

Capio AB (publ)

Interim report January – September 2017

July – September 2017

- Net sales MSEK 3,455 (3,168). Organic sales growth 2.2% (2.6) and total sales growth 9.1% (3.7)
- EBITDA¹ MSEK 168 (200) and margin 4.9% (6.3). EBITDA decreased by 16.0%
- EBITA¹ MSEK 53 (94) and margin 1.5% (3.0). EBITA decreased by 43.6%
- Operating result (EBIT) MSEK 18 (72) and margin 0.5% (2.3). EBIT decreased by 75.0%
- Profit for the period² MSEK -7 (34). Earnings per share after dilution² SEK -0.03 (0.24)

January – September 2017

- Net sales MSEK 11,250 (10,344). Organic sales growth 2.0% (3.5) and total sales growth 8.8% (3.7)
- EBITDA¹ MSEK 766 (772) and margin 6.8% (7.5). EBITDA decreased by 0.8%
- EBITA¹ MSEK 427 (461) and margin 3.8% (4.5). EBITA decreased by 7.4%
- Operating result (EBIT) MSEK 335 (405) and margin 3.0% (3.9). EBIT decreased by 17.3%
- Profit for the period² MSEK 215 (269). Earnings per share after dilution² SEK 1.53 (1.90)

CEO comments:

“Increased focus on execution of our strategy.”

The quarter showed a weaker than expected performance, why we, as earlier announced, have updated the full year 2017 Group EBITDA growth guidance (5-7% vs. previously “exceeding 10%”) and published preliminary quarterly results for the third quarter (Q3) 2017.

Nordic

In the Nordic segment, inpatient activity continued to develop positively during Q3 – both in terms of volume growth and reduction of AVLOS. This development is more prominent in Capio S:t Göran and geriatric care in Stockholm. Outpatient activity was also high, mainly driven by acquisitions.

The organic sales growth increased during Q3 and was 4.3% (3.3). The EBITDA result was MSEK 153, corresponding to a growth of just above 20%. Accumulated, EBITDA was MSEK 447, corresponding to a growth of 19%. Compared with our previous guidance, the development was impacted by a shortfall of MSEK 15 within primary care in Stockholm, where the county is changing from a per visit reimbursement model to a capitation model. A combination of insufficient adjustment of staff to fit the new model and somewhat lower productivity in terms of seeing patients, have caused both a slight decline in sales and higher than planned staff costs. This is now being corrected.

France

The growth of the French private healthcare market remained low also during the seasonally lower third quarter. Organic growth was almost flat, and Capio was in line with the market.

The shift from in- to outpatient treatment is continuing, facilitated by introduction of improved treatment methods (Modern Medicine) and pushed by the government’s price reductions of close to 7% of medical sales over three years (approx. MSEK 200 in nominal terms for Capio since 2015). During Q3, the number of outpatients increased by 4.1% while the inpatients decreased by 1.3%. This should be seen in the perspective of 1 working day less in Q3 2017 (in the high production month of September) vs. Q3 2016. AVLOS was reduced by 0.7%, which contains the expanded geriatrics speciality with longer AVLOS than most other specialties. Adjusted for geriatrics and case mix, AVLOS decreased by approx. 4%.

3 hospitals have generated most of the negative impact of MSEK 35 compared to the previous guidance. These hospitals have been late

adjusting production resources and productivity to the lower price level and weak market. Another three hospitals are under some pressure, but are gradually improving. The remaining 16 hospitals perform in total at the expected level. Already during summer, we started to prepare programs to reduce staff with about 130 FTEs. Impacts will be visible from October and the staff and cost reductions will gradually come up to full speed by the end of the year.

Capio is improving healthcare

Capio’s strategy in short is to implement Modern Medicine that shortens treatment times and transfers treatments from in- to outpatient activities (Rapid Recovery). With Modern Management, the change can be sped up and the development of improved and faster patient flows is focused. This is good for patients – and for payers and society at large. The development is encouraged and enforced by governments in all European countries. Growth through acquisitions is also an important part of our strategy.

We are delivering on our strategy, which e.g. is visible in the continued shortening of average length of stay (AVLOS) and the increase in outpatient activity. So far this year, we have made a number of acquisitions which are adding close to MSEK 1,000 in net sales on an annual basis. We continue to see a long-term market growth and increased demand for our services. However, short-term swings in demand sometimes occur and so far this year we have not been fast enough adjusting our resources to the lower than expected volume growth, which is now being corrected.

Digitalization of growing importance for healthcare

We continue to develop our digital concepts for doctor consultations, which are now being implemented within primary care in Sweden. When fully implemented in 2018, all of Capio’s 750,000 listed primary care patients will have access to digital services.

Going forward

For the full year 2017, the expectation is to reach a Group EBITDA growth of 5-7%. This is a decrease compared to previous guidance of a growth exceeding 10% for the full year 2017. The guidance that the French EBITA margin for Q4 2017 will exceed the margin in Q4 2016 (which was 4.7%) remains, which is supported by the staff and cost reduction program and a favorable calendar effect.

Thomas Berglund

President and CEO

¹ Refer to page 32 for definitions of EBITDA and EBITA.

² Profit for the period refers to profit attributable to parent company shareholders. Refer to note 2 for calculation of EPS (before and after dilution).

The Group and the segments in brief

Capio Group

	JUL – SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
Net sales	3,455	3,168	9.1	11,250	10,344	8.8	14,975	14,069
Total sales growth, %	9.1	3.7		8.8	3.7		8.1	4.3
Organic sales growth, %	2.2	2.6		2.0	3.5		2.2	3.3
EBITDA	168	200	-16.0	766	772	-0.8	1,055	1,061
Margin, %	4.9	6.3		6.8	7.5		7.0	7.5
EBITA	53	94	-43.6	427	461	-7.4	610	644
Margin, %	1.5	3.0		3.8	4.5		4.1	4.6
Operating result (EBIT)	18	72	-75.0	335	405	-17.3	488	558
Operating margin (EBIT), %	0.5	2.3		3.0	3.9		3.3	4.0
Profit for the period¹	-7	34	-120.6	215	269	-20.1	350	404
Earnings per share after dilution ² , SEK	-0.03	0.24		1.53	1.90		2.49	2.86
Net capital expenditure	-108	-111		-260	-320		-398	-458
In % of net sales	3.1	3.5		2.3	3.1		2.7	3.3
Net debt	3,704	3,149		3,704	3,149		3,704	2,872
Financial leverage	3.5	3.0		3.5	3.0		3.5	2.7

Segments

Capio Nordic

	JUL – SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
Net sales	2,007	1,721	16.6	6,371	5,575	14.3	8,380	7,584
Total sales growth, %	16.6	4.3		14.3	4.3		12.2	4.7
Organic sales growth, %	4.3	3.3		3.8	3.7		3.9	3.8
EBITDA	153	127	20.5	447	376	18.9	593	522
Margin, %	7.6	7.4		7.0	6.7		7.1	6.9
EBITA	107	88	21.6	313	263	19.0	421	371
Margin, %	5.3	5.1		4.9	4.7		5.0	4.9
Operating result (EBIT)	86	68	26.5	255	218	17.0	341	304
Operating margin (EBIT), %	4.3	4.0		4.0	3.9		4.1	4.0
Net capital expenditure	-37	-28		-105	-123		-150	-168
In % of net sales	1.8	1.6		1.6	2.2		1.8	2.2

Capio France

	JUL – SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
Net sales	1,188	1,196	-0.7	4,001	3,919	2.1	5,395	5,313
Total sales growth, %	-0.7	3.4		2.1	3.8		2.9	4.2
Organic sales growth, %	-0.8	2.2		-0.4	3.1		-0.2	2.4
EBITDA	29	82	-64.6	323	395	-18.2	446	518
Margin, %	2.4	6.9		8.1	10.1		8.3	9.7
EBITA	-31	22	-240.9	144	218	-33.9	209	283
Margin, %	-2.6	1.8		3.6	5.6		3.9	5.3
Operating result (EBIT)	-37	25	-248.0	121	218	-44.5	183	280
Operating margin (EBIT), %	-3.1	2.1		3.0	5.6		3.4	5.3
Net capital expenditure	-58	-70		-121	-168		-197	-244
In % of net sales	4.9	5.9		3.0	4.3		3.7	4.6

Capio Germany

	JUL – SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
Net sales	260	251	3.6	878	850	3.3	1,200	1,172
Total sales growth, %	3.6	1.2		3.3	-0.4		5.1	2.4
Organic sales growth, %	2.4	-0.3		0.8	3.4		2.0	4.0
EBITDA	6	8	-25.0	63	65	-3.1	106	108
Margin, %	2.3	3.2		7.2	7.7		8.8	9.2
EBITA	-2	2	-200.0	41	47	-12.8	77	83
Margin, %	-0.8	0.8		4.7	5.5		6.4	7.1
Operating result (EBIT)	-7	-4	-75.0	35	33	6.1	66	64
Operating margin (EBIT), %	-2.7	-1.6		4.0	3.9		5.5	5.5
Net capital expenditure	-11	-10		-29	-25		-39	-35
In % of net sales	4.2	4.0		3.3	2.9		3.3	3.0

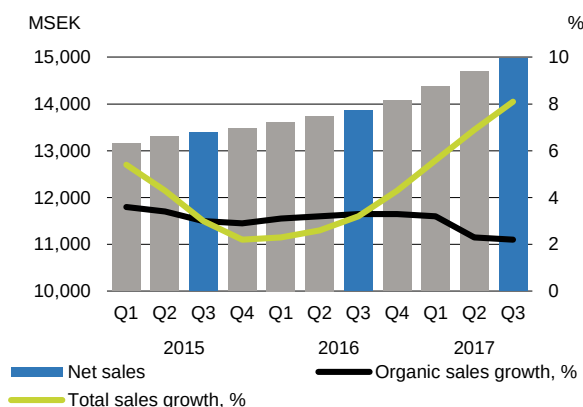
¹ Profit attributable to parent company shareholders.

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

Financial targets and development

Net sales and sales growth

Quarterly development 2015¹-2017 (RTM)



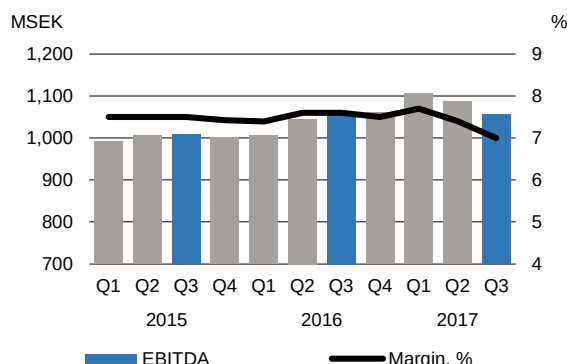
Target and development

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

- Total sales growth 8.8% and organic sales growth 2.0% (Jan-Sep 2017)
- Organic sales growth was above market growth in Nordic and in line with market growth in France. Organic sales growth in Germany was slightly lower than the German market growth following lower inpatient volumes
- Completed acquisitions are increasing the pace of total sales growth

EBITDA and margin

Quarterly development 2015¹-2017 (RTM)



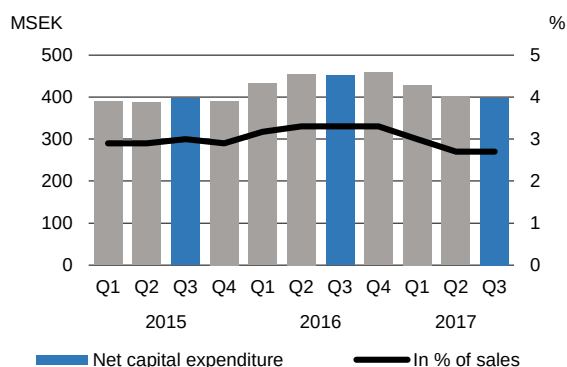
Target and development

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

- EBITDA decreased by 0.8% (Jan-Sep 2017)
- EBITDA in Nordic increased at a higher rate than sales growth. In France, leverage was negative due to the lower prices and private market growth in combination with insufficient adjustment of resources. The lower organic sales growth in Germany in the first nine months impacted the development negatively
- Positive contribution from the acquired businesses, in line with expectations

Net capital expenditure and in % of net sales

Quarterly development 2015-2017 (RTM)



Target and development

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

- Net capital expenditures in % of net sales was 2.7% (RTM), which was well in line with the target

¹ RTM development adjusted for structural changes made in 2014. Refer to Capio Annual Report 2015 note 33.

Measuring Modern Medicine

Improved medical quality is the basis for improved productivity and performance both medically as well as financially. The aim is always to produce more high-quality healthcare with less resources through more efficient ways of working. Key to improve productivity is to understand the current performance based on facts and then implement relevant actions to improve the outcomes. In order to verify both the starting point and the effectiveness of actions taken there is a need to measure medical outcomes and productivity on a continuous basis, as with financial results.

To improve a care process, relevant Clinical Process Input (CPIs) must be identified and implemented in the day-to-day work with patients. CPIs are the detailed steps in a care protocol to improve medical quality and speed up the patient's recovery. For each care process there is a need to identify and measure the outcomes that verify the effectiveness of the CPIs implemented. The outcomes are primarily measured and analyzed as Quality Performance Indicators (QPIs) and Key Performance Indicators (KPIs) which, in turn, represent the link between operational performance and financial results.



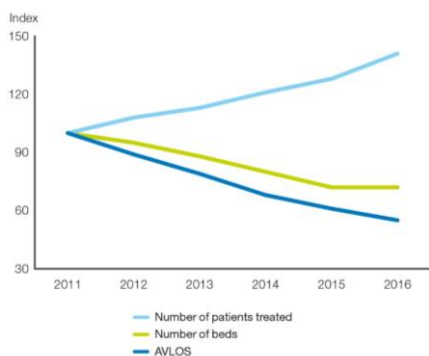
A well-structured medical process with CPIs improves medical quality (QPIs) and by measuring the production and resources used we get KPIs that are the link to financial results.

