focus on preventative health care.

Human Rights

Ramsay Santé Group has a strong commitment towards treating patients, employees, and all stakeholders properly and is constantly working under our Global commitment of acting as an organisation, with a strong focus on “People caring for People”. An analysis of the most important societal influences has determined that there is no material risk of human rights abuses, as all activities of Capio A/S are taking place in Denmark and therefore no policy will be developed within this area.

Social

Employees are the most important asset within Capio A/S. Thriving employees is a necessity to deliver a professional, competent, and personable service to all our customers. A primary risk would be that a lack of focus on employee well-being and job opportunities could negatively affect employee satisfaction and retention. Capio A/S is determined to maintain good working relationships, which is reflected in our commitment towards good working conditions, a safe working environment and amble development opportunities. Capio A/S are conducting Development Dialogues each year throughout January to March.

Our Engagement Survey was conducted in October 2023. The results of our survey showed a high level of engagement in Capio as a workplace, through a strong employee commitment to Capio. And a sense of a strong collaboration in the team, a perception of a healthy work environment, both physically and mentally. Finally, a sense of great health care professional pride amongst the employees in Capio.

Anti-corruption

Ramsay Santé has an anti-corruption policy that is supported by regular control reviews and online training for all stakeholders.

Capio A/S is against all forms of corruption and bribery, as stipulated in our parent company’s anti-corruption policy.

The most material risks are that suppliers or other business partners do not adhere to our policy on the area.

In 2022/23, we did not identify any breaches to our policy.

Gender distribution in management, cf. §99b

The board of directors consist of 4 men. No changes were made to the board of directors in 2022/23 and hence the gender target for the board was not reached. Capio A/S' target is to have one woman in Board of Directors by 2025.

The executive committee of Capio A/S consists of 5 men (83%) and 1 woman (17%) and is the top management of Capio A/S. Capio A/S' target is to have two women in the executive committee by 2025.

The extended management team consists of 15 leaders, 5 men (33,3%) and 10 women (66,6%).

The members in the extended management team consist of the executive committee, 5 members, 8 members reporting to the executive committee and 2 members reporting to other members of the extended management team.

Financial statements 1 July – 30 June

Income statement

Note	DKK'000	2022/23	2021/22
5	**Revenue**	659,599	456,422
	Cost of sales	-258,030	-191,269
	Other operating income	1,000	35
6	Other external expenses	-90,934	-56,379
	Gross margin	311,635	208,809
7	Staff costs	-289,929	-183,774
8	Amortisation and depreciation of intangible assets and property, plant, and equipment	-18,189	-9,117
	Operating profit	3,517	15,917
9	Financial incomes	17	7
10	Financial expenses	-8,809	-2,702
	Profit before tax	-5,275	13,222
11	Tax for the year	-6,247	-2,914
	Profit for the year	-11,522	10,307

Financial statements 1 July – 30 June

Balance sheet

Note	DKK'000	2022/22	2021/22
	ASSETS		
	Non-current assets		
12	**Intangible assets**		
	Goodwill	9,723	11,374
		9,723	11,374
13	**Property, plant, and equipment**		
	Leasehold improvements	21,744	19,342
	Fixtures and fittings, tools, and equipment	54,653	50,599
		76,397	69,942
14	**Financial assets**		
	Investments in group enterprises	135,164	135,164
	Other receivables	12,288	7,604
		147,452	142,769
	Total non-current assets	233,572	224,084
	Current assets		
	Inventories		
	Finished goods and goods for resale	2,140	0
		2,140	0
	Receivables		
	Trade receivables	89,755	69,404
	Other receivables	2,275	1,603
15	Deferred tax assets	1,799	5,082
16	Prepayments	5,056	2,606
		98,885	78,696
	Cash	815	1,139
	Total current assets	101,840	79,834
	TOTAL ASSETS	335,412	303,918

Financial statements 1 July – 30 June

Balance sheet

Note	DKK'000	2022/23	2021/22
	EQUITY AND LIABILITIES		
	Equity		
17	Share capital	1,053	1,053
	Retained earnings	44,384	50,699
	Total equity	45,437	51,751
	Long-term liabilities		
18	Other provisions	3,500	6,336
	Debt to group entities	129,526	129,526
	Debt to credit institutions	9,674	15,539
	Total long-term liabilities	142,700	151,401
	Short-term liabilities		
	Debt to credit institutions	2,724	2,818
	Trade payables	16,290	18,435
19	Amounts owed to group entities	52,995	25,813
	Payable tax to joint taxation	7,410	0
	Other payables	58,856	43,701
	Deferred income	9,000	10,000
	Total short-term liabilities	147,275	100,767
	TOTAL EQUITY AND LIABILITIES	335,412	303,918

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22 Appropriation of profit/loss
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Financial statements 1 July – 30 June

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity on 1 July 2022	1,053	50,699	51,751
	Group contribution	0	14,506	14,506
	Goodwill from merger	0	-9,299	-9,299
22	Appropriation of profit/loss	0	-11,522	-11,522
	Equity on 30 June 2023	1,053	44,384	45,437

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Capio A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C large entities.

