CEO statement

The third quarter has been an eventful quarter, during which we announced the divestment of our Indian hospital business, continued to optimise our footprint, and added new fitness facilities and blood-drawing points. We continued to deliver organic growth and margin expansion, generating solid cash flows from the business. Through the divestment of our India hospital business (MHI), we will become a more focused provider across three key European markets, with strengthened financial position and flexibility, making us well positioned for the future.

During the year, we have actively worked to adapt and repurpose our offering across our facilities, closing less profitable units and opening new ones where we see greater potential. In total, we have closed 118 facilities in the last twelve months and opened over 140 facilities. This disciplined approach to portfolio management supports improved efficiency and profitable growth over the long term.

Revenue amounted to EUR 570.8 million (EUR 538.7 million), an increase of 6.0%, with an organic growth of 8.0%. Operating profit (EBIT) increased by 22.0% to EUR 49.3 million (EUR 40.4 million), corresponding to an operating margin of 8.6% (7.5%). It is particularly encouraging to see the continued margin improvement, not only compared with the prior year but also with the previous quarter, both of which were strong comparison periods. Cash flow from operating activities amounted to EUR 93.8 million (EUR 98.8 million) for Group total.

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>
> **John Stubbington, CEO**



Healthcare Services

Revenue from Healthcare Services amounted to EUR 374.7 million (EUR 353.6 million), an increase of 6.0%. Organic growth amounted to 8.0%, of which price adjustments contributed approximately 6.3 percentage points. EBITDA increased by 9.6% to EUR 74.0 million (EUR 67.6 million), corresponding to a margin of 19.8% (19.1%).

Sports/wellness continues to be a strong contributor to the division's positive development and performance. To utilise this momentum, we have opened 16 new fitness facilities so far this year, including four during the quarter. The network expansion will continue in the coming quarters. The hospital and ambulatory operations in Poland also delivered double-digit growth in fee-for-service and other services (FFS), partly offset by somewhat more challenging macroeconomic conditions in Romania. FFS revenue increased by 8.2% and accounted for 48% of the division's revenue.

The division now has 1.5 million members, while the total number of ongoing customer relationships increased to over 4.1 million, reflecting strong customer engagement and building long-term loyalty.

Diagnostic Services

Diagnostic Services increased revenue by 6.3% to EUR 203.8 million (EUR 191.7 million). Organic growth amounted to 8.5%, of which price adjustments contributed approximately 4.3 percentage points. EBITDA amounted to EUR 37.8 million (EUR 35.8 million), an increase of 5.5%, corresponding to a margin of 18.5% (18.7%). Higher contribution of FFS revenue together with favourable sales mix towards advanced tests was offset by softer performance in German businesses.

FFS developed well, particularly in the SEE markets, contributing to both growth and profitability. FFS revenue increased by 10.2% and accounted for 74% of the division's revenue.

The number of laboratory tests increased by 5.3% to 40.2 million (38.2 million) tests performed during the quarter. The share of advanced tests continued its positive trend.

It is particularly pleasing to see the continued improvement in Net Promoter Score (NPS) across Diagnostic Services, reflecting the considerable efforts and dedication of our employees to delivering high-quality services.

Group

After carefully evaluating alternatives, we concluded to divest our ownership in our Indian hospital business (MHI) during the quarter. The transaction will bring approximately EUR 0.74 billion in gross cash proceeds and create a more focused provider across key European markets with long growth runways. We will be even better placed to deliver on our strategy that includes expansion of the network and product offering, improved capacity utilisation, capturing synergies, and accelerate technology initiatives. The transaction is expected to close during the fourth quarter.

Looking ahead, we expect continued softness in public reimbursement and the mix of tariffs across our three key geographies, reflecting for example recently introduced changes in German Genetics. While this creates some near-term pressure, constrained access to publicly funded care is expected to support continued demand for timely access through private-pay channels. As private pay is a core component of our revenue model and our fastest growing revenue stream, this development should support revenue growth and improved profitability over the medium term. For the remainder of the year, we will increase focus on our European markets and operations, and adapt the offering to demand and market conditions.

A big thank you to all our employees for your continued dedication to enabling, saving, maintaining and improving lives.

John Stubbington
CEO