Average length of stay (AVLOS)¹

By implementing Modern Medicine, treatment times can be reduced by Rapid Recovery after treatment. This means shorter stays in hospital reducing the patient's exposure to the hospital environment and increasingly, the patient can leave the hospital already the same day as the treatment is completed.

The scientific background for Modern Medicine was developed 20 years ago and starts with the fact that most treatments have side effects that impact the body and make recovery slower. If these side effects can be reduced, the body will recover more rapidly, and discharge criteria can be reached faster. The productivity gains of shorter AVLOS can either be used to treat more patients in the same number of beds or to reduce resources.

Illustrative effects from Modern Medicine



By implementing Modern Medicine and Rapid Recovery after surgery Capio France has from 2011 to 2016 reduced AVLOS from 8.2 days to 4.5 days (-45%) for hip- and knee prosthesis surgeries. At the same time the number of surgeries has increased from 4,911 to 6,939 (+41%) and the number of beds needed for the increased production has decreased by 28%.

Development of AVLOS January – September 2017

	JUL - SEP			JAN - SEP			FULL YEAR						
AVLOS by segment, Days	2017	%	2016	2017	%	2016	RTM	2016	%	2015	%	2014	%
Capio Nordic	3.87	-4.2	4.04	3.93	-2.2	4.02	3.94	4.01	-2.7	4.12	-1.0	4.16	-1.2
Capio Nordic excl. geriatrics	2.72	-1.1	2.75	2.81	-0.7	2.83	2.82	2.83	-3.4	2.93	-2.7	3.01	-3.2
Capio France	4.53	-0.7	4.56	4.46	0.2	4.45	4.47	4.47	-3.0	4.61	-2.9	4.75	-3.7
Capio France excl. geriatrics	4.42	-2.4	4.53	4.36	-1.4	4.42	4.39	4.43	-3.7	4.60	-3.2	4.75	-3.7
Capio Germany	4.83	0.8	4.79	4.61	1.3	4.55	4.58	4.54	-1.5	4.61	-4.4	4.82	0.0
Capio Germany excl. geriatrics	4.16	-1.9	4.24	4.02	-0.7	4.05	4.03	4.04	-3.1	4.17	-6.1	4.44	-0.7
Capio Group	4.41	-1.3	4.47	4.35	-0.2	4.36	4.36	4.37	-2.7	4.49	-3.0	4.63	-2.5
Capio Group excl. geriatrics	3.98	-2.7	4.09	3.95	-1.5	4.01	3.97	4.01	-3.4	4.15	-4.2	4.33	-3.1

AVLOS continued to be shortened in the quarter but was impacted by a higher case mix. AVLOS in Nordic was impacted by a higher case mix for emergency patients. Case mix adjusted AVLOS reductions in both France and Germany were around 3-4% (excl. geriatrics) for the first nine months 2017. The Group's strategic focus on Modern Medicine giving Rapid Recovery, and Modern Management kept AVLOS almost flat despite the higher case mix in the first nine months. Adjusted for geriatrics, the AVLOS reduction for the Group was 1.5%. Considering the higher case mix in 2017, in addition to the increase from geriatrics, the AVLOS development was in line with the historical downward trend.

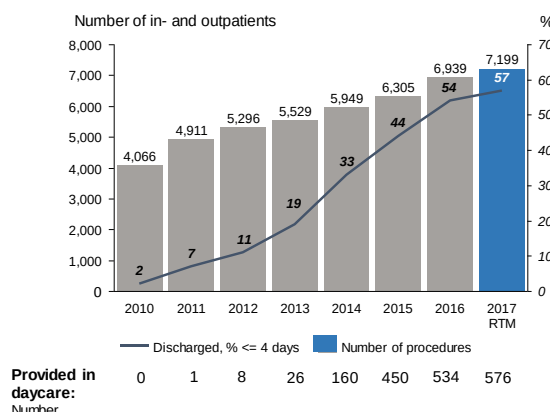
¹ Refer to page 32 for definition.

Development of hip and knee prosthesis surgery – an example of Modern Medicine

Hip and knee replacements in Capio France continued to grow during the first nine months 2017, positively impacted by the use of Modern Medicine as more doctors and patients are coming to our hospitals.

The average length of stay continued to decrease and the share of patients being discharged within four days increased by seven percentage points compared with the same period last year (September 2016 RTM). The number of hip and knee prosthesis surgeries provided as outpatient care continued to increase during the period. This is an example of how Capio adapts to and contributes to driving Modern Medicine as hip and knee prosthesis surgery in outpatient care, with sustained or improved quality, has only been possible in recent years due to changes in treatment methods and procedures.

Hip and knee prosthesis surgery Capio France



AVLOS development hip and knee prosthesis surgery 2011-2016

Capio France Jan-Sep 2017 AVLOS at 4.1 days

Days	2011	2014	2015	2016	11-14, %	11-15, %	11-16, %
Capio France	8.2	5.6	5.0	4.5	-32	-39	-45
The French market	10.2	9.0	8.4	-	-12	-18	-
Capio Sweden	3.9	3.3	2.7	2.6	-15	-31	-33
The Swedish market	-	4.7	4.4	-	-	-	-

Source: French market data; Scansanté (ATIH), Swedish market data; Socialstyrelsen.

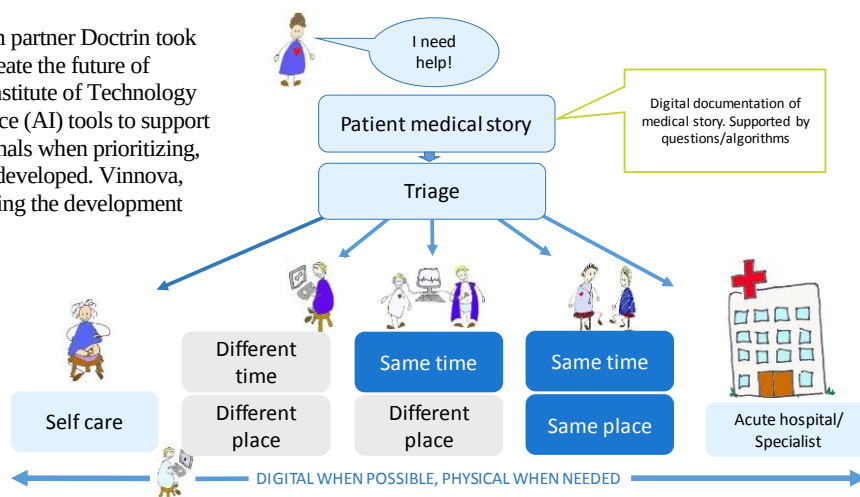
Digitalizing healthcare

Patients are increasingly more informed about their state of health and involved in their treatment. Patients are also increasingly taking more responsibility for their own care and demanding accessibility and rapid recovery. Digital solutions support patient empowerment as well as productivity in the healthcare delivery.

The trend for an increasingly more interconnected society enables the provision of healthcare in a new and innovative way that is not necessarily based on the physical meetings between patients and healthcare professionals. The use of digital solutions increase patient accessibility and the key to success lies in the ability to develop working methods and pathways for many patient groups. Digital solutions also offer opportunities to share the necessary and relevant information between patient and healthcare provider, and among healthcare providers. All-in-all this improves quality for patients as well as increases productivity in the service delivery, as the patient and healthcare professional meet in the most efficient care setting – “Digital when possible, physical when needed”.

During 2017, Capio has established a separate company with responsibility for running the development and implementation of e-health solutions including digital solutions for doctor consultations (asynchronous meetings). Digital consultations were first introduced in May, covering close to 20 different symptoms. The patients using the digital service so far were of all ages but the majority were in their 20s to 40s. The work implementing a digital patient information tool to better prepare and facilitate physical consultations (“Better visits”) is also continuing in line with plan. During the second quarter 2017, digital consultations “Capio Go” and “Better visits” were introduced to patients at a small scale. During autumn, the digital tools are being rolled-out at a larger scale and during October – November about 200,000 of Capio’s 750,000 listed primary care patients in Sweden will get the possibility to access the new services. When the roll-out is finished in 2018, all of Capio’s primary care patients will have access to “Capio Go” and “Better visits”.

Also in 2017, Capio and its collaboration partner Doctrin took the next step in their joint ambition to create the future of healthcare. Together with KTH Royal Institute of Technology and Lund University, artificial intelligence (AI) tools to support decision-making of healthcare professionals when prioritizing, diagnosing and treating patients will be developed. Vinnova, Sweden’s innovation agency, is co-funding the development with a contribution of MSEK 1.9.



Group development

Capio Group

	JUL - SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
KPI; Production, productivity and resources								
Number of outpatients	1,093.6	967.6	13.0	3,524.2	3,213.7	9.7	4,767.5	4,457.0
Number of inpatients	49.9	50.1	-0.4	166.7	168.6	-1.1	224.4	226.3
Number of patients, kNumber	1,143.5	1,017.7	12.4	3,690.9	3,382.3	9.1	4,991.9	4,683.3
AVLOS, Days	4.41	4.47	-1.3	4.35	4.36	-0.2	4.36	4.37
Number of employees (FTE)	13,166	12,359	6.5	13,218	12,430	6.3	13,026	12,435
Income statement								
Net sales outpatients	1,820	1,561	16.6	5,827	5,134	13.5	7,642	6,949
Net sales inpatients	1,422	1,379	3.1	4,713	4,519	4.3	6,372	6,178
Net sales other	213	228	-6.6	710	691	2.7	961	942
Net sales	3,455	3,168	9.1	11,250	10,344	8.8	14,975	14,069
Total sales growth, %	9.1	3.7		8.8	3.7		8.1	4.3
Organic sales growth, %	2.2	2.6		2.0	3.5		2.2	3.3
EBITDA	168	200	-16.0	766	772	-0.8	1,055	1,061
Margin, %	4.9	6.3		6.8	7.5		7.0	7.5
EBITA	53	94	-43.6	427	461	-7.4	610	644
Margin, %	1.5	3.0		3.8	4.5		4.1	4.6
Profit for the period¹	-7	34	-120.6	215	269	-20.1	350	404
Earnings per share after dilution ² , SEK	-0.03	0.24		1.53	1.90		2.49	2.86

July – September 2017

Organic sales growth was driven by volume growth and a higher case mix in Nordic while 1 working day less than in 2016 impacted the growth negatively in all segments. Price growth remained limited following the French price reduction and the French private market growth continued to be lower than expected. Outpatient volume growth was positive in all segments, while inpatient volume growth in the Nordic segment did not compensate for lower volumes in France and Germany. Acquisitions impacted total sales growth positively.

The result development was negatively impacted by the general price reduction (MSEK -20) and the lower than expected private market growth in France. Some French hospitals have been late adjusting their production resources and productivity to the current market conditions and the actions taken during spring and summer 2017 have not yet impacted the result. Nordic continued the strong development from previous quarters, supported by acquisitions performing in line with expectations. However, the development was slower than expected in a few regions in primary care in Sweden due to insufficient adjustments to fit the new reimbursement model in Stockholm. AVLOS in the quarter decreased compared to 2016 despite a higher case mix, mainly related to productivity improvements in France and Nordic. FTE growth was driven by the recent acquisitions and a too high resource utilization in France considering the lower volumes.

The operating result (EBIT) included amortization on surplus values of MSEK -27 (-18) and restructuring and other non-recurring items and acquisition related costs of MSEK -8 (-4). The increase in amortizations was mainly related to the recent acquisitions in Sweden and Denmark. Restructuring and other non-recurring items were mainly related to restructuring activities and transaction costs for acquisitions.

The profit for the period included net financial items of MSEK -26 (-29) and income tax of MSEK 1 (-9). The effective income tax rate was 13% (21%).

Earnings per share (EPS) after dilution was SEK -0.03 (0.24). The development was impacted by the lower operating result.

January – September 2017

Organic sales growth was driven by volume growth in Nordic and France and a higher case mix in all segments. Price growth was limited following the price reductions in France. The first nine months 2017 comprised 2 working days less than the same period 2016, impacting all segments negatively. Outpatient volume growth was positive in all segments, while inpatient growth in the Nordic segment did not compensate for the lower volumes in France and Germany. Acquisitions and changes in exchange rates impacted total sales growth positively.

The result development was negatively impacted by the general price reductions (MSEK -53) and the lower than expected private market growth in France. Some French hospitals have been late adjusting their production resources and productivity to the current market conditions and the actions taken during spring and summer 2017 have not yet impacted the result. The positive impact of the French action program is calculated to MEUR 2 for Q4 2017 (full year 2018 impact calculated to approx. MEUR 6). The Nordic development was strong, supported by acquisitions performing in line with expectations, but with a slower than expected development in a few regions in primary care in Sweden. In terms of productivity, AVLOS continued to be shortened but was impacted by a higher case mix in all segments. FTE growth was driven by the recent acquisitions and remained too high in France considering the lower than expected volume growth.

The operating result (EBIT) included amortization on surplus values of MSEK -79 (-56) and restructuring and other non-recurring items and acquisition related costs of MSEK -13 (0). The increase in amortizations was mainly related to the recent acquisitions in Sweden and Denmark. Restructuring and other non-recurring items were mainly related to restructuring activities and transaction costs related to the acquisitions.

The profit for the period included net financial items of MSEK -74 (-72) and income tax of MSEK -45 (-62). The effective income tax rate was 17% (19%).

Earnings per share (EPS) after dilution was SEK 1.53 (1.90). The EPS decrease was mainly due to the lower EBITA combined with increased amortizations on surplus values and transaction costs following the increased acquisition activity.

¹ Attributable to parent company shareholders.

