



Year-end report 2016



Fourth quarter displayed strong growth for both sales and results

- Revenues increased in all of GHP's markets
- Strong growth and efficient processes contributed to improved results (EBITDA increased by 72 percent)
- Successful takeover of the running of the hospitals in United Arab Emirates
- 2016 – GHP's strongest financial year ever
- The Board proposes doubling of dividend

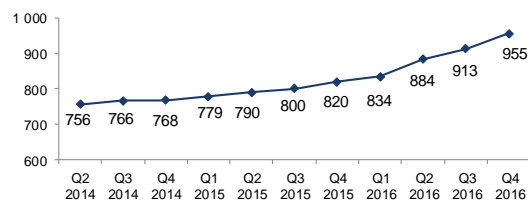
Fourth quarter 2016

- Sales revenues increased to SEK 272.8 million (229.9)
- Organic growth was 16.4 percent (8.4)
- EBITDA amounted to SEK 23.6 million (13.7)
- EBITDA margin amounted to 8.6 percent (6.0)
- Result after tax (EAT) was SEK 14.8 million (13.0)
- Result per share amounted to SEK 0.21 (0.19)

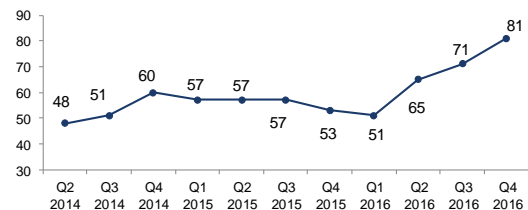
Full year 2016

- Sales revenues increased to SEK 955.4 million (820.0)
- Organic growth was 14.5 percent (6.1)
- EBITDA amounted to SEK 80.9 million (52.5)
- EBITDA margin amounted to 8.5 percent (6.4)
- Result after tax (EAT) was SEK 45.1 million (27.3)
- Result per share amounted to SEK 0.60 (0.33)
- The Board proposes dividend of 30 öre per share

Sales revenues, rolling 12 months
SEK millions



EBITDA, rolling 12 months
SEK millions



"We end 2016 with yet another strong quarter. Both the Nordic Region and International contributed to strong growth and a considerably better result than the same period last year."

Extract from CEO Daniel Öhman's comments on the report

CEO's comments

We end 2016 with yet another strong quarter. Both the Nordic Region and International contributed to strong growth and a considerably better result than the same period last year. In the Nordic Region we are proud of how we have been able to meet the combination of a fall in prices and an increase in salaries through greater efficiency and organic growth. In the Middle East we have now taken over the running of Sheikh Khalifa Medical City Ajman (SKMCA).

In the Nordic Region GHP Stockholm Spine Center is worthy of mention, where we have had unacceptably long queues for a long time. Under the leadership of our new CEO, Björn Zoëga, we have been able to drastically shorten the queues through increased business operations. This has also meant that we have been able to meet the fall in prices that we have seen through increased efficiency and sales. We were particularly pleased when a new study showed that GHP's two spine clinics have by far the shortest number of days off sick after surgery. So in addition to using tax revenues efficiently, as our care costs the County Councils less than at the publicly funded hospitals, we also contribute to considerably lower costs for sick leave.



We have now come to the end of our complete year with the new Collaborative Care scheme, the partnership with Skandia within orthopaedics in Stockholm. We have already been able to develop the care chains during the first year so that the total consumption of care is considerably reduced at the same time as both patient satisfaction and quality results are high and at least at the same level as previously. We believe that this shows the way in which health care needs to develop when health care resources are limited at the same time as demand is increasing. The best way of meeting this challenge is for us as care providers to take our responsibility and in partnership with our customers ensure resources last as long as possible.

We have now taken over the running of SKMCA in Ajman. Everything has worked according to plan and we have begun the development of the hospital group into a leading operation in the region. In parallel we have established a business development office in Dubai where we are working on all the exciting opportunities that exist in the region.

The debate on profits in social welfare took off again during the autumn. We do not believe that it is likely that the proposal limiting profits in the report of the "Ordning och reda i välfärden" enquiry ("Order and Control in Social Welfare") will become a reality. Moreover, only a small part of our profits come from Swedish County Councils. However, we interpret the debate as the Swedish people being worried that profit interests will be to the detriment of quality. We know that it is almost always the opposite, but to show this and to calm public opinion we are positive to high quality requirements in private care. Furthermore, we believe that it is important to continue to tell the truth: when County Councils use our services, they save tax revenues and get very high quality. When we in November carried out an opinion poll, it also showed that as long as this is the case, a clear majority are positive to private health care.

We now look forward to 2017. We have strengthened GHP through a number of new competencies so as to be even better at new technology, digital communication, analysis and leadership development. We believe that this will be important in continuing the development of GHP towards even better service, quality and efficiency.

Daniel Öhman
CEO

Consolidated sales revenues and profits

Sales growth amounted to 18 percent for the fourth quarter and 16 percent for the year. In line with the previous quarter, many clinics displayed good growth during the period. Our business operation in the UAE continued to contribute to the increase in growth, but business operations in the Nordic region also grew strongly by 11 percent compared with the previous year.

During the fourth quarter, responsibility for the running of the hospitals in the UAE was transferred to GHP. This transfer has gone completely according to plan and the day-to-day running of the hospitals is working satisfactorily.

The percentage of sales revenues attributable to non-controlling interests (minority owners of the clinics) amounted to 7 percent (11) for the fourth quarter of 2016 and 8 percent (12) for the full year.

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Sales revenues	272.8	229.9	955.4	820.0
Growth, %	18	10	16	7
Operating result before depreciation and amortisation (EBITDA)	23.6	13.7	80.9	52.5
Operating result (EBITA)	17.0	8.2	56.4	29.4

The Group displayed an operating result for the fourth quarter that was considerably better than the corresponding period last year. Profitability developed positively in both of GHP's segments, the Nordic Region and the International.