This annual report is a restatement of the annual report dated 22 December 2023 with reference to note 3.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of 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 Generale De Sante.

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-free 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 July – 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

The company has chosen IAS 11/ IAS 18 as interpretation for revenue recognition.

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.

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	7 years

Financial statements 1 July – 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.

Profit/loss from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

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 7 years. Taking the Group's expected plans and repayment horizon into consideration to increase the level of activity and earnings, the economic life of goodwill has been set to 7 years.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

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.

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

The Company has chosen IAS 17 as interpretation for classification and recognition of 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.".

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment and investments in subsidiaries 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.

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1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

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 July – 30 June

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly related to the purchase.

The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to affect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

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.

Segment information

Revenue information is disclosed by cadastre. Segment information is based on the Company's accounting policies, risks, and management control.

Financial ratios

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

Liquidity ratio $$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Equity ratio $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity $$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$$

Financial statements 1 July – 30 June

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2 Financial Resources

The company has obtained loan with the parent company in connection merger and acquisition activities. The company is dependent of financial support to service the loan.

The Parent company Capio Group Services AB have issued 'Letter of support' securing the financial resources until end of financial year 2023/2024. Capio Group Services AB confirm to be familiar with the fact that Capio A/S is fully dependent on financial support. Under these circumstances the company confirms that they will provide Capio A/S with such financial support as necessary to enable it to meet its liabilities as they fall due, and so that assets are protected, and the company maintained in such a manner that preparation of the statutory accounts on a going concern basis continues to be appropriate. The confirmation of financial support is valid for a period of at least one year and one day from June 30, 2023

3 Restatement

This annual report for the fiscal year 1 July 2022 – 30 June 2023 represents a restatement of the original annual report, dated 22 December 2023, as the original annual report is materially misstated.

The company acquired 100% of the share capital in Gildhøj Privathospital in Brøndby as well as two dormant companies 30 December 2022 from its parent company. On the 15 February 2023 Capio A/S merged with Gildhøj Privathospital and the two dormant companies, with Capio A/S as the surviving company. The acquired entities were initial recognised in the financial statements as of 30 December 2022 at the value after purchase price allocation. The acquired entities should initially have been recognised using the book value method. Consequently, the difference between the acquisition price and the net booked value of the entities (goodwill) should have been recognised against retained earnings in equity because the transaction took place under the same controlling interest. The subsequent merger of Capio A/S and the acquired entities should have been recognised in the financial statements as from 1 July 2022 using the group method (in Danish: Koncernmetoden). Further, an earn-out from the acquisition has been recognised of DKK 5,183 thousand. Relative to the original annual report dated 22 December 2023 the profit before tax increased DKK 5,489 thousand, tax increased DKK 387 thousand, and profit for the year increased DKK 5,102 thousand. The balance sheet total at 30 June 2023 has decreased DKK 33,453 thousand from not recognizing goodwill of DKK 34,029 and an increase of DKK 576 thousand in deferred tax assets. Liabilities has increased by DKK 5,183 thousand and equity decreased DKK 38,636 thousand.

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4 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	2022/23	2021/22
Expenses		
Costs relating to previous financial years	0	4
Communication Action Plan and marketing cost	0	2,825
Company Day	1,045	0
Merger and acquisition advisory cost	1,968	0
Expatriation cost	175	0
Double rent	387	0
Termination Cost – Gildhøj Merger	1,080	0
Current tax from taxable merger with Gildhøj	8,062	0
Total expenses	12,717	2,829
Income		
Allocated too much relocation costs, dismissed employees and VAT	0	2,487
Total income	0	2,487
Special items are recognised in the below items of the financial statements		
Other external expenses	-3,400	-2,829
Staff cost	-1,255	0
Other operating income	0	2,487
Tax for the year	-8,062	0
Net profit on special items	-12,717	-342

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5 Segment information

DKK'000	2022/23	2021/22
Breakdown of revenue by business segment:		
Danmark	574,761	456,422
	574,761	456,422
Breakdown of revenue by geographical segment:		
Imaging	115,938	96,826
Orthopaedic	219,058	183,537
Other specialities	117,387	128,150
Other revenue	207,216	47,909
	659,599	456,422

6 Fees paid to auditor appointed at the annual general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for the higher-ranking parent company Ramsey Generale de Sante

7 Staff costs

DKK'000	**2022/23**	**2021/22**
Wages and salaries	258,893	167,508
Pensions	23,808	11,737
Other social security costs	4,220	2,247
Other payroll-related expenses	3,008	2,282
	289,929	183,774
Average number of full-time employees	423	302

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

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8 Amortisation and depreciation of intangible assets and property, plant, and equipment

DKK'000	2022/23	2021/22
Amortisation of intangible assets	1,731	875
Depreciation of property, plant, and equipment	16,458	8,243
	18,189	9,118

9 Financial incomes

Other financial incomes	-17	-7
	-17	-7

10 Financial expenses

Interest expenses, group entities	7,392	2,301
Other financial expenses	1,417	401
	8,809	2,702