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

Development in the segments

Capio Nordic

	JUL - SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
KPI; Production, productivity and resources								
Number of outpatients	895.6	782.4	14.5	2,898.0	2,624.1	10.4	3,940.7	3,666.8
Number of inpatients	13.3	12.0	10.8	42.3	38.7	9.3	56.0	52.4
Number of patients, kNumber	908.9	794.4	14.4	2,940.3	2,662.8	10.4	3,996.7	3,719.2
AVLOS, Days	3.87	4.04	-4.2	3.93	4.02	-2.2	3.94	4.01
Number of employees (FTE)	6,441	5,721	12.6	6,463	5,762	12.2	6,264	5,739
Income statement								
Net sales outpatients	1,424	1,193	19.4	4,473	3,877	15.4	5,844	5,248
Net sales inpatients	549	492	11.6	1,767	1,588	11.3	2,360	2,181
Net sales other	34	36	-5.6	131	110	19.1	176	155
Net sales	2,007	1,721	16.6	6,371	5,575	14.3	8,380	7,584
Total sales growth, %	16.6	4.3		14.3	4.3		12.2	4.7
Organic sales growth, %	4.3	3.3		3.8	3.7		3.9	3.8
EBITDA	153	127	20.5	447	376	18.9	593	522
Margin, %	7.6	7.4		7.0	6.7		7.1	6.9
EBITA	107	88	21.6	313	263	19.0	421	371
Margin, %	5.3	5.1		4.9	4.7		5.0	4.9
Cash flow								
Net capital expenditure	-37	-28		-105	-123		-150	-168
In % of net sales	1.8	1.6		1.6	2.2		1.8	2.2

Capio Nordic July – September 2017

Organic sales growth was driven by volume growth in the contract businesses and specialist free healthcare choice in Sweden, and by Norway. Organic sales growth was positively impacted by a higher case mix while 1 working day less than in 2016 impacted the growth negatively. Total sales growth was positively impacted by the acquired businesses in Denmark and Sweden. The higher number of inpatient visits was mainly related to the acquisition of the Danish operations and acute and geriatric care in Stockholm. The growth of outpatient visits was mainly driven by the acquisitions.

The strong result development from previous quarters continued, supported by the acquired businesses in Denmark and Sweden which were performing in line with expectations. The development was slower than expected in a few regions within primary care in Sweden, centered on the Stockholm activities where the county council is gradually changing from a per visit remuneration model to a capitation based model. A combination of insufficient reduction of staff to fit the new model and somewhat lower productivity in terms of seeing patients, have caused both a slight decline in sales and higher than planned staff costs. AVLOS in the quarter decreased compared to 2016 despite a higher case mix, mainly related to productivity improvements in the specialist business. The number of FTEs increased mainly from the acquisitions.

Net capital expenditure (net capex) in 2017 was mainly related to maintenance.

Capio Nordic January – September 2017

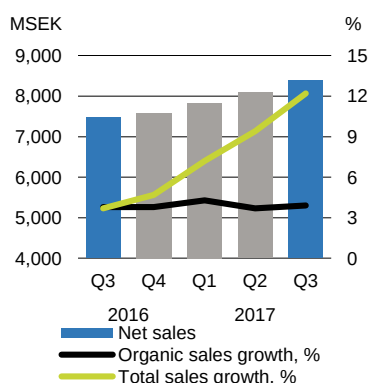
Organic sales growth was driven by volume growth in the contract businesses and specialist free healthcare choice in Sweden, and by Norway. Organic sales growth was also positively impacted by a higher case mix while 2 working days less than in 2016 impacted the growth negatively. The acquired businesses in Denmark and Sweden contributed positively to the total sales growth. The higher number of inpatient visits was mainly related to the acquisition of the Danish operations and the acute and geriatric care in Stockholm. The growth of outpatient visits was mainly driven by the acquisitions.

The result development during the first nine months was positively impacted by the acquired businesses in Denmark and Sweden, and negatively by the slower than expected development in a few regions within primary care in Sweden. The problem with insufficient adjustment to the new remuneration model in Stockholm is now being corrected. AVLOS continued to be shortened but was impacted by a higher case mix. The number of FTEs increased mainly following the acquisitions.

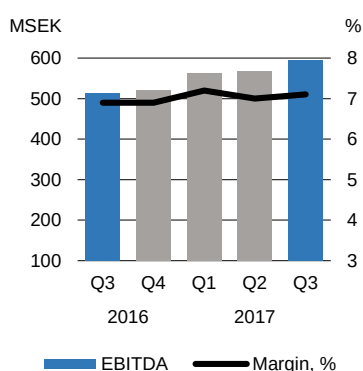
Net capital expenditure (net capex) in 2017 was mainly related to maintenance. The higher net capex in 2016 was due to the new A&E at Capio S:t Göran that opened in April 2016.

Quarterly development from the third quarter 2016 to the third quarter 2017

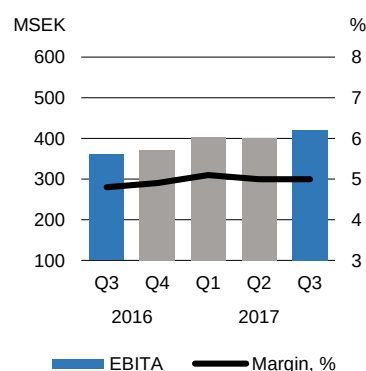
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Development in the segments (cont.)

Capio France

	JUL - SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
KPI; Production, productivity and resources								
Number of outpatients	142.5	136.9	4.1	465.9	445.0	4.7	619.1	598.2
Number of inpatients	29.7	30.1	-1.3	99.4	102.2	-2.7	133.5	136.3
Number of patients, kNumber	172.2	167.0	3.1	565.3	547.2	3.3	752.6	734.5
AVLOS, Days	4.53	4.56	-0.7	4.46	4.45	0.2	4.47	4.47
Number of employees (FTE)	5,495	5,388	2.0	5,502	5,419	1.5	5,487	5,425
Income statement								
Net sales outpatients	348	338	3.0	1,220	1,163	4.9	1,631	1,574
Net sales inpatients	668	675	-1.0	2,226	2,201	1.1	3,011	2,986
Net sales other	172	183	-6.0	555	555	0.0	753	753
Net sales	1,188	1,196	-0.7	4,001	3,919	2.1	5,395	5,313
Total sales growth, %	-0.7	3.4		2.1	3.8		2.9	4.2
Organic sales growth, %	-0.8	2.2		-0.4	3.1		-0.2	2.4
EBITDA	29	82	-64.6	323	395	-18.2	446	518
Margin, %	2.4	6.9		8.1	10.1		8.3	9.7
EBITA	-31	22	-240.9	144	218	-33.9	209	283
Margin, %	-2.6	1.8		3.6	5.6		3.9	5.3
Cash flow								
Net capital expenditure	-58	-70		-121	-168		-197	-244
In % of net sales	4.9	5.9		3.0	4.3		3.7	4.6

Capio France July – September 2017

Organic sales growth was negatively impacted by lower inpatient volumes, partly explained by 1 working day less in September (the only high production month of Q3) compared to last year as well as from a continued lower than expected private market growth. The shift from in- to outpatient treatments continued which also impacted the growth of inpatient visits negatively in the quarter. Furthermore, the organic sales growth was negatively impacted by the general price reduction of 2.09% from March 1, 2017; in total impacting net sales and results in the quarter by MSEK -20, corresponding to -2.0% of medical sales. At comparable exchange rates total sales growth was -0.8% (2.4).

Result and margin were negatively impacted by the lower price level (MSEK -20) and lower private market growth as well as 1 working day less in September. Three hospitals have been late adjusting production resources and productivity to the lower price level and weak market, and are the main reason for the negative development. Another three hospitals are under some pressure, but are gradually improving. The previously reported staff and cost reduction program is under implementation, but has not yet impacted the results. Result and margin were positively impacted by the continued implementation of the Modern Medicine and Rapid Recovery strategy as AVLOS, adjusted for case mix, continued to decrease by approx. 4%.

Net capex in the quarter was mainly related to maintenance.

Capio France January – September 2017

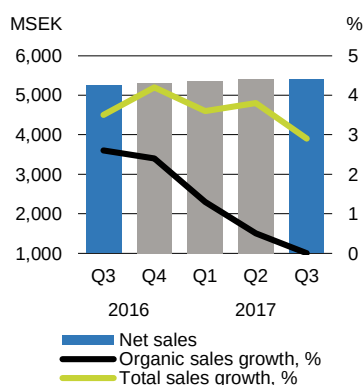
Organic sales growth was negatively impacted by lower inpatient volumes, mainly related to a negative calendar effect of 2 working days less compared to 2016 and the continued lower than expected private market growth. The shift from in- to outpatient treatments continued. Outpatient volumes increased in all 7 regions, driven by completed expansion projects and additional doctors. The organic sales growth and result was negatively impacted by MSEK -53 from the general price reductions in 2017 and 2016, corresponding to -1.6% of medical sales. At comparable exchange rates total sales growth was -0.1% (3.9).

Result and margin were negatively impacted by the lower price level (MSEK -53) and the lower than expected private market growth as well as the negative calendar effect. Three hospitals have been late adjusting production resources and productivity to the current market conditions, and are the main reason for the negative development. Another three hospitals are under some pressure, but are gradually improving. The remaining business performed in total at the expected level. The previously reported resource adjustments, which in terms of staff corresponds to gross 132 full-time employees, is under implementation and the full year impact for 2018 is calculated to approx. MEUR 6. The positive impact of the reduction program in Q4 2017 is calculated to approximately MEUR 2.

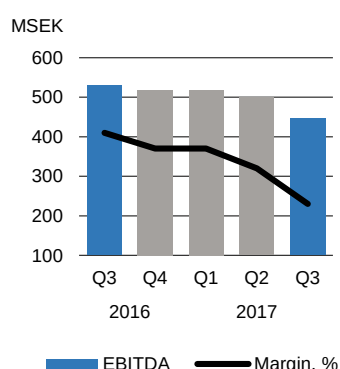
Net capex was mainly related to maintenance and positively impacted by timing of divestments and expansion projects.

Quarterly development from the third quarter 2016 to the third quarter 2017

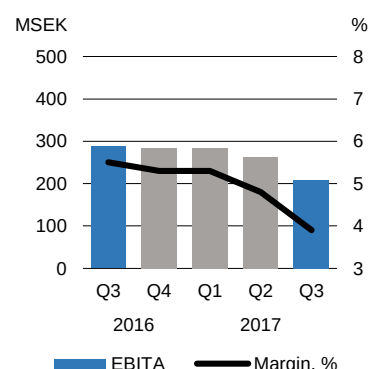
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Development in the segments (cont.)

Capio Germany

	JUL - SEP			JAN - SEP			FULL YEAR	
	2017	2016	Change, %	2017	2016	Change, %	RTM	2016
KPI; Production, productivity and resources								
Number of outpatients	55.4	48.3	14.7	160.2	144.6	10.8	207.6	192.0
Number of inpatients	7.1	8.0	-11.3	25.1	27.7	-9.4	35.0	37.6
Number of patients, kNumber	62.5	56.3	11.0	185.3	172.3	7.5	242.6	229.6
AVLOS, Days	4.83	4.79	0.8	4.61	4.55	1.3	4.58	4.54
Number of employees (FTE)	1,183	1,210	-2.2	1,207	1,210	-0.2	1,219	1,221
Income statement								
Net sales outpatients	47	30	56.7	134	94	42.6	167	127
Net sales inpatients	205	212	-3.3	720	729	-1.2	1,002	1,011
Net sales other	8	9	-11.1	24	27	-11.1	31	34
Net sales	260	251	3.6	878	850	3.3	1,200	1,172
Total sales growth, %	3.6	1.2		3.3	-0.4		5.1	2.4
Organic sales growth, %	2.4	-0.3		0.8	3.4		2.0	4.0
EBITDA	6	8	-25.0	63	65	-3.1	106	108
Margin, %	2.3	3.2		7.2	7.7		8.8	9.2
EBITA	-2	2	-200.0	41	47	-12.8	77	83
Margin, %	-0.8	0.8		4.7	5.5		6.4	7.1
Cash flow								
Net capital expenditure	-11	-10		-29	-25		-39	-35
In % of net sales	4.2	4.0		3.3	2.9		3.3	3.0

Capio Germany July – September 2017

Organic sales growth was positively impacted by higher outpatient volumes, higher inpatient case mix and slightly higher prices, while it was negatively impacted by 1 working day less and lower inpatient volumes. The lower inpatient volumes were mainly due to the divestment of the hospital in Weissenburg and insufficient short-term doctor capacity at some of the specialist clinics. Outpatient volumes were positively impacted by the acquisition of the eye surgery clinic in Bremen (consolidated from April 1, 2017) and additional outpatient authorizations. The Bremen clinic has more advanced outpatient treatments (higher case mix) than the average for Capio Germany, which impacted outpatient sales growth positively. At comparable exchange rates total sales growth was 4.0% (-0.3).

Result and margin were negatively impacted by the lower inpatient volumes and a negative net effect of acquisitions and divestments. The AVLOS development was impacted by the significantly higher case mix. Case mix adjusted AVLOS continued to be reduced in the quarter. The number of FTEs decreased following productivity improvements combined with effects from made divestment/acquisition.

Net capex was mainly related to maintenance.