The EBITDA margin amounted to 9 percent (6) during the fourth quarter of the year and 8 percent (6) for the full year. The EBITA margin amounted to 6 percent (4) during the fourth quarter and 6 percent (4) for the full year.

Net financial items and result after tax

Net financial items amounted to SEK -0.5 million (-1.0) for the fourth quarter of 2016 and SEK -2.1 million (-4.2) for the full year.

Of the tax expense for the fourth quarter of 2016, SEK -1.2 million (-0.4) consisted of current tax. For the full year 2016 the corresponding figure was SEK -5.9 million (-5.2).

The result after tax for the fourth quarter of 2016 amounted to SEK 14.8 million (13.0), of which SEK 14.3 million (12.5) was attributable to the Parent Company's shareholders. For the full year 2016 the corresponding figure was SEK 45.1 million (27.3), of which SEK 40.8 million (21.8) was attributable to Parent Company shareholders.

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Cash flow and financial position

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Cash flow from operating activities	48.2	42.2	30.9	41.1
Cash flow from investing activities	-8.9	-2.7	-35.6	-9.4
Cash flow from financing activities	29.5	-14.9	21.5	-70.4
Exchange rate differences in cash and cash equivalents	0.4	-0.1	0.6	0.8
Cash flow	69.2	24.5	17.4	-37.9

The cash flow from operating activities included changes in operating capital of SEK 23.8 million (24.0) for the fourth quarter of 2016 and SEK -35.3 million (-1.3) for the full year. Almost all working capital tied up derives from the starting up of our business operations in the UAE.

The cash flow during the year was affected, amongst other things, by the acquisition in the first quarter of the subsidiary Urologcentrum and by several acquisitions of minority shareholdings in existing clinics during the year. In addition, investments were made in hospital equipment and the rebuilding of existing premises, amongst other things our new premises at Sophiahemmet. The cash flow from financing activities during the year was positively impacted by the payment of a convertible loan of SEK 9.6 million during the second quarter and to a certain extent by increased borrowing to finance the increase in tied up working capital.

The Group's cash and cash equivalents amounted to SEK 74.9 million (57.5) at 31 December 2016. GHP has a controlling influence in all cash-generating subsidiaries.

External borrowings amounted to SEK 157.3 million (102.2) at 31 December 2016 and all covenants were met during the period.

Key ratios – quarterly review

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
SEK millions								
Sales revenues	272.8	189.1	262.0	231.5	229.9	160.4	212.1	217.6
EBITDA	23.6	7.4	31.8	18.1	13.7	1.1	17.8	19.9
EBITA	17.0	1.4	25.8	12.2	8.2	-4.8	12.0	14.0
EBITA margin, %	6.2	0.7	9.8	5.3	3.6	-3.0	5.7	6.4
Result per share, SEK	0.21	0.01	0.26	0.12	0.19	-0.07	0.10	0.11
Cash flow from operating activities per share, SEK	0.71	-0.41	0.08	0.09	0.64	-0.31	0.24	0.05
Cash flow per share, SEK	1.01	-0.64	0.00	-0.12	0.37	-0.21	-0.66	-0.07
Equity/assets ratio, %	51	55	53	54	52	51	52	50
Net loan debt	82.4	111.7	64.6	42.5	44.7	81.1	57.0	38.4
Equity per share, SEK	5.41	5.27	5.30	5.07	4.94	4.82	4.88	5.05
Return on equity, %	12.8	12.6	11.3	8.0	8.4	9.5	8.7	8.9

Definitions

Sales revenues

Revenues from core business.

EBITDA

Operating result before depreciation and amortisation.

EBITA

Operating result before any goodwill write-downs.

EBITA margin, adjusted %

Operating result before goodwill write-downs (EBITA) as a percentage of the sales revenues for the period.

Result per share

The result for the period attributable to the Parent Company's shareholders divided by the average number of shares before dilution (convertibles).

Cash flow from operating activities per share

The cash flow from operating activities for the period divided by the average number of shares before dilution (convertibles).

Cash flow per share

The net cash flow for the period divided by the average number of shares outstanding before dilution (convertibles).

Equity/assets ratio

Total equity as a percentage of the total assets.

Net loan debt

Net of interest-bearing provisions and liabilities minus interest-bearing assets. A negative figure indicates a net loan receivable.

Equity per share, SEK

Total equity per share outstanding at the end of the period.

Return on equity

Rolling 12 months result after tax as a percentage of the average total equity.

Alternative Performance Measures

	Q4	Q4	Full Year	Full Year
SEK millions	2016	2015	2016	2015
EBITDA				
Operating result	17.0	8.2	56.4	29.4
Minus: Depreciation and amortization	-6.6	-5.5	-24.5	-23.1
EBITDA	23.6	13.7	80.9	52.5
Sales revenues, change				
Sales revenues	272.8	229.9	955.4	820.0
Sales revenues compared with corresponding period previous year	229.9	209.9	820.0	767.6
Sales revenues, change	42.9	20.0	135.4	52.4
Minus: Acquisitions	3.7	-	13.5	-
Minus: Fluctuations in exchange rates	1.4	2.3	2.7	5.7
Organic growth	37.8	17.7	119.2	46.7
Acquisitions, %	1.6	-	1.6	-
Organic growth, %	16.4	8.4	14.5	6.1
Net loan debt				
Interest-bearing provisions and liabilities	n/a	n/a	157.3	102.2
Minus: Interest-bearing assets	n/a	n/a	74.9	57.5
Net loan debt	n/a	n/a	82.4	44.7

Performance by business area

GHP reports two segments: the Nordic Region and the International. Furthermore, Stockholm, Finland, the West of Sweden, Denmark, Skåne and the United Arab Emirates are reported as sub-markets.

With a view to continuing to provide good information, GHP has elected to also disclose revenues per diagnostic area and revenues per sub-market.