11 Tax for the year

Current tax for the year	1,826	0
Deferred tax adjustment for the year	4,246	1,674
Adjustment tax prior year	174	0
	6,247	1,674

12 Intangible assets

DKK'000	Goodwill
Cost at 1 July 2022	102,063
Additions	80
Disposals	0
Cost at 30 June 2023	102,143
Amortisation at 1 July 2022	90,689
Amortisation in the year	1,730
Amortisation at 30 June 2023	92,419
Carrying amount at 30 June 2023	9,723
Amortised over	7 years

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13 Property, plant, and equipment

DKK'000	Leasehold improve-ments	Other fixtures and fittings, tools and equipment	Total
Cost at 1 July 2022	45,451	125,618	171,069
Additions through mergers with subsidiaries	0	0	0
Additions	1,372	11,865	13,237
Additions on merger/corporate acquisition	3,561	3,297	6,858
Departure	0	0	0
Cost at 30 June 2023	50,385	140,779	191,164
Depreciation and impairment losses at 1 July 2022	26,109	75,019	101,127
Depreciation	2,297	10,333	13,640
Accumulated impairment losses and depreciations			
Of additions through mergers and business combinations	235	775	
Depreciation departure	0	0	0
Depreciation and impairment losses at 30 June 2023	28,641	86,127	114,768
Carrying amount at 30 June 2023	21,744	54,653	76,397
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	12,944	12,944
Depreciated over	5-10 years	3-10 years	

14 Financial assets

DKK'000	Investments in group enterprises	Lease deposits	Total
Other receivables			
Cost at 1 July 2022	135,164	7,604	142,769
Additions	0	4,683	4,683
Carrying amount at 30 June 2023	135,164	12,288	147,452

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
WeCare Holding ApS	Anpartsselskab	Esbjerg	51.00%	15,204	4,600

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14 Financial assets (continued)

The company has entered into a Put and Call Option agreement which can be exercised for a period beginning on 1 September 2025 and running indefinitely. The purchase price for the shares is set at the year of exercising the option. Management do not at this time believe that there is an added value of the option, since the share price is expected to increase simultaneously with the expected yield corresponding to the discount rate, wherefore the present value of the future share price remains the same.

The fair value of the Option amounts to DKK 0 thousand as per 30 June 2023. The value adjustment for the financial year amounts to DKK 0 thousand.

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DKK'000	2023	2022
15 Deferred tax assets		
Deferred tax assets at 1 July	5,082	7,996
Current year adjustment of deferred tax	-4,246	-2,914
Deferred tax regarding merger	963	0
	1,799	5,082

As of 30 June 2023, the company has recognised tax assets of DKK 1,799 thousand (2022: 5,082 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.

16 Prepayments

	2023	2022
Other prepaid expenses	5,056	2,606
	5,056	2,606

17 Share capital

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

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

DKK	2022/23	2021/22	2020/21	2019/20	2018/19
Balance at 1 July	1,053	1,053	1,053	1,053	1,053
Capital reduction to cover loss	0	0	0	0	0
Balance at 30 June	1,053	1,053	1,053	1,053	1,053

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DKK'000		2023	2022
18	**Other provisions**		
	Other provisions at 1 July	6,336	4,966
	Used during the year	-2,194	-631
	Reversal	-642	0
	Provision for the year	0	2,000
	Other provisions at 30 June	3,500	6,336

Other provisions are expected to mature within:

	2023	2022
< 1 year	0	0
1-5 years	3,500	6,336
> 5 years	0	0
Total	3,500	6,336

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

19 Payable to group entities

	2023	2022
Payable to group entities	52,995	25,813
	52,995	25,813

Capio Group has a cash pool agreement with Nordea Bank, where Capio Group Services AB is the main account owner and Capio A/S is a sub account owner together with affiliated companies. The conditions for the agreement provide Capio Group Services AB the possibility to offset the liabilities and receivables on the sub accounts so only the net amount of the cash pool is an intermediate with Nordea Bank.

Capio A/S of the cash pool agreement is recognized as a payable to group entities of DKK 26,646 thousand (21/22: DKK 25,813 thousand)

20 Contractual obligations and contingencies, etc.

Contingent liabilities

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 2023 onwards as well as withholding taxes on interest, royalties, and dividends.

Operating lease liabilities

Lease liabilities (operating leases), which fall due within 14 years, total DKK 242,556 thousand (2022: DKK 42,483 thousand).

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21 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

Related party transactions

DKK'000	2023	2022
Interest expenses to group entity	7,392	2,308
Payable to group entity	182,521	129,526
Payable tax to joint taxation	7,410	5,410

No other transactions were carried out with shareholders during the year.

Capio 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.

22 Appropriation of profit

Recommended appropriation of profit

Transferred to reserves under equity	-11,522	10,307
	-11522	10,307

23 Events after the balance sheet date

Since the summer of 2023, the acute package continues having negatively impact on both volumes and prices from public customers.

Capio has acquired additional shares corresponding to 17,25% of shares and votes in WeCare Holding Aps and now controls 68,25% of the total shares. Further Capio has acquired 51% of the shares in WeCare2 Holding Aps. The total purchase price for the shares amount to tDKK 67,098.