Capio Germany January – September 2017

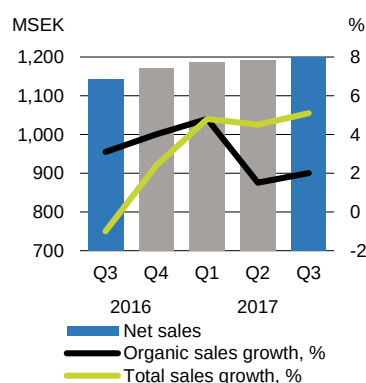
Organic sales growth was positively impacted by higher outpatient volumes, higher inpatient case mix and slightly higher prices, while it was negatively impacted by 2 working days less and lower inpatient volumes. The lower inpatient volumes were mainly due to the divestment of the hospital in Weissenburg and insufficient short-term doctor capacity at some of the specialist clinics. Outpatient volumes were positively impacted by the acquisition in Bremen and additional outpatient authorizations. The Bremen clinic has more advanced outpatient treatments than the average for Capio Germany, which impacted outpatient sales growth positively. Total sales and patient growth was negatively impacted by the net of the acquisition/divestment. At comparable exchange rates total sales growth was 1.1% (-0.4).

Result and margin were negatively impacted by the lower inpatient volumes and the net effect from the acquisition/divestment. AVLOS development was impacted by the significantly higher case mix and growth of treatments with longer stays (e.g. geriatrics). Case mix adjusted AVLOS was reduced by approx. 3%. The number of FTEs was in line with last year.

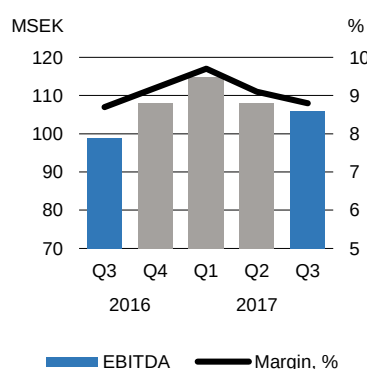
Net capex was mainly related to maintenance.

Quarterly development from the third quarter 2016 to the third quarter 2017

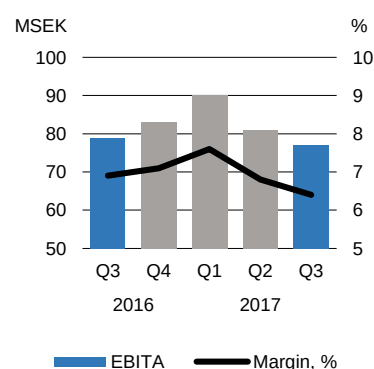
Net sales and sales growth (RTM)



EBITDA and margin (RTM)



EBITA and margin (RTM)



Cash flow

Capio Group	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Net debt opening	-3,563	-2,941	-2,872	-2,936	-3,149	-2,936
EBITA	53	94	427	461	610	644
Capital expenditure	-109	-111	-272	-322	-414	-464
Divestments of fixed assets	1	0	12	2	16	6
Net capital expenditure	-108	-111	-260	-320	-398	-458
In % of net sales	3.1	3.5	2.3	3.1	2.7	3.3
Add-back depreciation	115	106	339	311	445	417
Net investments	7	-5	79	-9	47	-41
Change in net customer receivables	56	110	-84	6	-123	-33
Other changes in operating capital employed	-189	-262	-223	-246	-70	-93
Operating cash flow	-73	-63	199	212	464	477
Cash conversion, %	-137.7	-67.0	46.6	46.0	76.1	74.1
Income taxes paid	-33	-11	-70	-40	-78	-48
Free cash flow before financial items	-106	-74	129	172	386	429
Cash conversion, %	-200.0	-78.7	30.2	37.3	63.3	66.6
Net financial items paid	-27	-24	-73	-67	-94	-88
Free cash flow after financial items	-133	-98	56	105	292	341
Cash conversion, %	-250.9	-104.3	13.1	22.8	47.9	53.0
Acquisitions and divestments of companies	-5	-16	-685	-19	-694	-28
Received/paid restructuring and other non-recurring items	-3	-32	-11	-54	58	15
Shareholder transactions	-2	-2	-130	-73	-130	-73
Net cash flow	-143	-148	-770	-41	-474	255
Cash conversion, %	-269.8	-157.4	-180.3	-8.9	-77.7	39.6
Other items	2	-60	-62	-172	-81	-191
Net debt closing	-3,704	-3,149	-3,704	-3,149	-3,704	-2,872

Cash flow July – September 2017

Capex was mainly maintenance related and below the same period last year due to completed projects (mainly the new A&E at Capio S:t Göran). Depreciation increased to last year following higher capex during 2016 and the recent acquisitions. The positive change in net customer receivables was mainly due to seasonal effects (lower activity during the summer). Other changes in operating capital employed were impacted by normal seasonal effects and timing of payments.

Received/paid restructuring and other non-recurring items in the quarter were mainly related to the settlement of items from prior periods.

Other items affecting net debt were mainly related to changes in exchange rates and some new finance leases.

Cash flow January – September 2017

Capex was mainly maintenance related and below the same period 2016 due to completed projects (mainly the new A&E at Capio S:t Göran). Divestments were related to a non-core asset in France, expected in 2016 but delayed to 2017. Depreciation increased compared to last year following higher capex during 2016 and the recent acquisitions. The change in net customer receivables was impacted by higher activity and seasonal effects (higher activity in September than in December). Other changes in operating capital employed were negatively impacted by seasonal effects and timing of payments.

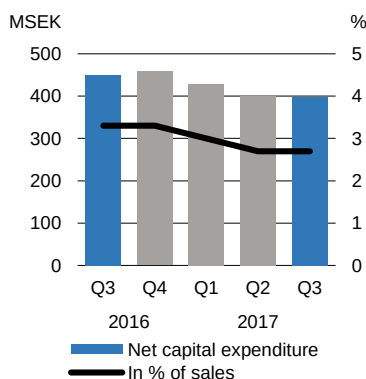
The outflow from acquisitions was mainly related to the acquisitions of CFR, Backa and Globen (Nordic) as well as Bremen (Germany) which was partly offset by proceeds from the divestment of the hospital in Weissenburg (Germany). Received/paid restructuring and other non-recurring items were mainly related to the settlement of items from prior periods which were almost offset by divestment proceeds.

Shareholder transactions mainly relate to the dividend for 2016.

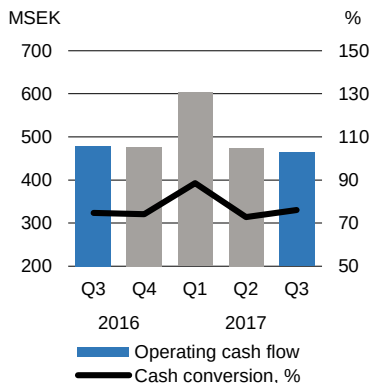
The change in other items affecting net debt compared with last year was mainly related to new finance leases.

Quarterly development from the third quarter 2016 to the third quarter 2017

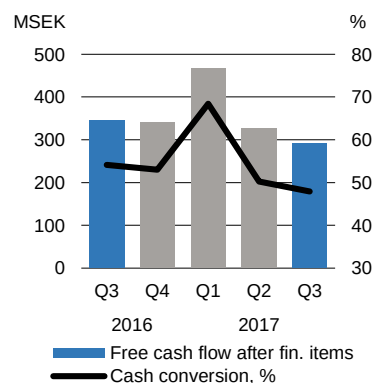
Net capex and in % of net sales (RTM)



Operating CF and cash conversion (RTM)



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



Capital employed and financing

Capio Group	2017	2016	
	30 Sep	31 Dec	30 Sep
Operating fixed assets (excl. real estate)	1,456	1,414	1,359
Net customer receivables	1,435	1,263	1,200
Other operating assets and liabilities	-1,889	-1,934	-1,772
Operating capital employed 1	1,002	743	787
<i>In % of net sales</i>	6.7	5.3	5.7
Operating real estate	765	811	828
Operating capital employed 2	1,767	1,554	1,614
<i>In % of net sales</i>	11.8	11.0	11.7
Other capital employed	7,470	6,790	6,921
Capital employed	9,237	8,344	8,535
<i>Return on capital employed, %</i>	6.6	7.7	7.5
Net debt	3,704	2,872	3,149
<i>Financial leverage</i>	3.5	2.7	3.0
Equity	5,533	5,472	5,386
Total financing	9,237	8,344	8,535

Capital employed as of September 30, 2017

The increase in operating fixed assets compared with December 31, 2016 was mainly related to consolidation of the recent acquisitions. The increase in net customer receivables was mainly due to higher activity in September 2017 compared with December 2016 and effects from the acquisitions made. The change in other operating assets and liabilities was mainly impacted by seasonal effects and effects from the acquisitions made. Operating real estate was impacted by divestments of non-core assets in France during the first quarter 2017.

Compared with December 31, 2016, other capital employed was impacted by effects from completed acquisitions, increasing goodwill and acquisition related intangible fixed assets by MSEK 929. The return on capital employed was 6.6% (7.7 as of December 31, 2016), negatively impacted by the decrease in EBITA and effects from acquisitions (the acquisitions were only contributing to the RTM EBITA for nine (CFR), seven (Backa), six (Bremen), four (Globen) and three (OPA) months respectively).

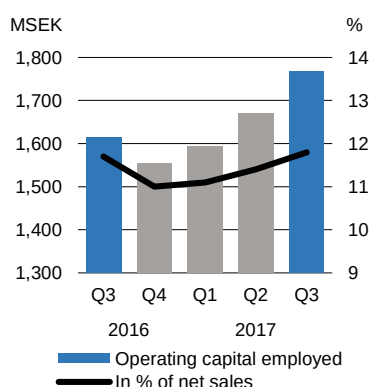
Financing as of September 30, 2017

Net debt increased compared with December 31, 2016, mainly impacted by the net effect from acquisitions and divestments of MSEK 685 and the dividend paid of MSEK 127. Consequently, the visible financial leverage increased from 2.7x to 3.5x compared with December 31, 2016.

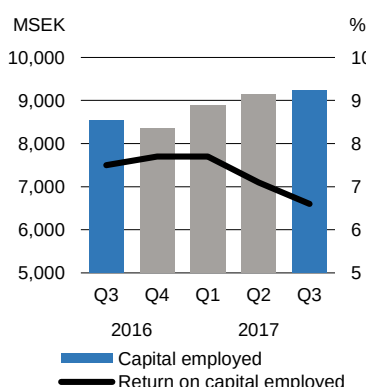
The financing facility that was set in place in conjunction with the IPO contains two financial covenants; one covenant with a maximum financial leverage and one covenant with a minimum interest cover. As of September 30, 2017 Capio was in compliance with and had satisfactory headroom under both covenants.

Quarterly development from the third quarter 2016 to the third quarter 2017

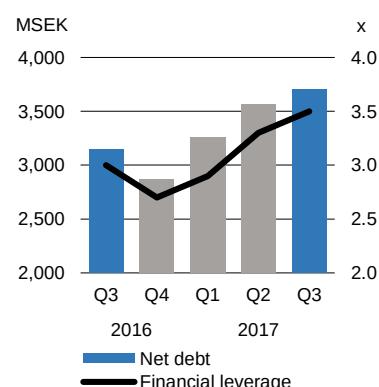
Operating capital employed and in % of net sales



Capital employed and ROCE



Net debt and financial leverage



Significant events during the period

Acquisitions, January – September 2017

Acquisition of the German eye specialist clinic Augenlinik Universitätsallee (Germany)

As announced on March 24, 2017, Capio has acquired 100% of the shares in Medizinisches Versorgungszentrum Universitätsallee GmbH, including subsidiaries (“Augenlinik Universitätsallee”). The clinic is located in Bremen and specialized in ophthalmology and offers complex treatments of all parts of the eye, including cataract surgery. Net sales in 2016 were MEUR 9.6 (MSEK 91). The acquisition of Augenlinik Universitätsallee represents a new specialty for Capio in Germany and strengthens the healthcare offering of the German operations. Enterprise value was approximately MEUR 10, corresponding to MSEK 95. The acquisition also includes an agreed possible future earn-out of maximum MEUR 3 based on the future financial performance. The acquisition was closed during April 2017 and is consolidated in Capio from April 1, 2017. The acquisition contributes positively to Capio’s earnings during 2017.

Acquisition of the Swedish healthcare group Backa Läkarhus (Sweden)

As announced on January 3, 2017, Capio has acquired 100% of the shares in Backa Läkarhus AB (“Backa”). Backa now operates ten primary care centers and nine rehabilitation centers in Region Västra Götaland, and one light A&E center in Region Halland. In total, Backa has c. 80,000 listed patients, and in 2016 net sales were MSEK 370. Enterprise value was MSEK 300 and yearly synergy effects of in total approximately MSEK 10 are expected to be realized over the coming two years. The

acquisition of Backa complements and strengthens Capio’s presence and medical offering within primary care in the western parts of Sweden. The acquisition was closed during March 2017 and Backa is consolidated in Capio from March 1, 2017. The acquisition contributes positively to Capio’s earnings during 2017.

Closing of the acquisition of the Danish hospital group CFR Hospitaler (Denmark)

In December 2016, Capio agreed to acquire 70% of the shares in CFR Hospitaler A/S (“CFR”) and the acquisition was closed during January 2017. Enterprise value was MDKK 199 (MSEK 253) for 70% of CFR and Capio has the option to acquire (and the non-controlling interest has an option to sell) the remaining 30% of the shares after two years. The acquisition is consolidated in Capio to 100% from January 1, 2017, without recognition of any non-controlling interest as the probability is high that the option will be exercised. Estimated enterprise value for 100% of CFR is MDKK 324 (MSEK 414). CFR annually performs more than 80,000 consultations and 8,000 surgeries and in 2016 net sales were MDKK 288 (MSEK 366). The acquisition contributes positively to Capio’s earnings during 2017.