Nordic Region

The Nordic Region business area conducts business within specialist care, such as spine surgery/spine care, orthopaedics, obesity surgery and diabetes care, gastroenterology, urology, general surgery, arrhythmia, sports medicine, plastic surgery and specialist dentistry via 20 clinics. 16 of the clinics are in Sweden, three in Denmark and one in Finland. Furthermore, business development is conducted in these and other diagnostic areas. The clinics' customers consist of County Councils/regions, insurance companies and to a certain extent private individuals.

SEK millions	Q4 2016	Q4 2015	Change %	Full year 2016	Full year 2015	Change %
Sales revenues	251.3	226.3	11	879.8	805.6	9
Operating result	12.6	9.6		33.7	24.7	
Operating margin, %	5.0	4.2		3.8	3.1	

Patient volumes and efficiency in business operations in the Nordic Region continued to increase in the fourth quarter as well. Revenues increased in all of GHP's sub-markets and all in all revenues in the Nordic Region increased by 11 and 9 percent, respectively, for the quarter and the full year. October and November are months with very high activity while December has lower revenues due to the number of public holidays.

At GHP's largest clinic, GHP Stockholm Spine Center, efforts were made during the latter half of 2016 to reduce patient queues and to have a high level of productivity. This led to a fourth quarter with strong revenues. Another example of a clinic with a high level of activity is GHP Gastro Center Skåne, where high demand has enabled a marked increase in revenues both in the quarter and for the full year.

We have continued to focus on getting our clinic in Århus to grow and strengthen its margins. Business operations in Copenhagen displayed yet another strong quarter.

International

The International business area conducts business in the United Arab Emirates (UAE). GHP has conducted diabetes care at a clinic in the UAE for a number of years but during 2016 GHP expanded its business operations after having won a procurement process at the end of 2015. The procurement process comprised a management contract for the diabetes clinic, two accident and emergency hospitals and a paediatric and obstetric hospital. During the fourth quarter GHP took over the day-to-day running of the hospitals. The hospitals' assets and employees remain under hospital management and GHP's company in the UAE only employs the Group management, which consists of seven people, and the four hospital directors. Through this Group management, GHP will run the hospitals with the aim of improving both quality and efficiency at the hospitals.

SEK millions	Q4 2016	Q4 2015	Change %	Full year 2016	Full year 2015	Change %
Sales revenues	21.5	3.6	497	75.6	14.4	425
Operating result	4.4	-1.4		22.7	4.7	
Operating margin, %	20.4	-38.9		29.9	32.6	

GHP's remuneration from the management contract consists of a number of components, which are mainly based on how well GHP can deliver a number of predefined criteria and on key performance indicators regarding quality and efficiency. GHP's remuneration and profitability during the course of the agreement may therefore vary from quarter to quarter and also because we invoice in the local AED currency. GHP's aim is to have a strong presence in the area so as to be able to develop several similar deals.

During the last part of the first quarter and during the second quarter the preparatory work of situation analyses and other planning continued, and in parallel with this the business at the existing diabetes clinic was fully operational. This affected profitability positively as the newly won agreement came into force on 1 March and GHP was thereby able to benefit to some extent from two separate contracts. The contract's start-up phase is now complete and has transitioned to an operational phase. The old agreement for the diabetes hospital expired during the year and is included in the new agreement.

The third and fourth quarters were a period of transition to the new management contract. In the fourth quarter we had start-up costs in relation to this of approximately SEK 1 million.

The comparative figures in the full year 2015 include a reversal of previous reserves concerning a dispute in England, which impacted results by approximately SEK 4 million.

Transactions with related parties

During 2016 dividend of SEK 2.7 million was paid to non-controlling interests. All dividend was paid in previous quarters.

A consultant's fee of SEK 1.3 million was paid during the year to a doctor who is the husband of the CEO of GHP Gastro Center Skåne. Remuneration was in line with market rates.

During the year partial acquisitions of shares from non-controlling interests were made for a total of SEK 31.6 million. During the year a participating interest of SEK 1.0 million was divested to non-controlling interests. See note 5 for a specification per company of these transactions.

In conjunction with the introduction of the new convertible bond programme during the second quarter of 2016, a company was formed for the purpose. This company may thus be seen as a related party. The company has been formed to finance subscription for convertible bonds by raising bank loans and through capital invested by participants in the programme. The only assets of the company will be GHP convertible bonds. The total number of convertible bonds amounts to 958,000. The convertible acquisition means that the company lends money to GHP (SEK 9.6 million) for a fixed period of time in exchange for a debt instrument comprising the convertible loan. This convertible instrument will give this company interest income until maturity.

During the fourth quarter of 2016, an agreement was entered into with non-controlling interests in GHP Arytmi Center Stockholm AB regarding the acquisition of approximately 9 percent of the shares. Payment was made at the beginning of 2017 and the remaining purchase consideration is constructed as a supplementary consideration to be paid during 2018.

There were no other significant transactions with related parties during the full year 2016.

Annual General Meeting and Annual Report

The Annual General Meeting of GHP Specialty Care AB will be held on Wednesday 26 April 2017 at 3.30 p.m. on SE Banken's premises at Östra Hamngatan 24, 405 04 Gothenburg. Shareholders will be given notice of the Annual General Meeting through an announcement in the Swedish Official Gazette (Post och Inrikes Tidningar) and on the company's website no earlier than six weeks and no later than four weeks before the meeting. An announcement will be made in Dagens Industri that notice has been given.

It is estimated that GHP's Annual Report for 2016 will be available at the company's head office in Gothenburg in the beginning of week 14. The Annual Report will be published on the company's website.

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Proposed dividend

"Dividend shall in the long-term amount to 50% of the net result for the year (after income tax and minorities). However, the annual decisions on dividend shall take into account the implementation of the company's strategy for growth, the company's financial position and other financial objectives."

For 2016 the Board proposes a dividend of 30 öre per share, which corresponds to approximately 50 percent of the result after tax and the result attributable to non-controlling interests.