Selected financials for acquisitions closed as of September 30, 2017

	CFR	Backa	Other ⁴	Total
Share of voting rights and equity, %	70 ¹	100		
Date of consolidation	January 1	March 1		
Capio segment	Nordic	Nordic		
Country of operation	Denmark	Sweden		
Enterprise value	414 ²	300	167	881
Yearly net sales (2016)	366	370	203	939
Contribution to net sales since consolidation	293	226	71	590
Contribution to operating result (EBIT) since consolidation	28	16	8	52
Goodwill	327 ³	222	110 ⁵	659
Acquisition related intangible assets	113 ³	100	52	265

¹ The acquired share is 70%, with an option for Capio to acquire (and the non-controlling interest has an option to sell) the remaining 30% after two years. Since it is highly probable that the option to acquire the remaining shares will be exercised, the company is consolidated to 100% from January 1, 2017, without recognition of any non-controlling interest.

² Estimated enterprise value for 100% of the shares in CFR Hospitaler A/S.

³ Goodwill and acquisition related intangible assets related to 100% of the shares.

⁴ Including the acquisitions of operations in Bremen (Augenlinik Universitätsallee), Stockholm (Globen) and Aarhus (OPA Privathospital).

⁵ Including negative goodwill of MSEK 5 recognized as a gain in profit and loss under other non-recurring items.

Purchase price allocations are still preliminary. For more information about the consolidated acquisitions refer to note 5.

Other significant events, January – September 2017

Tariffs for healthcare reimbursement in France 2017

On March 8, 2017 the French government announced that tariffs to reimburse healthcare were being decreased by -2.09% from March 1, 2017, compared to 2016 tariff levels. The price reduction was in line with Capio’s expectations for the French market for 2017. Capio’s impact of the price reduction, calculated based on the price change per treatment and last year’s case mix, is in line with the -2.09% price reduction communicated earlier. The new prices are valid until February 28, 2018.

Other events during the period

Acquisition of a Norwegian eye specialist clinic (Norway)

As announced on September 29, 2017, Capio has acquired 51% of the shares in Orbita Øyelegesenter AS, including subsidiaries ("Orbita"). The clinic is specialized in ophthalmology and offers a broad range of eye treatments, including cataract and strabismus surgery. The acquisition of Orbita represents a new specialty for Capio in Norway and strengthens the healthcare offering of the Norwegian operations. Net sales in 2017 are estimated to MNOK 20. The acquisition was closed and is included in Capio from October 2, 2017. The acquisition is not expected to significantly impact the Group's earnings in 2017.

Appointment of new Chief Medical Officer (CMO)

As announced on September 18, 2017, François Demesmay is new CMO, succeeding Sverner Svensson who is retiring. François has previously held the position as deputy CMO and is part of Capio's Group Management team since March 2016.

Acquisition of a Danish orthopedic specialist clinic in Aarhus (Denmark)

As announced on July 3, 2017, Capio has acquired 100% of the shares in GHP OPA Privathospital Aarhus A/S ("OPA Privathospital"). The clinic is primarily specialized in orthopedic surgery and is well-known for spine surgery, children orthopedics and sports injuries. The acquisition strengthens Capio's orthopedic offering in Denmark and expands its footprint to four out of five Danish health regions. In 2016, OPA Privathospital had net sales of MDKK 29. The acquisition, which is not subject to approval by the authorities, was closed and included in Capio from June 30, 2017. The acquisition is not expected to significantly impact the Group's earnings in 2017.

Sale of shares in Capio AB (publ) by Nordic Capital

On May 11, 2017 Nordic Capital divested its total remaining shareholding in Capio AB of 26,605,644 shares (18.85% of the votes) to institutional investors.

Acquisition of the Swedish eye specialist clinic Globen Ögonklinik (Sweden)

As announced on April 24, 2017, Capio has acquired 100% of the shares in Globen Ögonklinik (PanSyn Sweden AB, including subsidiaries) ("Globen"). The clinic is specialized in ophthalmology and offers complex eye treatments, including cataract surgery, RLE (Refractive Lens Exchange) and refractive laser treatments. Net sales in 2016 were MSEK 75. The acquisition further strengthens Capio's healthcare offering within ophthalmology and expands the Group's footprint in the Nordics. Enterprise value was MSEK 75 and the acquisition was closed and included in Capio from May 31, 2017. The acquisition is not expected to significantly impact the Group's earnings in 2017.

Psychiatric contract in Stockholm (Sweden)

In September 2016, it was announced that Capio had been awarded a new contract and lost one of the current contracts in Stockholm. Capio appealed the lost contract and the current

contract was extended. In April 2017, the Administrative Court rejected the appeal and Capio has decided to end the process and not appeal further. Hence, the psychiatric contract will be handed over to a new provider as from February 1, 2018. The lost contract is not expected to significantly impact the Group's earnings development going forward.

Divestment of Klinik an der Weissenburg (Germany)

In January 2017, Capio signed an agreement to divest the hospital in Weissenburg, including the rehabilitation and nursing activities, as it was not part of the core business of Capio Germany. The divestment was closed on February 28, 2017. Enterprise value was MSEK 32 (MEUR 3.3) and in 2016 the hospital contributed MSEK 67 to the Group's net sales. The divestment will not significantly impact the Group's earnings development going forward.

Agreement with Doctrin AB (Sweden)

In our continuous efforts to strive for higher quality healthcare with greater patient involvement, Capio has signed an agreement with Doctrin, a Swedish provider of e-health solutions. The collaboration started in late 2016 and includes implementation of digital patient information tools to better prepare and facilitate physical consultations. Additional digital solutions for doctor consultations are being developed and will be launched during 2017 for our listed patients within primary care in Sweden. Capio has also acquired a minority share in Doctrin AB to further support the development of e-health services that can improve the healthcare system. The minority share is not expected to have any significant financial impact in 2017.

Capio establishes a Swedish Commercial Paper Program

As announced on March 20, 2017, Capio has established an MSEK 2,000 Swedish Commercial Paper Program with four banks, of which DNB is acting as arranger and dealer and SEB, Danske Bank, and Nordea are acting as dealers.

The Commercial Paper Program is mainly used for short-term financing of working capital needs and is a complement to the Group's MEUR 500 Multicurrency Term and Revolving Facilities Agreement that was established in connection with the IPO in 2015.

New Country President of Capio in Sweden (Sweden)

Capio is taking a next step in Sweden to increase specialization and digitalization and to increase focus on efficient care chains. As the leader of this new step, Britta Wallgren was appointed Country President of Capio's Swedish operations. Since March 2017, Britta is a member of Capio's Group Management team and reports to Capio's President and CEO, Thomas Berglund.

Sale of shares in Capio AB (publ) by Apax Europe

On February 24, 2017 Apax Europe divested its total remaining shareholding in Capio AB of 15,176,793 shares (10.75% of the votes) to institutional investors.

Significant events after the period

At the release of this interim report there were no significant events after the period to be reported.

Risks and uncertainties

Political, operational and financial risks

The Group is exposed, through its international operations, to a variety of risks that may give rise to fluctuation in profit/loss, other comprehensive income and cash flow. Key areas of risk encompass political, operational and financial risks. Various policies govern the management of key risks. Refer to the Capio Annual Report 2016 for a further description of risks and risk management.

Seasonal variations

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

Condensed financial reports

Condensed statement of comprehensive income – Capio Group

	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Net sales	3,455	3,168	11,250	10,344	14,975	14,069
Direct costs	-2,960	-2,690	-9,423	-8,618	-12,502	-11,697
Gross result	495	478	1,827	1,726	2,473	2,372
Administrative expenses	-442	-384	-1,400	-1,265	-1,863	-1,728
EBITA	53	94	427	461	610	644
Amortization on surplus values	-27	-18	-79	-56	-98	-75
Restructuring and other non-recurring items and acquisition related costs	-8	-4	-13	0	-24	-11
Operating result (EBIT)	18	72	335	405	488	558
Net interest	-19	-20	-57	-56	-76	-75
Other financial items	-7	-9	-17	-16	-22	-21
Profit after financial items	-8	43	261	333	390	462
Income tax	1	-9	-45	-62	-38	-55
Profit for the period	-7	34	216	271	352	407
EBITDA	168	200	766	772	1,055	1,061
Other comprehensive income that will be reclassified into profit/loss:						
Hedge effect in foreign investment	3	19	-10	33	-13	30
Translation differences	-43	57	5	135	-15	115
Revaluation reserve, convertible debenture loans	0	10	0	10	0	10
Income taxes related to other comprehensive income	0	-2	0	-2	0	-2
Other comprehensive income that will be reclassified into profit/loss, net of income tax	-40	84	-5	176	-28	153
Other comprehensive income that will not be reclassified into profit/loss:						
Revaluation of defined benefit plans	-7	-4	-19	5	-51	-27
Income taxes related to other comprehensive income	1	1	3	-1	9	5
Other comprehensive income that will not be reclassified into profit/loss, net of income tax	-6	-3	-16	4	-42	-22
Total comprehensive income for the period, net of income tax	-53	115	195	451	282	538
Profit attributable to:						
Parent Company shareholders	-7	34	215	269	350	404
Non-controlling interest	0	0	1	2	2	3
	-7	34	216	271	352	407
Total comprehensive income attributable to:						
Parent Company shareholders	-52	115	196	449	282	535
Non-controlling interest	-1	0	-1	2	0	3
	-53	115	195	451	282	538
Earnings per share¹:						
Earnings per share before dilution, SEK	-0.05	0.24	1.52	1.91	2.48	2.86
Earnings per share after dilution, SEK	-0.03	0.24	1.53	1.90	2.49	2.86

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

Condensed financial reports (cont.)

Condensed balance sheet – Capio Group

	2017	2016	
	30 Sep	31 Dec	30 Sep
Intangible assets	7,966	7,105	7,138
Tangible fixed assets	2,309	2,358	2,351
Financial fixed assets	707	629	619
Total fixed assets	10,982	10,092	10,108
Inventories	258	248	235
Accounts receivables - trade	805	712	678
Short-term investments and interest-bearing receivables	2	2	2
Cash and cash equivalents	173	321	75
Other current assets	1,268	1,157	1,222
Total current assets	2,506	2,440	2,212
Total assets	13,488	12,532	12,320
Equity attributable to Parent Company shareholders	5,509	5,443	5,357
Equity attributable to non-controlling interest	24	29	29
Total equity	5,533	5,472	5,386
Provisions for employee benefits	352	365	343
Deferred income tax liabilities	654	600	627
Long-term liabilities, interest-bearing	3,143	3,162	3,189
Long-term liabilities and provisions, non-interest-bearing	329	103	86
Total long-term liabilities and provisions	4,478	4,230	4,245
Current liabilities, interest-bearing	793	90	96
Accounts payable – trade	653	795	605
Current income tax liabilities	13	27	16
Accrued expenses and prepaid income	1,550	1,437	1,475
Other current liabilities	468	481	497
Total current liabilities	3,477	2,830	2,689
Total liabilities, provisions and shareholders' equity	13,488	12,532	12,320

Condensed financial reports (cont.)

Condensed statement of cash flow – Capio Group

	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Operating result (EBIT)	18	72	335	405	488	558
Reversal of depreciations/amortizations and impairments	144	126	424	372	551	499
Items not affecting cash flow ¹	0	0	-17	-27	-18	-28
Interest received and paid	-27	-25	-73	-70	-96	-93
Taxes paid	-33	-11	-70	-40	-78	-48
Cash flow from operating activities before changes in working capital	102	162	599	640	847	888
Change in net working capital	-131	-187	-315	-279	-126	-90
Cash flow from operating activities	-29	-25	284	361	721	798
Acquisition of companies	-3	-14	-658	-29	-663	-34
Divestment of companies	3	0	32	23	33	24
Payment to non-controlling interest	-1	-2	-7	-2	-7	-2
Acquisition/divestment of financial fixed assets	-	7	-13	14	-13	14
Investments in tangible and intangible fixed assets	-109	-111	-272	-322	-415	-465
Divestments of tangible fixed assets	1	1	44	8	48	12
Cash flow from investment activities	-109	-119	-874	-308	-1,017	-451
Increase/decrease in external loans	2	158	702	103	683	84
Amortizations	-37	-33	-135	-121	-160	-146
Dividend	-	-	-127	-71	-127	-71
Transaction costs for the IPO and new share issue	-	-	-	-2	-6	-8
Cash flow from financing activities	-35	125	440	-91	390	-141
Cash flow from operations	-173	-19	-150	-38	94	206
Currency differences in cash and cash equivalents	-1	-3	2	-5	4	-3
Change in cash and cash equivalents	-174	-22	-148	-43	98	203
Opening balance, cash and cash equivalents	347	97	321	118	75	118
Closing balance, cash and cash equivalents	173	75	173	75	173	321

¹ Related to capital gains.

Condensed financial reports (cont.)

Changes in shareholders' equity – Capio Group

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2016	72	710	-133	234	4,098	20	5,001
Profit for the year					269	2	271
Other comprehensive income			12	168			180
Total comprehensive income	0	0	12	168	269	2	451
Dividend					-71		-71
Dividend to non-controlling interest					-2		-2
Change in non-controlling interest						7	7
Total transactions with shareholders	0	0	0	0	-73	7	-66
Closing balance at September 30, 2016	72	710	-121	402	4,294	29	5,386

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2016	72	710	-133	234	4,098	20	5,001
Profit for the year					404	3	407
Other comprehensive income			-14	145			131
Total comprehensive income	0	0	-14	145	404	3	538
Dividend					-71		-71
Dividend to non-controlling interest					-2		-2
Change in non-controlling interest						6	6
Total transactions with shareholders	0	0	0	0	-73	6	-67
Closing balance at December 31, 2016	72	710	-147	379	4,429	29	5,472

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Shareholders' equity
Opening balance at January 1, 2017	72	710	-147	379	4,429	29	5,472
Reclassification ¹		8	147		-155		
Profit for the year					215	1	216
Other comprehensive income				-3	-16	-2	-21
Total comprehensive income	0	0	0	-3	199	-1	195
Dividend					-127		-127
Dividend to non-controlling interest					-2		-2
Change in non-controlling interest					-1	-4	-5
Total transactions with shareholders	0	0	0	0	-130	-4	-134
Closing balance at September 30, 2017	72	718	0	376	4,343	24	5,533

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

Parent Company

Condensed statement of comprehensive income – Parent Company

	JUL - SEP		JAN - SEP		FULL YEAR
	2017	2016	2017	2016	2016
Net sales	4	6	19	19	26
Gross result	4	6	19	19	26
Administrative expenses	-9	-8	-31	-25	-33
Operating profit/loss	-5	-2	-12	-6	-7
Financial items	-3	-2	-8	-2	73
Profit/loss after financial items	-8	-4	-20	-8	66
Income tax	-	-	-	-	-
Profit/loss for the period	-8	-4	-20	-8	66
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-8	-4	-20	-8	66

Condensed balance sheet – Parent Company

	2017	2016	
	30 Sep	31 Dec	30 Sep
Fixed assets	4,025	4,012	4,009
Current assets	760	923	852
Total assets	4,785	4,935	4,861
Equity	4,621	4,768	4,694
Liabilities	164	167	167
Total equity and liabilities	4,785	4,935	4,861

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

July – September 2017

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

Financial items in the quarter were related to interest costs for the convertible debenture loans issued during the third quarter in 2016. The financial items for the full year 2016 included a group contribution of MSEK 78 and interest costs for the convertible debenture loans.

January – September 2017

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

Financial items were related to interest costs for the convertible debenture loans issued during the third quarter in 2016. The financial items for the full year 2016 included a group contribution of MSEK 78 and interest costs for the convertible debenture loans.

As of September 30, 2017

The Parent Company's fixed assets as of September 30, 2017 amounted to MSEK 4,025 (4,012 as of December 31, 2016) and mainly comprised shares in subsidiaries. Current assets as of September 30, 2017 amounted to MSEK 760 (923 as of December 31, 2016) and mainly comprised of cash and cash equivalents. The change in current assets compared to December 31, 2016 was mainly explained by the reduction of cash and cash equivalents due to the payment of dividend to shareholders during the second quarter 2017 (MSEK -127).

Shareholders' equity as of September 30, 2017 amounted to MSEK 4,621 (4,768 as of December 31, 2016). The decrease compared to December 31, 2016 was mainly explained by the paid dividend. The Parent Company's liabilities amounted to MSEK 164 as of September 30, 2017 (167 as of December 31, 2016) and were mainly related to the convertible debenture loans and personnel related accruals.

Notes

1. Accounting principles

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

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. Capio's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34.16A appear in addition to the interim financial statements also in other parts of the interim report. The applied accounting principles are available in Capio's Annual Report 2016 and also on the Group's website www.capio.com. The Parent Company's financial statements are prepared in accordance with chapter nine of the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

Effects of amended and revised IFRS 2017 or later

A number of newly issued and changed IFRS have yet to be made effective and have therefore not been applied in the Group's consolidated financial statements. IFRS that have the potential to affect the Group's consolidated financial statements are listed below. For further descriptions refer to Capio's Annual Report 2016.

IFRS 9 Financial Instruments

IFRS 9 encompasses the accounting standards for financial assets and liabilities, and replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will be applied for annual periods beginning on or after January 1, 2018. The work to estimate the implications on the Group's consolidated financial statements of the transition to IFRS 9 is ongoing. The Group does not expect a significant impact on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all existing revenue requirements in IFRS, and its requirement also provides a model for the recognition of revenue. IFRS 15 will be applied for annual periods beginning on or after January 1, 2018. The work to evaluate the potential impact the standard will have on the Group's consolidated financial statements including the increase of disclosure requirements is ongoing. Evaluation has been made by identifying and analyzing the essential customer contracts for the Group companies. The different performance obligations in the contracts have been identified and analyzed based on the five-step model in IFRS 15. To date no significant implications on the Group's consolidated financial statements have been noted, but there will be an impact on disclosures. During fourth quarter 2017 the Group will identify and analyze the rest of the Group's customer contracts to evaluate and conclude on the impact under IFRS 15. The Group has not yet decided on which approach to apply, but if the transition to IFRS 15 will not have a significant impact on the consolidated financial statements, the Group intends to apply the modified retrospective approach.

IFRS 16 Leases

IFRS 16 replaces IAS 17 and is estimated to be effective for annual periods beginning on or after January 1, 2019. The EU has yet to approve the new standard, but it is expected to be approved during 2017. The Group has significant lease agreements for properties where the healthcare business is conducted, which means that the implementation of IFRS 16 will have a significant effect on the Group's consolidated financial statements. During 2017, the Group is analyzing the potential effect of IFRS 16 on its consolidated financial statements.

Other significant estimates

For critical estimates and assessments, provisions and contingent liabilities refer to Capio's Annual Report 2016. If no significant events have occurred relating to the information in the 2016 Annual Report, no further comments are made in the interim report.

2. Earnings per share

BEFORE DILUTION	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Average number of outstanding shares, Number ¹	141,159,661	141,159,661	141,159,661	141,159,661	141,159,661	141,159,661
Profit for the period attributable to Parent Company shareholders net of income tax, MSEK	-7	34	215	269	350	404
Adjusted profit for the period attributable to Parent Company shareholders net of income tax, MSEK ²	22	46	286	306	447	467
Earnings per share before dilution, SEK ²	-0.05	0.24	1.52	1.91	2.48	2.86
Adjusted earnings per share before dilution, SEK ²	0.16	0.33	2.03	2.17	3.17	3.31

¹ Total number of outstanding shares as of September 30, 2017 was 141,159,661 (all common shares).

² Refer to definitions on page 32.

Notes (cont.)

AFTER DILUTION	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Average number of outstanding shares, Number ¹	144,094,983	143,899,295	144,094,983	142,072,872	144,094,983	142,575,049
Profit for the period attributable to Parent Company shareholders net of income tax, MSEK	-5	35	221	270	359	408
Adjusted profit for the period attributable to Parent Company shareholders net of income tax, MSEK ²	24	47	292	307	456	471
Earnings per share after dilution, SEK²	-0.03	0.24	1.53	1.90	2.49	2.86
Adjusted earnings per share after dilution, SEK²	0.17	0.33	2.03	2.16	3.16	3.30

¹ Average number of outstanding shares after dilution including effects from the convertible debenture loans issued during the third quarter 2016.

² Refer to definitions on page 32.

Reconciliation of reported and adjusted profit

BEFORE DILUTION, MSEK	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Profit for the period attributable to Parent Company shareholders net of income tax	-7	34	215	269	350	404
Amortization on surplus values	27	18	79	56	98	75
Restructuring and other non-recurring items and acquisition related costs	8	4	13	0	24	11
Income tax related to adjustments	-6	-10	-21	-19	-25	-23
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	22	46	286	306	447	467

AFTER DILUTION, MSEK	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Profit for the period attributable to Parent Company shareholders net of income tax	-5	35	221	270	359	408
Amortization on surplus values	27	18	79	56	98	75
Restructuring and other non-recurring items and acquisition related costs	8	4	13	0	24	11
Income tax related to adjustments	-6	-10	-21	-19	-25	-23
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	24	47	292	307	456	471

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

MSEK	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Divestment of operations ¹	0	0	17	27	17	27
Restructuring projects including redundancies ²	-2	-1	-9	-18	-13	-22
Impairments ²	-1	-1	-5	-5	-1	-1
Other ³	-2	0	-1	-1	-1	-1
Acquisition related costs ⁴	-3	-2	-15	-3	-26	-14
Restructuring and other non-recurring items and acquisition related costs	-8	-4	-13	0	-24	-11

¹ Divestments of operations in 2017 were related to a capital gain from the divestment of the hospital in Weissenburg (Germany). Divestments of operations in 2016 were mainly related to ongoing structural projects in the French segment, i.e. the ongoing constructions and refurbishments of hospital facilities, whereby the Group divested the rehabilitation business in Capio Centre Bayard that resulted in a capital gain of MSEK 27.

² Restructuring projects including redundancies and impairment in 2017 were mainly related to the French structural projects but also to some structural costs in Germany. In the nine months of 2016 impairments and costs of MSEK 23 were incurred in connection with ongoing projects in Lyon and Toulouse and the upgrade of support systems.

³ As of June 30, 2017, the Group acquired "OPA Privathospital" in Denmark that resulted in a gain (negative goodwill) of MSEK 5. Remaining items 2017 mainly relate to non-recurring external and staff items in Germany and Sweden.

⁴ Acquisition related costs 2017 amounted to MSEK 15 and refers to transaction cost in connection with the Group's acquisition of operations.

Notes (cont.)

4. Financial instruments

Derivatives are reported as level 2 and used for the purpose of hedging interest rates. The derivatives were valued using the mid-point of the yield curve prevailing on the reporting date and represent the net present value of the difference between the contracted rate and the valuation rate. Any change in the fair

value of the interest rate cap transactions is recognized in the income statement and amounted to MSEK -1 as of September 30, 2017. The table discloses the portion of the market value arising from future changes in market interest rates.

	30 Sep		31 Dec
	2017	2016	2016
Interest rate caps (Options)	-1	-3	-2

In terms of financial assets and liabilities other than those disclosed in the table below, fair value is deemed to be approximately equal to their book values. These assets and liabilities are valued at amortized costs. They are not valued at fair value through profit and loss but their fair values are disclosed. Fair value is calculated in accordance with a

discounted cash flow method and they are allocated to the fair value hierarchy level 3. A full comparison of fair value and book value for all financial assets and liabilities is disclosed in note 16 in the Annual Report 2016.

	30 Sep 2017		31 Dec 2016		30 Sep 2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Commitments in financial leasing	580	593	601	615	611	625
Bank loans and convertible debt	2,632	2,652	2,624	2,650	2,490	2,515
Total	3,212	3,245	3,225	3,265	3,101	3,140

5. Acquisitions and divestments of operations

	CFR Hospitaler A/S	Backa Läkarhus AB	Other ⁴	Total
Acquisitions during 2017				
Share of voting rights and equity %	70 ¹	100		
Acquired net assets²:				
Capital employed	1	-12	21	10
Net debt	-10	49	7	46
Acquired net assets (excluding acquisition related intangible assets)	-9	37	28	56
Acquisition related intangible assets	113 ³	100	52	265
Deferred income tax	-25	-22	-9	-56
Goodwill	327 ³	222	110 ⁵	659
Total purchase price	406	337	181	924
Outstanding purchase price less acquired cash				-282
Payment related to acquisition from previous years				16
Cash flow effect of acquisitions				658
Contribution to Group's net sales and operating result:				
Net sales	293	226	71	590
Operating result (EBIT)	28	16	8	52

¹ The acquired share is 70%, with an option for Capio to acquire (and the non-controlling interest has an option to sell) the remaining 30% after two years. Since it is highly probable that the option to acquire the remaining shares will be exercised, the company is consolidated to 100% from January 1, 2017, without recognition of any non-controlling interest.

² Purchase price allocations are still preliminary.

³ Goodwill and acquisition related intangible assets related to 100% of the shares.

⁴ Including the acquisitions of operations in Bremen (Augenkllinik Universitätsallee), Stockholm (Globen) and Aarhus (OPA Privathospital).

⁵ Including negative goodwill of MSEK 5 recognized as a gain in profit and loss under other non-recurring items.

If the acquisitions in 2017 had taken place as per January 1, 2017, the full year net sales pro forma effect would have been MSEK 729.

Capio Deutsche
Klinik
Weissenburg
GmbH

Divestments during 2017

Divested net assets:	
Capital employed	17
Net debt	4
Divested net assets	21
Capital gain from divested companies	17
Less cash and cash equivalents in divested companies	-4
Outstanding sales price	-2
Cash flow effect of divestments	32

Notes (cont.)

6. Segments

Capio organizes its business in three operational segments: Capio Nordic (Sweden, Norway, and Denmark since January 2017), Capio France and Capio Germany. Each segment provides a wide range of healthcare services and the organization is structured to facilitate the provision of healthcare at the most efficient care level for each patient. Further information about the segments are found in Capio Annual Report 2016 (Business overview). The units in the segments are consolidated in accordance with the same principles applied for the Group as a whole. Transactions between Group companies and business areas are conducted on a strictly commercial basis. Other in this context relates to the Parent Company and a number of holding companies. Within Capio Nordic, a customer relationship based on one contract corresponded to a total net sales of MSEK 416 during the third quarter 2017 and MSEK 1,360 during the first nine months 2017 (Jul-Sep 2016: MSEK 389; Jan-Sep 2016: MSEK 1,299; Jan-Dec 2016: 1,763), which is equivalent to more than 10% of the Group's net sales.