Election Committee

A resolution was adopted at the Annual General Meeting on 27 April 2016 that GHP shall have an Election Committee consisting of the Chairman of the Board and one representative from each of the three largest owners. The names of the four people were published on 21 October 2016, that is more than six months before the 2017 Annual General Meeting. The mandate period of the Election Committee runs until a new Election Committee has been appointed. The Election Committee was constituted on the basis of ownership statistics from Euroclear Sweden AB as of the last day of September 2016.

Thomas Eriksson, representing Metroland BVBA, was elected as Chairman at the first meeting of the Election Committee. The other owner representatives are Magnus Tengby, representing Annedalskliniken AB, and Carl Palmstierna, who represents Johan Wachtmeister and companies. Carsten Browall is also a member of the Election Committee in his capacity as Chairman of the Board of GHP.

The Election Committee is to issue recommendations regarding the election of a Chairman of the Board, members of the Board and an auditor, the fee to be paid to the Chairman and to the members of the Board, remuneration for committee work and the auditor's fee. The proposals are presented in the notice of the Annual General Meeting and on GHP's website.

Risks and uncertainties

GHP is exposed to various types of risk in its business. In general these can be divided into market-related risks, business-related risks and risks related to financing activities. A more detailed description of these risks is to be found in GHP's Annual Report for 2015, page 28.

During the fourth quarter Ilmar Reepalu, who led the government enquiry Ordning och reda i välfärden (Order and Control in Social Welfare), presented its findings, including a proposal for a profit ceiling for companies offering welfare services. It cannot be completely ruled out that any legislation that arises from this may have a certain negative impact on GHP and/or its owners.

In the company's assessment, no further significant risks have arisen during 2016, apart from those described in "Events after closing day" in GHP's Annual Report for 2015, page 53 (in Swedish only).

Parent Company GHP Specialty Care AB (publ)

GHP has a limited central organisation which gives expert support within areas such as business development, finance, IR, communication, IT, marketing and agreement processes. Steering and control are carried out via corporate governance and the following up of results. A considerable part of the costs for the central organisation are aimed at generating new business within the selected diagnostic areas and at analysing and researching other expansion opportunities within the health care sector.

Shares in subsidiaries amounted to SEK 690.9 million (680.2) at 31 December 2016 while cash and cash equivalents were SEK 59.6 million (46.8). The Parent Company invested SEK 0.3 million (-) in non-current assets during the fourth quarter (-) and investments in non-current assets for the full year 2016 amounted to SEK 0.3 million (-). The operating result amounted to SEK -8.9 million (-8.4) for the fourth quarter of 2016. The corresponding result for the full year 2016 amounted to SEK -33.0 million (-30.4).

Financial information – calendar 2017

Interim report January-March 2017	25 April 2017
Annual General Meeting 2017	26 April 2017
Interim report January-June 2017	18 July 2017
Interim report January-September 2017	26 October 2017

Certification

The Board of Directors and the CEO certify that this year-end report gives a true and fair view of the company's and the Group's business activities, financial position and results, and describes the significant risks and uncertainty factors faced by the company and the companies included in the Group.

22 February 2017
Gothenburg
GHP Specialty Care AB (publ)

Carsten Browall
Chairman of the Board

Bo Wahlström
Member of the Board

Mikael Olsson
Member of the Board

Johan Wachtmeister
Member of the Board

Christer Johansson
Member of the Board

Elisabeth Hansson
Member of the Board

Daniel Öhman
CEO

Queries should be addressed to:
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GHP Specialty Care AB (publ) is required to publish the information herein pursuant to the EU Market Abuse Regulation. This information was published, through the agency of the contact persons set out above, on 22 February 2017 at 08:00 am CET.

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

This is a translation of the Swedish version of the Year-end report. When in doubt, the Swedish version prevails.

Consolidated profit and loss accounts

SEK millions	Note	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating revenues					
Sales revenues	5,6,10	272.8	229.9	955.4	820.0
Other operating revenues		0.8	2.0	4.6	7.3
		273.6	231.9	960.0	827.3
Operating costs					
Purchase of goods and services		-46.9	-45.2	-173.9	-162.9
Other external costs		-68.0	-68.2	-252.9	-233.8
Personnel costs	9	-135.1	-104.8	-452.3	-378.1
Depreciation, amortisation and write-downs	6	-6.6	-5.5	-24.5	-23.1
		-256.6	-223.7	-903.6	-797.9
Operating result	6	17.0	8.2	56.4	29.4
Interest income and similar items		0.1	0.0	0.1	0.1
Interest expenses and similar items		-0.6	-1.0	-2.1	-4.2
Other financial income/expenses		0.0	0.0	-0.1	-0.1
Net financial items		-0.5	-1.0	-2.1	-4.2
Result before tax	6	16.5	7.2	54.3	25.2
Tax on result for the period		-1.7	5.8	-9.2	2.1
Result for the period		14.8	13.0	45.1	27.3
Result attributable to:					
- Parent Company shareholders		14.3	12.5	40.8	21.8
- Non-controlling interests		0.5	0.5	4.3	5.5
		14.8	13.0	45.1	27.3
Result per share:					
Before dilution (SEK)	2	0.21	0.19	0.60	0.33
After dilution (SEK)		0.21	0.19	0.60	0.33
Average number of shares outstanding, thousands					
Basic		68,282	66,082	68,012	66,082
Diluted		68,282	66,082	68,012	66,082

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Consolidated statement of comprehensive income

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Result for the period after tax	14.8	13.0	45.1	27.3
Other comprehensive income				
Items that will not be transferred to the profit and loss accounts:	-	-	-	-
Items that will be transferred to the profit and loss accounts:				
- Change in translation reserve	2.2	-0.9	4.4	-0.4
Total other comprehensive income	2.2	-0.9	4.4	-0.4
Comprehensive income for the period	17.0	12.1	49.5	26.9
Attributable to:				
Parent Company shareholders	16.5	11.6	45.3	21.4
Non-controlling interests	0.5	0.5	4.2	5.5

Consolidated balance sheet, summarised

SEK millions	Note	31 December 2016	31 December 2015
Assets			
Intangible non-current assets	5,6	389.9	374.3
Other non-current assets		95.0	76.5
Total non-current assets		484.9	450.8
Trade receivables and other current assets		166.4	118.3
Cash and cash equivalents		74.9	57.5
Total current assets		241.3	175.8
Total assets		726.2	626.6
Equity pertaining to Parent Company shareholders		369.1	326.6
Equity pertaining to non-controlling interests		0.0	0.0
Total equity		369.1	326.6
Long-term liabilities	4,7	176.0	137.7
Current liabilities	4,7	181.1	162.3
Total liabilities and equity		726.2	626.6

Consolidated statement of cash flows

SEK millions	Note	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating activities					
Operating result		17.0	8.2	56.4	29.4
Depreciation/amortisation and write-downs		6.6	5.5	24.5	23.1
Tax paid		2.2	6.7	-7.4	-1.8
Other adjustments – net		-1.4	-2.2	-7.3	-8.3
Change in working capital – net		23.8	24.0	-35.3	-1.3
Cash flow from operating activities		48.2	42.2	30.9	41.1
Investing activities					
Other investments		-9.5	-2.8	-31.2	-9.5
Acquisition of subsidiary	5	-	-	-5.0	-
Other disposals		0.6	0.1	0.6	0.1
Cash flow from investing activities		-8.9	-2.7	-35.6	-9.4
Financing activities					
Acquisition of participating interest from non-controlling interests	5	-	-3.8	-22.2	-25.8
Divestment of participating interest to non-controlling interests	5	-	-	1.0	-
Dividend to shareholders		-	-	-10.2	-8.6
Dividend to non-controlling interests		-	-	-2.7	-5.7
New borrowings		33.3	-	65.0	10.1
Repayment of loans		-3.8	-11.1	-9.4	-40.4
Cash flow from financing activities		29.5	-14.9	21.5	-70.4
Exchange rate differences in cash and cash equivalents		0.4	-0.1	0.6	0.8
Cash flow for the period		69.2	24.5	17.4	-37.9
Cash and cash equivalents at beginning of period		5.7	33.0	57.5	95.4
Cash and cash equivalents at end of period		74.9	57.5	74.9	57.5
Interest paid		-0.7	-0.4	-1.7	-2.1
Interest received		0.1	0.1	0.1	0.1

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Consolidated statement of changes in equity, summarised

Q4 2016 SEK millions	Shareholders' share	Attributable to non- controlling interests	Total
Opening balance	359.9	0.0	359.9
Result after tax	14.3	0.5	14.8
Other comprehensive income	2.2	0.0	2.2
Total comprehensive income	16.5	0.5	17.0
Sales to (+) acquisitions from (-) non-controlling interests	-7.1	-0.7	-7.8
Reclassification of non-controlling interests	-0.2	0.2	-
Closing balance	369.1	0.0	369.1

Q4 2015	Shareholders'		
SEK millions	share	Attributable to non-controlling interests	Total
Opening balance	318.3	0.0	318.3
Result after tax	12.5	0.5	13.0
Other comprehensive income	-0.9	0.0	-0.9
Total comprehensive income	11.6	0.5	12.1
Sales to (+) acquisitions from (-) non-controlling interests		-3.8	-3.8
Reclassification of non-controlling interests	-3.3	3.3	
Closing balance	326.6	0.0	326.6

Full year 2016	Shareholders'		
SEK millions	share	Attributable to non-controlling interests	Total
Opening balance	326.6	0.0	326.6
Result after tax	40.8	4.3	45.1
Other comprehensive income	4.5	-0.1	4.4
Total comprehensive income	45.3	4.2	49.5
Transfer of surplus value between majority owners and non-controlling interests	-0.5	0.5	
Dividend to shareholders	-10.2		-10.2
Dividend to non-controlling interests		-2.7	-2.7
Conversion of loan to equity	11.1		11.1
Issue of convertible instruments	1.0		1.0
Sales to (+) acquisitions from (-) non-controlling interests	-1.0	-3.3	-4.3
Revaluation, liability put option	-1.9		-1.9
Reclassification of non-controlling interests	-1.3	1.3	
Closing balance	369.1	0.0	369.1

Full year 2015	Shareholders'		
SEK millions	share	Attributable to non-controlling interests	Total
Opening balance	325.1	0.0	325.1
Result after tax	21.8	5.5	27.3
Other comprehensive income	-0.4	0.0	-0.4
Total comprehensive income	21.4	5.5	26.9
Dividend to shareholders	-8.6		-8.6
Dividend to non-controlling interests	-	-5.7	-5.7
Transfer of surplus value between majority owners and non-controlling interests	0.1	-0.1	0.0
Sales to (+) acquisitions from (-) non-controlling interests	-4.9	-6.2	-11.1
Reclassification of non-controlling interests	-6.5	6.5	0.0
Closing balance	326.6	0.0	326.6

Parent Company profit and loss accounts, summarised

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating revenues	0.0	0.0	0.0	0.0
Operating costs, incl. depreciation and amortisation	-8.9	-8.4	-33.0	-30.4
Operating result	-8.9	-8.4	-33.0	-30.4
Net financial items	0.6	0.3	3.1	0.9
Result after financial items	-8.3	-8.1	-29.9	-29.5
Appropriations	54.5	28.2	54.5	28.2
Tax expense	-1.1	6.6	-1.1	6.7
Result after tax	45.1	26.7	23.5	5.4

Parent Company statement of comprehensive income

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Result after tax	45.1	26.7	23.5	5.4
Other comprehensive income:	-	-	-	-
Total other comprehensive income	-	-	-	-
Comprehensive income for the period	45.1	26.7	23.5	5.4