	JUL - SEP				JAN - SEP				FULL YEAR			
Net sales and organic sales growth	2017	%	2016	%	2017	%	2016	%	RTM	%	2016	%
Capio Nordic	2,007	4.3	1,721	3.3	6,371	3.8	5,575	3.7	8,380	3.9	7,584	3.8
Capio France	1,188	-0.8	1,196	2.2	4,001	-0.4	3,919	3.1	5,395	-0.2	5,313	2.4
Capio Germany	260	2.4	251	-0.3	878	0.8	850	3.4	1,200	2.0	1,172	4.0
Other	0		0		0		0		0		0	
Eliminations	0		-		0		-		0		-	
Capio Group	3,455	2.2	3,168	2.6	11,250	2.0	10,344	3.5	14,975	2.2	14,069	3.3
EBITDA and margin												
Capio Nordic	153	7.6	127	7.4	447	7.0	376	6.7	593	7.1	522	6.9
Capio France	29	2.4	82	6.9	323	8.1	395	10.1	446	8.3	518	9.7
Capio Germany	6	2.3	8	3.2	63	7.2	65	7.7	106	8.8	108	9.2
Other	-20		-17		-67		-64		-90		-87	
Eliminations	0		-		0		-		0		-	
Capio Group	168	4.9	200	6.3	766	6.8	772	7.5	1,055	7.0	1,061	7.5
EBITA and margin												
Capio Nordic	107	5.3	88	5.1	313	4.9	263	4.7	421	5.0	371	4.9
Capio France	-31	-2.6	22	1.8	144	3.6	218	5.6	209	3.9	283	5.3
Capio Germany	-2	-0.8	2	0.8	41	4.7	47	5.5	77	6.4	83	7.1
Other	-21		-18		-71		-67		-97		-93	
Eliminations	0		-		0		-		0		-	
Capio Group	53	1.5	94	3.0	427	3.8	461	4.5	610	4.1	644	4.6
Operating result (EBIT) and margin												
Capio Nordic	86	4.3	68	4.0	255	4.0	218	3.9	341	4.1	304	4.0
Capio France	-37	-3.1	25	2.1	121	3.0	218	5.6	183	3.4	280	5.3
Capio Germany	-7	-2.7	-4	-1.6	35	4.0	33	3.9	66	5.5	64	5.5
Other	-24		-17		-76		-64		-102		-90	
Eliminations	0		-		0		-		0		-	
Capio Group	18	0.5	72	2.3	335	3.0	405	3.9	488	3.3	558	4.0
Capital expenditure and in % of net sales												
Capio Nordic	-37	1.8	-28	1.6	-105	1.6	-124	2.2	-150	1.8	-169	2.2
Capio France	-59	5.0	-70	5.9	-133	3.3	-168	4.3	-214	4.0	-249	4.7
Capio Germany	-11	4.2	-10	4.0	-29	3.3	-26	3.1	-38	3.2	-35	3.0
Other	-2		-3		-5		-4		-12		-11	
Eliminations	0		-		0		-		0		-	
Capio Group	-109	3.2	-111	3.5	-272	2.4	-322	3.1	-414	2.8	-464	3.3
Assets												
Capio Nordic	5,708		4,523		5,708		4,523		5,708		4,903	
Capio France	6,562		6,588		6,562		6,588		6,562		6,644	
Capio Germany	1,467		1,384		1,467		1,384		1,467		1,368	
Other	3,450		2,666		3,450		2,666		3,450		3,259	
Eliminations	-3,699		-2,841		-3,699		-2,841		-3,699		-3,642	
Capio Group	13,488		12,320		13,488		12,320		13,488		12,532	
Liabilities												
Capio Nordic	3,101		2,071		3,101		2,071		3,101		2,523	
Capio France	3,566		3,631		3,566		3,631		3,566		3,669	
Capio Germany	1,071		1,022		1,071		1,022		1,071		984	
Other	3,916		3,051		3,916		3,051		3,916		3,526	
Eliminations	-3,699		-2,841		-3,699		-2,841		-3,699		-3,642	
Capio Group	7,955		6,934		7,955		6,934		7,955		7,060	

Notes (cont.)

7. Pledged assets

	2017	2016	
For own debts and provisions	30 Sep	31 Dec	30 Sep
Shares in subsidiaries	124	124	124
Cash and cash equivalents	7	10	12
Property mortgages	1,225	1,233	1,246
Endowment insurance	38	38	38
Total	1,394	1,405	1,420

8. Contingent liabilities

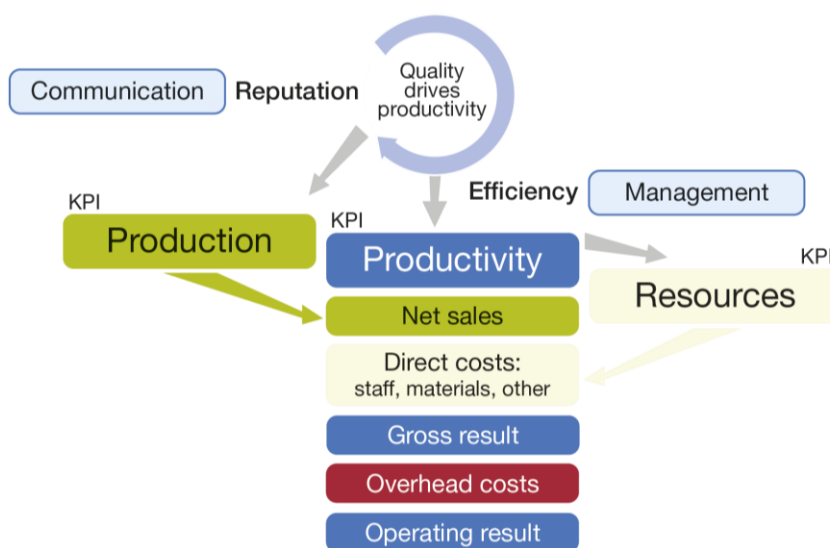
	2017	2016	
	30 Sep	31 Dec	30 Sep
Guarantee and other commitments	23	22	9
Total	23	22	9

9. Non IFRS financial measures

Caprio's financial model

In order to support Capió's strategy and managers at all levels, Capió has developed a financial model that links relevant Key Performance Indicators (KPI) with their corresponding financial impact. As the model is based on the relation between quality, productivity and financial outcomes, the financial model

supports the Group's understanding of what creates good healthcare and increased quality. This allows Capio to continuously refine its healthcare processes, enabling improved quality in healthcare provided to patients, and concurrently, improved financial results.



Financial statements

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

The Group's income statement includes certain restructuring and other non-recurring items and is adjusted from the Group's definition of EBITA. These items are mainly related to structural effects incurred over the prior years as a consequence of preparing the Group for the IPO made in 2015 and the still ongoing program in France whereby a large part of the hospital properties are being modernized. Since this project is carried out during a relatively limited period of time (just over 5 years) compared to a normal cycle (the useful life of a hospital is normally 30 years) and since it covers a considerable part of the business, the Group has made the assessment that effects related to the project are to be considered as restructuring and other non-recurring items. In addition, the Group also assesses the effects from divested and discontinued operations outside the

Notes (cont.)

core business within the definition restructuring and non-recurring items. Correction for acquisition-related expenses is also made in the Group's definition of EBITA as acquisition does not occur every quarter and transaction costs and other acquisition-related costs may be material and thus affect the comparison between year and quarter if corrections for these are not made.

The balance sheet is also presented in an operational format, tracking capital employed, net debt and equity, in order to track and manage capital needs and resources throughout the Group. Capio's overall goal for operating capital management is to strike a balance between optimizing operating capital in order to generate cash flows, while making appropriate investments in order to grow the business. The operating capital management

integrates all parts of the organization and requires clear and efficient processes, such as the sales process and salary process.

Related to the Group's operational balance sheet the cash flow is also presented in an operational format, reconciling changes in net debt.

To better support Capio's financial model, the Group tracks and presents financial measures which are not measures of financial performance or liquidity under IFRS. Such non-IFRS financial measures are defined on page 32 and in the following tables reconciliations of IFRS measures and non-IFRS measures (Additional Performance Measures, APM) are presented: The presentation of all APMs is made to increase the understanding of the Group's development as followed up by Group Management.

Specification of Income statement items

	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
EBITA	53	94	427	461	610	644
<i>whereof depreciation</i>	<i>115</i>	<i>106</i>	<i>339</i>	<i>311</i>	<i>445</i>	<i>417</i>
EBITDA	168	200	766	772	1,055	1,061
<i>whereof rent</i>	<i>201</i>	<i>181</i>	<i>595</i>	<i>541</i>	<i>780</i>	<i>726</i>
EBITDAR	369	381	1,361	1,313	1,835	1,787

Reconciliation of IFRS and APM related to Balance sheet items

	2017	2016	
	30 Sep	31 Dec	30 Sep
Total fixed assets, IFRS	10,982	10,092	10,108
<i>whereof operating capital employed¹</i>	<i>2,221</i>	<i>2,225</i>	<i>2,187</i>
<i>whereof other capital employed²</i>	<i>8,704</i>	<i>7,810</i>	<i>7,861</i>
<i>whereof net debt³</i>	<i>57</i>	<i>57</i>	<i>60</i>
Total current assets, IFRS	2,506	2,440	2,212
<i>whereof operating capital employed¹</i>	<i>2,233</i>	<i>2,025</i>	<i>1,993</i>
<i>whereof other capital employed²</i>	<i>98</i>	<i>92</i>	<i>142</i>
<i>whereof net debt³</i>	<i>175</i>	<i>323</i>	<i>77</i>
Total long-term liabilities and provisions, IFRS	4,478	4,230	4,245
<i>whereof operating capital employed¹</i>	<i>90</i>	<i>81</i>	<i>65</i>
<i>whereof other capital employed²</i>	<i>1,245</i>	<i>987</i>	<i>991</i>
<i>whereof net debt³</i>	<i>3,143</i>	<i>3,162</i>	<i>3,189</i>
Total current liabilities, IFRS	3,477	2,830	2,689
<i>whereof operating capital employed¹</i>	<i>2,598</i>	<i>2,615</i>	<i>2,500</i>
<i>whereof other capital employed²</i>	<i>86</i>	<i>125</i>	<i>91</i>
<i>whereof net debt³</i>	<i>793</i>	<i>90</i>	<i>98</i>
Operating capital employed¹, APM	1,767	1,554	1,614
Other capital employed², APM	7,470	6,790	6,921
Net debt³, APM	3,704	2,872	3,149
Equity	5,533	5,472	5,386

Reconciliation of IFRS and APM measures related to Cash flow items

	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Cash flow from operating activities, IFRS	-29	-25	284	361	721	798
Taxes paid	33	11	70	40	78	48
Interest received and paid	27	25	73	70	96	93
Restructuring items	8	40	35	51	-31	-15
Capital expenditure	-109	-111	-272	-322	-414	-464
Divestments of fixed assets	1	0	12	2	16	6
Other adjustments	-4	-3	-3	10	-2	11
Operating cash flow, APM	-73	-63	199	212	464	477

Notes (cont.)

	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Acquisition of companies	-3	-14	-658	-29	-663	-34
Divestment of companies	3	0	32	23	33	24
Acquisition/divestment of financial fixed assets	-	7	-13	14	-13	14
Acquisition and divestments of companies and financial fixed assets, IFRS	0	-7	-639	8	-643	4
Acquisition of non-controlling interest	0	0	-4	0	-4	0
Divestment of financial fixed assets	-	-7	-	-14	0	-14
Acquired/divested net debt and paid costs acquisition	-5	-2	-42	-13	-47	-18
Acquisition and divestments of companies, APM	-5	-16	-685	-19	-694	-28
	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Investments in tangible and intangible fixed assets	-109	-111	-272	-322	-415	-465
Divestments of tangible fixed assets	1	1	44	8	48	12
Investments and divestments, IFRS	-108	-110	-228	-314	-367	-453
Items included in received/paid restructuring and other non-recurring items	0	-1	-32	-6	-31	-5
Net capital expenditure, APM	-108	-111	-260	-320	-398	-458
	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Interest received and paid, IFRS	-27	-25	-73	-70	-96	-93
Paid borrowing costs included in net debt	-	1	-	3	2	5
Net financial items paid, APM	-27	-24	-73	-67	-94	-88
	JUL - SEP		JAN - SEP		FULL YEAR	
	2017	2016	2017	2016	RTM	2016
Taxes paid, IFRS	-33	-11	-70	-40	-78	-48
Items included in received/paid restructuring and other non-recurring items	-	-	-	-	-	-
Income taxes paid, APM	-33	-11	-70	-40	-78	-48

Signatures

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

Capio AB (publ)

Gothenburg, October 26, 2017

Michael Wolf
Chairman

Thomas Berglund
President and CEO

Gunnar Németh

Gunilla Rudebjer

Hans Ramel

Birgitta Stymne Göransson

Michael Flemming

Pascale Richetta

Joakim Rubin

Kevin Thompson
Employee representative

Julia Turner
Employee representative

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

Quarterly overview

Income statement by quarter – Group

	2017			2016				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2016
Net sales outpatients	1,820	2,025	1,982	1,815	1,561	1,802	1,771	7,642	6,949
<i>In % of net sales</i>	52.7	52.2	50.6	48.7	49.3	50.4	49.2	51.0	49.4
Net sales inpatients	1,422	1,609	1,682	1,659	1,380	1,539	1,600	6,372	6,178
<i>In % of net sales</i>	41.2	41.5	43.0	44.6	43.5	43.1	44.4	42.6	43.9
Net sales other	213	247	250	251	227	232	232	961	942
<i>In % of net sales</i>	6.2	6.4	6.4	6.7	7.2	6.5	6.4	6.4	6.7
Net sales	3,455	3,881	3,914	3,725	3,168	3,573	3,603	14,975	14,069
<i>Total sales growth, %</i>	9.1	8.6	8.6	6.1	3.7	3.8	3.6	8.1	4.3
<i>Organic sales growth, %</i>	2.2	0.5	3.3	2.9	2.6	4.0	3.7	2.2	3.3
Direct cost	-2,960	-3,262	-3,201	-3,079	-2,690	-2,958	-2,970	-12,502	-11,697
Gross result	495	619	713	646	478	615	633	2,473	2,372
<i>Gross margin, %</i>	14.3	15.9	18.2	17.3	15.1	17.2	17.6	16.5	16.9
Total overhead	-442	-477	-481	-463	-384	-443	-438	-1,863	-1,728
EBITA	53	142	232	183	94	172	195	610	644
<i>Margin, %</i>	1.5	3.7	5.9	4.9	3.0	4.8	5.4	4.1	4.6
Amortization on surplus values	-27	-27	-25	-19	-18	-19	-19	-98	-75
Restructuring and other non-recurring items and acquisition related cost	-8	-7	2	-11	-4	4	0	-24	-11
Operating result (EBIT)	18	108	209	153	72	157	176	488	558
Net interest	-19	-19	-19	-19	-20	-18	-18	-76	-75
Other financial items	-7	-6	-4	-5	-9	-3	-4	-22	-21
Profit after financial items	-8	83	186	129	43	136	154	390	462
Income tax	1	-13	-33	7	-9	-22	-31	-38	-55
Profit for the period	-7	70	153	136	34	114	123	352	407
EBITDAR	369	455	537	474	381	456	476	1,835	1,787
<i>Margin, %</i>	10.7	11.7	13.7	12.7	12.0	12.8	13.2	12.3	12.7
EBITDA	168	256	342	289	200	276	296	1,055	1,061
<i>Margin, %</i>	4.9	6.6	8.7	7.8	6.3	7.7	8.2	7.0	7.5

Quarterly overview (cont.)