Parent Company balance sheet, summarised

SEK millions	31 December 2016	31 December 2015
Assets		
Intangible non-current assets	0.1	0.1
Shares in subsidiaries	690.9	680.2
Other non-current assets	11.3	12.7
Receivables from Group companies	-	29.8
Total non-current assets	702.3	722.8
Other receivables	3.0	2.2
Receivables from Group companies	170.8	118.1
Cash and cash equivalents	59.6	46.8
Total current assets	233.4	167.1
Total assets	935.7	889.9
Total equity	702.5	677.1
Long-term liabilities	14.5	2.3
Current liabilities to Group companies	207.9	193.8
Other current liabilities	10.8	16.7
Total liabilities and equity	935.7	889.9

Parent Company statement of cash flows

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating activities				
Result after financial items	-8.3	-8.1	-29.9	-29.5
Depreciation/amortisation	0.1	0.0	0.1	0.1
Other non-cash items - net	0.2	-0.1	-0.1	0.8
Change in working capital - net	5.5	14.4	27.3	33.8
Cash flow from operating activities	-2.5	6.2	-2.6	5.2
Investing activities				
Investment in subsidiary	0.1	-0.1	-1.3	-0.1
Other investments	-0.3	-	-0.3	-
Divestment of subsidiary	-	-	0.1	-
Other disposals	-	-	-	-
Cash flow from investing activities	-0.2	-0.1	-1.5	-0.1
Financing activities				
New loans, convertible instruments	-	-	9.6	-
New loans, overdraft facility	-7.7	-	0.0	-
Dividend to shareholders	-	-	-10.2	-8.6
Change in receivable from Group company	-	-	29.8	-
Change in Group account, net liability	70.0	22.4	-12.3	-22.8
Cash flow from financing activities	62.3	22.4	16.9	-31.4
Cash flow for the period	59.6	28.5	12.8	-26.3
Cash and cash equivalents at beginning of period	0.0	18.3	46.8	73.1
Cash and cash equivalents at end of period	59.6	46.8	59.6	46.8
Interest paid	-0.2	-0.4	-0.2	-0.4
Interest received	0.9	0.6	3.6	2.2

Parent Company statement of changes in equity, summarised

SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Opening balance	657.4	650.4	677.1	680.3
Issue of convertible instruments	-	-	1.0	-
Result after tax	45.1	26.7	23.5	5.4
Other comprehensive income	-	-	-	-
Conversion of loan to equity	-	-	11.1	-
Dividend to shareholders	-	-	-10.2	-8.6
Closing balance	702.5	677.1	702.5	677.1

1 General information and accounting principles

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

The Company's financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. The preparation of financial statements in compliance with IFRS requires the use of estimates and assumptions that affect the reported values of assets, liabilities, revenues and costs for the reporting period. Although these estimates are based on management's knowledge of the amounts, events and actions taken, actual results may differ from the estimates and assumptions made.

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

The convertible bond programme issued by GHP in 2012 expired in February 2016. The number of shares increased by 2,200,198, which resulted in an increase in equity of SEK 11.1 million and a corresponding decrease in the net loan debt. During 2016 costs for the programme of less than SEK -0.1 million (-1.6) were charged against the net result.

On 27 April 2016 an incentive programme was approved by the Annual General Meeting. The programme consists of issued convertible bonds. During the period 24 February 2020 until 23 March 2020 bond holders are able to convert these to new shares in GHP at a predetermined conversion rate of SEK 9.67. If conversion does not take place, the loan matures on 14 April 2020. A convertible bond is a so-called compound financial instrument which gives rise to a financial liability for the Company and which contains an option for the owner of the instrument to convert the liability into an equity instrument in the Company. These two parts are recognised separately in accordance with IAS 32, p. 29. IAS 39 deals with the valuation of the financial instrument, which means that the value of the option will form the residual amount after the liability has been valued and deducted from the fair value of the instrument as a whole (IAS 32, p 31, 32). The cost of producing the convertible instrument, SEK 0.5 million, is allocated proportionately to the liability and the option (IAS 39, p 43). That part that has been referred to the liability is distributed over the term of the loan and will then be recognised as an interest expense calculated according to the effective interest method together with the liability. The equity component, that is the value of the option, amounts to the price of the option, SEK 1.38, (according to a calculation received from Swedbank) and GHP received SEK 9,650,000, which corresponds to 958,000 convertible instruments. The loan will initially be recognised at its fair value (present value of payments) and during the term of the loan the present value of the convertible instrument will increase up to its nominal value. The difference is distributed over the term of the loan as an interest expense and increases the liability. The Parent Company of the Group, which applies RFR2, recognises the convertible instruments in the same way as the Group.

The transaction has been completed in line with market rates, which means that the transaction is not covered by the rules in IFRS 2. Swedbank, who made the calculations for the Company, have also confirmed in writing that the convertible instrument is issued in line with market rates.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR2 for legal entities. Accounting principles that have been applied are in accordance with what is stated in the Annual Report 2015. In addition to this there are a number of minor improvements in IFRS that it is assessed will only have a minor impact on GHP's reporting. The European Securities and Markets Authority (ESMA) has issued guidelines concerning the use of alternative key ratios for companies whose securities are listed in a regulated market. The guidelines begin to apply for information published as from 3 July 2016 and thus cover GHP's interim reports from this date. This has had little impact on the report. No other new standards for 2016 have been assessed to have an impact on the Group's financial statements.

For further information on the accounting rules, please refer to GHP's Annual Report for 2015, pages 36-40.

2 Result per share

The result per share has been calculated by the result after tax attributable to the Parent Company's shareholders being divided by the average number of outstanding ordinary shares during the period. These amounted to 68,282,585 (66,082,387) for the fourth quarter of 2016 and 68,012,069 (66,082,387) for the full year 2016. As the convertible bond programme implemented towards the end of 2012 was converted to equity during the second quarter, this programme no longer has any dilution effect on the result per share.

With regard to the convertible instrument programme implemented during the second quarter of 2016, there has been no dilution effect pursuant to IAS 33. Convertible liabilities do not give rise to a dilution effect when their interest per ordinary share that can be obtained upon conversion is greater than the result per share before dilution. As only marginal interest has been charged to the result during 2016, there is no dilution for the period.

3 Share capital

As of 31 December 2016, there were 68,282,585 outstanding ordinary shares (66,082,387) with a nominal value of SEK 1 per share.

4 Current and long-term interest-bearing borrowings

As of 31 December 2016 the Company had made use of credit of SEK 157.3 million (102.2). Of this amount, SEK 40.0 million (25.2) is classified as current borrowings and SEK 117.2 million (77.0) as long-term borrowings.

5 Acquisition/divestment of subsidiaries and bolt-on acquisition

On 10 February an agreement was entered into to acquire 70 percent of Urologcentrum, which was taken over on 1 March 2016. In addition, shares were acquired in GHP Spine Center Göteborg AB, Stockholm Spine Nya Holding AB and GHP Ortho Center Stockholm AB during the year from non-controlling interests. Shares were also divested to new partners in GHP Stockholm Spine Center AB during the year.

Approximately 9 percent of the shares in GHP Arytmi Center Stockholm AB were acquired during the fourth quarter. Payment will be made in 2017/2018.

Preliminary effects on the Group's cash and cash equivalents, profit and loss accounts and balance sheet are summarised below.

SEK millions	Total
Effect on the Group's cash and cash equivalents:	
a) Acquisition of Urologcentrum (Lewabi AB)	-5.0
b) Acquisition of 15 percent of shares outstanding in GHP Spine Center Göteborg AB from non-controlling interests	-7.2
c) Acquisition of 3.6 percent of shares outstanding in Stockholm Spine Nya Holding AB from non-controlling interests	-6.6
d) Divestment of 1.2 percent of shares in GHP Stockholm Spine Center AB to non-controlling interests	1.0
e) Acquisition of 3 percent of shares outstanding in GHP Ortho Center Stockholm AB from non-controlling interests	-1.2
f) Acquisition of 14 percent of shares outstanding in GHP Ortho Center Stockholm AB from non-controlling interests	-7.1
Effect on the Group's cash and cash equivalents, total net cash flow	-26.1

SEK millions	Total
a) Acquisition of 70 percent of Urologcentrum (Lewabi AB):	
Purchase consideration settled in cash	7.4
Acquisition costs	0.1
Non-controlling interests' purchase consideration with full goodwill	6.0
Total purchase consideration	13.5
Total value of acquired assets and liabilities	-1.2
Acquisition costs	-0.1
Surplus value, brand identified upon acquisition	-0.7
Goodwill	11.5
Specification of acquired net assets:	
Tangible non-current assets	1.7
Financial assets	0.3
Other current receivables	0.8
Cash and cash equivalents	2.5
Deferred tax	-0.5
Current liabilities	-2.9
Long-term liabilities	-0.7
Total net assets	1.2
Purchase consideration settled in cash	-7.4
Acquisition costs	-0.1
Cash and cash equivalents in acquired subsidiary	2.5
Effect on the Group's cash and cash equivalents	-5.0

During 2016 the business contributed SEK 12.1 million to sales revenues and SEK 2.3 million to the operating result. If the business had been a part of the Group for the entire period, the contribution to sales revenues would have amounted to SEK 13.5 million and the operating result, which contains one-time expenses, would have amounted to SEK 2.0 million.

SEK millions	Total
b) Effects on Group's financial position of settlement of put option in GHP Spine Center Göteborg AB previously entered as a liability:	
Total purchase consideration	7.2
Total net value of acquired assets and liabilities:	
Put option entered as a liability	-14.3
Value adjustment of put option	7.1
Effect on Group's cash and cash equivalents	-7.2

SEK millions	Total
c) Effects on Group's financial position of settlement of put option in Stockholm Spine Nya Holding AB previously entered as a liability:	
Total purchase consideration	6.6
Total net value of acquired assets and liabilities:	
Put option entered as a liability	-5.5
Value adjustment of put option	-1.1
Effect on Group's cash and cash equivalents	-6.6

SEK millions	Total
d) Effects on Group's financial position of divestment of shares to non-controlling interests in GHP Stockholm Spine Center AB:	
Total purchase consideration	1.0
Effect on Group's cash and cash equivalents	1.0

SEK millions	Total
e) Effects on Group's financial position of settlement of put option in GHP Ortho Center Stockholm AB previously entered as a liability:	
Total purchase consideration	1.2
Total net value of acquired assets and liabilities:	
Value adjustment of put option	-1.2
Effect on Group's cash and cash equivalents	-1.2

SEK millions	Total
f) Effects on Group's financial position of settlement of put option in GHP Ortho Center Stockholm AB previously entered as a liability:	
Total purchase consideration	7.1
Total net value of acquired assets and liabilities:	
Put option entered as a liability	-5.0
Value adjustment of put option	-2.1
Effect on Group's cash and cash equivalents	-7.1

SEK millions	Total
Effects on Group's financial position of settlement of put option in GHP Arytmi Center Stockholm AB previously entered as a liability:	
Total purchase consideration	9.4
Total net value of acquired assets and liabilities:	
Put option entered as a liability	-1.4
Value adjustment of put option	-8.0
Purchase consideration entered as a liability to be paid in first quarter of 2017	5.0
Purchase consideration entered as a liability to be paid in first quarter of 2018	4.4
Effect on Group's cash and cash equivalents	0.0

6 Segment reporting

The GHP Group controls business operations on the basis of geographic location. The Nordic Region business area and the International business area are reported as segments. All head office costs, including business development, are divided between these two segments.

Each business area contains one or more diagnostic areas and one or more sub-markets. With a view to continuing to provide good information, GHP has elected to also report revenues per diagnostic area and revenues per sub-market. The segments are reported separately under the heading "Performance by Business Area" and additional information is provided on each diagnostic area and sub-market in note 9.