Capital employed and financing by quarter – Group

	2017			2016			
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Operating capital employed	1,767	1,669	1,594	1,554	1,614	1,472	1,566
<i>In % of net sales</i>	11.8	11.4	11.1	11.0	11.7	10.7	11.5
Other capital employed	7,470	7,481	7,285	6,790	6,921	6,734	6,603
Capital employed	9,237	9,150	8,879	8,344	8,535	8,206	8,169
Return on capital employed, %	6.6	7.1	7.7	7.7	7.5	7.7	7.3
Net debt	3,704	3,563	3,255	2,872	3,149	2,941	3,009
<i>Financial leverage</i>	3.5	3.3	2.9	2.7	3.0	2.8	3.0
Equity	5,533	5,587	5,624	5,472	5,386	5,265	5,160
Financing	9,237	9,150	8,879	8,344	8,535	8,206	8,169

Cash flow by quarter – Group

	2017			2016				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2016
Net debt opening	-3,563	-3,255	-2,872	-3,149	-2,941	-3,009	-2,936	-3,149	-2,936
Operating result (EBITA)	53	142	232	183	94	172	195	610	644
Capital expenditure	-109	-85	-78	-142	-111	-114	-97	-414	-464
Divestments of fixed assets	1	0	11	4	0	1	1	16	6
Net capital expenditure	-108	-85	-67	-138	-111	-113	-96	-398	-458
<i>In % of net sales</i>	3.1	2.2	1.7	3.7	3.5	3.2	2.7	2.7	3.3
Add-back depreciation	115	114	110	106	106	104	101	445	417
Net investments	7	29	43	-32	-5	-9	5	47	-41
Change in net customer receivables	56	-54	-86	-39	110	13	-117	-123	-33
Other changes in operating capital employed	-189	10	-44	153	-262	80	-64	-70	-93
Operating cash flow	-73	127	145	265	-63	256	19	464	477
<i>Cash conversion, %</i>	-137.7	89.4	62.5	144.8	-67.0	148.8	9.7	76.1	74.1
Income taxes paid	-33	-31	-6	-8	-11	-23	-6	-78	-48
Free cash flow before financial items	-106	96	139	257	-74	233	13	386	429
<i>Cash conversion, %</i>	-200.0	67.6	59.9	140.4	-78.7	135.5	6.7	63.3	66.6
Net financial items paid	-27	-21	-25	-21	-24	-19	-24	-94	-88
Free cash flow after financial items	-133	75	114	236	-98	214	-11	292	341
<i>Cash conversion, %</i>	-250.9	52.8	49.1	129.0	-104.3	124.4	-5.6	47.9	53.0
Acquisitions/divestments of companies	-5	-182	-498	-9	-16	1	-4	-694	-28
Received/paid restructuring and other non-recurring items	-3	-14	6	69	-32	-15	-7	58	15
Shareholder transactions	-2	-128	0	0	-2	-71	0	-130	-73
Net cash flow	-143	-249	-378	296	-148	129	-22	-474	255
Other items affecting net debt	2	-59	-5	-19	-60	-61	-51	-81	-191
Net debt closing	-3,704	-3,563	-3,255	-2,872	-3,149	-2,941	-3,009	-3,704	-2,872

Quarterly overview (cont.)

Income statement overview by quarter – Segment

	2017			2016				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2016
Capio Nordic									
Net sales	2,007	2,211	2,153	2,009	1,721	1,950	1,904	8,380	7,584
Total sales growth, %	16.6	13.4	13.1	6.0	4.3	5.1	3.4	12.2	4.7
Organic sales growth, %	4.3	2.4	4.9	4.3	3.3	4.7	3.0	3.9	3.8
EBITDAR	266	254	260	245	224	233	210	1,025	912
Margin, %	13.3	11.5	12.1	12.2	13.0	11.9	11.0	12.2	12.0
EBITDA	153	142	152	146	127	137	112	593	522
Margin, %	7.6	6.4	7.1	7.3	7.4	7.0	5.9	7.1	6.9
EBITA	107	97	109	108	88	98	77	421	371
Margin, %	5.3	4.4	5.1	5.4	5.1	5.0	4.0	5.0	4.9
Capio France									
Net sales	1,188	1,379	1,434	1,394	1,196	1,336	1,387	5,395	5,313
Total sales growth, %	-0.7	3.2	3.4	5.3	3.4	2.5	5.6	2.9	4.2
Organic sales growth, %	-0.8	-1.1	0.7	0.2	2.2	2.0	5.1	-0.2	2.4
EBITDAR	111	208	250	203	162	220	247	772	832
Margin, %	9.4	15.1	17.4	14.6	13.5	16.5	17.8	14.3	15.7
EBITDA	29	124	170	123	82	143	170	446	518
Margin, %	2.4	9.0	11.9	8.8	6.9	10.7	12.2	8.3	9.7
EBITA	-31	64	111	65	22	85	111	209	283
Margin, %	-2.6	4.6	7.7	4.7	1.8	6.4	8.0	3.9	5.3
Capio Germany									
Net sales	260	291	327	322	251	287	312	1,200	1,172
Total sales growth, %	3.6	1.4	4.8	10.3	1.2	2.1	-3.7	5.1	2.4
Organic sales growth, %	2.4	-4.6	4.6	5.5	-0.3	8.6	1.7	2.0	4.0
EBITDAR	11	16	50	47	11	24	42	124	124
Margin, %	4.2	5.5	15.3	14.6	4.4	8.4	13.5	10.3	10.6
EBITDA	6	12	45	43	8	19	38	106	108
Margin, %	2.3	4.1	13.8	13.4	3.2	6.6	12.1	8.8	9.2
EBITA	-2	4	39	36	2	13	32	77	83
Margin, %	-0.8	1.4	11.9	11.2	0.8	4.5	10.2	6.4	7.1
Other									
Net sales	0	0	0	0	0	0	0	0	0
EBITDAR	-19	-23	-23	-21	-16	-21	-23	-86	-81
EBITDA	-20	-22	-25	-23	-17	-23	-24	-90	-87
EBITA	-21	-23	-27	-26	-18	-24	-25	-97	-93
Eliminations									
Net sales	-	-	-	-	-	-	-	-	-
EBITDAR	-	-	-	-	-	-	-	-	-
EBITDA	-	-	-	-	-	-	-	-	-
EBITA	-	-	-	-	-	-	-	-	-
Capio Group									
Net sales	3,455	3,881	3,914	3,725	3,168	3,573	3,603	14,975	14,069
Total sales growth, %	9.1	8.6	8.6	6.1	3.7	3.8	3.6	8.1	4.3
Organic sales growth, %	2.2	0.5	3.3	2.9	2.6	4.0	3.7	2.2	3.3
EBITDAR	369	455	537	474	381	456	476	1,835	1,787
Margin, %	10.7	11.7	13.7	12.7	12.0	12.8	13.2	12.3	12.7
EBITDA	168	256	342	289	200	276	296	1,055	1,061
Margin, %	4.9	6.6	8.7	7.8	6.3	7.7	8.2	7.0	7.5
EBITA	53	142	232	183	94	172	195	610	644
Margin, %	1.5	3.7	5.9	4.9	3.0	4.8	5.4	4.1	4.6

Quarterly overview (cont.)

Capital employed by quarter – Segment

	2017			2016			
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Capio Nordic							
Capital employed	3,680	3,596	3,492	2,932	3,138	2,903	2,763
Return on capital employed, %	11.4	11.2	11.5	12.7	11.5	12.2	11.7
Capio France							
Capital employed	4,364	4,375	4,191	4,239	4,371	4,222	4,184
Return on capital employed, %	4.8	6.0	6.8	6.7	6.6	6.8	6.9
Capio Germany							
Capital employed	1,185	1,179	1,095	1,109	1,092	1,061	1,048
Return on capital employed, %	6.5	6.9	8.2	7.5	7.2	7.4	6.8
Other							
Capital employed	8	0	101	64	-66	20	174
Eliminations							
Capital employed	-	-	-	-	-	-	-
Capio Group							
Capital employed	9,237	9,150	8,879	8,344	8,535	8,206	8,169
Return on capital employed, %	6.6	7.1	7.7	7.7	7.5	7.7	7.3

Net capital expenditure by quarter – Segment

	2017			2016				FULL YEAR	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	RTM	2016
Capio Nordic									
Net capital expenditure	-37	-31	-37	-45	-28	-51	-44	-150	-168
In % of net sales Nordic	1.8	1.4	1.7	2.2	1.6	2.6	2.3	1.8	2.2
Capio France									
Net capital expenditure	-58	-39	-24	-76	-70	-57	-41	-197	-244
In % of net sales France	4.9	2.8	1.7	5.5	5.9	4.3	3.0	3.7	4.6
Capio Germany									
Net capital expenditure	-11	-14	-4	-10	-10	-5	-10	-39	-35
In % of net sales Germany	4.2	4.8	1.2	3.1	4.0	1.7	3.2	3.3	3.0
Other									
Net capital expenditure	-2	-1	-2	-7	-3	0	-1	-12	-11
Capio Group									
Net capital expenditure	-108	-85	-67	-138	-111	-113	-96	-398	-458
In % of net sales Group	3.1	2.2	1.7	3.7	3.5	3.2	2.7	2.7	3.3

Definitions

Key performance indicators

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

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

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

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

Income statement

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

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

EBITDAR EBITDA adjusted for rent of premises.

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

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

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

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

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

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

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

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

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

Capital employed and financing

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

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

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

Capital employed Capital employed includes all non-interest bearing assets and liabilities as well as provisions for employee-benefits.

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

Net debt The Group's interest-bearing assets and liabilities adjusted for cash and cash equivalents.

Financial leverage Financial leverage is the closing balance of net debt in relation to RTM EBITDA.

Cash flow

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

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

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

Free cash flow before financial items Corresponds with operating cash flow less income taxes paid.

Free cash flow after financial items Corresponds with free cash flow before financial items less net financial items paid.

Cash conversion Cash conversion in % is defined as the cash flow in relation to EBITA.

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

Other

RTM Rolling 12 months.

Presentation of the interim report

Investors, analysts and media are invited to participate in a telephone conference on October 27, 2017 at 09.30 am (CET). President and CEO Thomas Berglund and CFO Olof Bengtsson will present the report and answer questions. The telephone conference will be audio casted live on www.capio.com. To participate in the telephone conference, please register at www.capio.com and dial in five minutes prior to the start of the conference call.

Sweden: +46 8 566 426 93

UK: +44 203 008 98 04

US: +1 855 753 22 37

Finland: +35 898 171 04 93

France: +33 170 75 07 12

Prior to the start of the telephone conference, presentation slides will be available at www.capio.com.

A recorded version of the audio cast will be available at www.capio.com during the afternoon (CET).

Financial calendar

February 7, 2018, Full year report January – December 2017

May 3, 2018, Interim report January – March 2018

May 3, 2018, Annual General Meeting 2018

July 20, 2018, Interim report January – June 2018

October 30, 2018, Interim report January – September 2018

Capio's annual general meeting will be held on Thursday, May 3, 2018 in Gothenburg, Sweden. The Capio Annual Report 2017 will be available on www.capio.com in April 2018.

For further information

Thomas Berglund, President and CEO

Telephone: +46 733 88 86 00 | E-mail: thomas.berglund@capio.com

Olof Bengtsson, CFO

Telephone: +46 761 18 74 69 | E-mail: olof.bengtsson@capio.com

Kristina Ekeblad, Investor Relations Manager

Telephone: +46 708 31 19 40 | E-mail: kristina.ekeblad@capio.com

Henrik Brehmer, SVP Group Communication and Public Affairs

Telephone: +46 761 11 34 14 | E-mail: henrik.brehmer@capio.com

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

This is information that Capio AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person Henrik Brehmer set out above, at 08.00 (CET) on October 27, 2017.

About Capio

Capio AB (publ) is a leading, pan-European healthcare provider offering a broad range of high quality medical, surgical and psychiatric healthcare services through its hospitals, specialist clinics and primary care units. Since the Danish operation was acquired at the beginning of 2017, Capio operates in five countries; Sweden, Norway, Denmark, France and Germany. In 2016, Capio's 12,435 employees provided healthcare services during 4.7 million patient visits across the Group's facilities, generating net sales of MSEK 14,069. Capio operates across three geographic segments: Nordic (54% of Group net sales 2016), France (38% of Group net sales 2016) and Germany (8% of Group net sales 2016). For more information about Capio, please see www.capio.com.

A reliable, long-term partner for public healthcare

VALUES

Quality. Compassion. Care

MISSION

Cure. Relief. Comfort

VISION

The best achievable quality of life for every patient



By delivering high-quality healthcare with responsible and efficient use of resources, Cario is aiming to be the preferred choice of healthcare provider, the best place to work, and an attractive long-term investment.

Read more about Cario's role in society in Cario Annual Report 2016 pages 24-35.

Cario AB (publ)
Box 1064
SE-405 22 Gothenburg,
Sweden
Visiting address: Lilla
Bommen 5

Telephone: +46 31 732 40 00
E-mail: info@cario.com
www.cario.com