- Business area Nordic Region
- Business area International

Q4 2016		Nordic Region	International	Total
SEK millions				
Sales revenues		251.3	21.5	272.8
<i>Of which Sweden</i>		211.6	<i>n/a</i>	211.6
Operating result before goodwill write-downs		12.6	4.4	17.0
Goodwill write-downs		-	-	-
Operating result		12.6	4.4	17.0
Net financial items		-0.5	-	-0.5
Result before tax		12.1	4.4	16.5

Q4 2015		Nordic Region	International	Total
SEK millions				
Sales revenues		226.3	3.6	229.9
<i>Of which Sweden</i>		191.2	<i>n/a</i>	191.2
Operating result before goodwill write-downs		9.6	-1.4	8.2
Goodwill write-downs		-	-	-
Operating result		9.6	-1.4	8.2
Net financial items		-1.0	-	-1.0
Result before tax		8.6	-1.4	7.2

Full year 2016		Nordic Region	International	Total
SEK millions				
Sales revenues		879.8	75.6	955.4
<i>Of which Sweden</i>		742.0	<i>n/a</i>	742.0
Operating result before goodwill write-downs		33.7	22.7	56.4
Goodwill write-downs		-	-	-
Operating result		33.7	22.7	56.4
Net financial items		-2.1	-	-2.1
Result before tax		31.6	22.7	54.3

Full year 2015			
SEK millions	Nordic Region	International	Total
Sales revenues	805.6	14.4	820.0
<i>Of which Sweden</i>	675.9	<i>n/a</i>	675.9
Operating result before goodwill write-downs	24.7	4.7	29.4
Goodwill write-downs	-	-	-
Operating result	24.7	4.7	29.4
Net financial items	-4.2	-	-4.2
Result before tax	20.5	4.7	25.2

At 31 December 2016, assets, liabilities, depreciation/amortisation and write-downs were as follows:

SEK millions	Nordic Region	International	Total
Total assets	673.7	52.5	726.2
<i>Of which goodwill</i>	386.2	-	386.2
Total liabilities	348.6	8.5	357.1
Depreciation/amortisation and write-downs	-24.5	-	-24.5

At 31 December 2015, assets, liabilities, depreciation/amortisation and write-downs were as follows:

SEK millions	Nordic Region	International	Total
Total assets	615.7	10.9	626.6
<i>Of which goodwill</i>	373.8	-	373.8
Total liabilities	296.2	3.8	300.0
Depreciation/amortisation and write-downs	-23.1	-	-23.1

7 Assets and liabilities valued at fair value

In the table below information is given on the measurement of fair value for the financial instruments valued at fair value in the report on the financial position. Measurement of fair value is divided up into three levels:

Level 1: in accordance with prices in an active market for identical instruments

Level 2: on the basis of direct or indirect observable market data not included in level 1

Level 3: on the basis of inputs that are not observable in the market

31 December 2016				
SEK millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets that can be sold	-	-	0.0	0.0
Total assets			0.0	0.0
Financial liabilities				
- Put options entered as a liability, long-term portion			35.1	35.1
- Supplementary considerations entered as a liability			4.4	4.4
- Put options entered as a liability, current portion			3.8	3.8
Total liabilities			43.3	43.3

31 December 2015				
SEK millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets that can be sold	-	-	0.0	0.0
Total assets			0.0	0.0
Financial liabilities				
- Put options entered as a liability, long-term portion	-	-	41.9	41.9
- Put options entered as a liability, current portion	-	-	15.1	15.1
Total liabilities	-	-	57.0	57.0

The liability for put options and any supplementary considerations entered as a liability have been valued at fair value. The liability is dependent on assessments of the subsidiaries' future profitability. There is also an uncertainty factor regarding when the liability will be settled.

8 Seasonal variations

GHP's business is affected by seasonal variations, in particular round about the summer holiday. As most of the Group's clinics do not carry out any surgical procedures at all during a few summer weeks, both sales and the operating result and cash flow are affected negatively during the third quarter. The clinics close down completely during this period due to the fact that it is inefficient to run a clinic at half capacity as certain economies of scale are lost. It is also the case that the demand for operations is considerably lower during the holidays as many people do not want to have recently undergone surgery during the holiday. With the expansion of our international business operations, primarily in the UAE, the seasonal variations will be to some extent less pronounced.

In order to facilitate understanding of the development of the Group's business, both sales revenues and the operating result before depreciation and amortisation (EBITDA) are also recorded in the interim reports on a rolling 12-month basis (see diagrams on page 1).

9 Personnel

The average number of employees for the fourth quarter of 2016 amounted to 502 (451). For the full year 2016 the average number of employees amounted to 504 (442).

10 Sales revenues per diagnostic area group and sub-market

Sales revenues SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Spine/Orthopaedics	168.4	155.5	579.4	534.6
Gastro/Surgery	38.2	33.0	146.4	135.0
Arrhythmia/New Specialities	16.4	13.7	61.2	48.3
Dental	28.2	24.1	99.4	87.7
International/management contract	21.6	3.6	69.0	14.4
Reported sales revenues	272.8	229.9	955.4	820.0

Sales revenues SEK millions	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Stockholm area	148.6	133.4	531.5	481.6
Finland	1.2	1.0	3.2	3.2
West of Sweden	46.3	45.0	158.8	150.7
Denmark	37.7	34.2	133.0	126.5
Skåne	17.4	12.7	53.2	43.6
United Arab Emirates	21.6	3.6	75.7	14.4
Reported sales revenues	272.8	229.9	955.4	820.0

10 Important events after closing day

There have been no important events after closing day.



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GHP is an internationally active health care provider that operates specialist clinics in a select number of diagnostic areas through the application of a business model that is unique in the health care industry, where leading doctors become partners and shareholders. Each clinic specialises in a particular patient group, and this leads to increased efficiency and higher quality. This is the cornerstone of GHP's business philosophy – "Quality through specialisation".