20230630023O2

Styrelsen och verkställande direktören för

Diaverum Sweden AB

Org nr 556209-2790

upprättar härmed

Årsredovisning

för räkenskapsåret 1 januari 2022 - 31 december 2022

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Undertecknad styrelseledamot i Diaverum Sweden AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 26/6 2023. Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Malmö den

Björn Brixer

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Förvaltningsberättelse

Allmänt om verksamheten

Diaverum Sweden AB, org nr 556209-2790, bedriver verksamhet i associationsformen aktiebolag och har sitt säte i Malmö, Sverige.
Huvudkontorets adress är Hyllie Boulevard 53, 215 37 Malmö.

Diaverum Sweden AB driver kliniker som tillhandahåller dialysbehandlingar för patienter med kronisk njursvikt.
Bolaget genomför dialysbehandlingar på cirka 210 patienter årligen, vilka i genomsnitt genomgår cirka 145 behandlingar per år.

Verksamheten omfattar vid utgången av räkenskapsåret fem kliniker i Sverige.
Klinikerna i Sverige är belägna i Falköping, Solna, Södertälje, Nacka samt Järfälla.
Vårt verksamhetssystem uppfyller krav på kvalitetssystem och kontinuerligt utvecklingsarbete som anges i socialstyrelsens föreskrifter och allmänna råd enligt SOSFS 2011:9.

Diaverum Sweden AB är sedan den 2 juli 2007 dotterbolag till Diaverum Holding AB, org nr 556717-6150.
Bolaget som upprättar koncernredovisning är Diaverum S.à r.l., Luxemburg, org nr B129921.
Gruppen har verksamhet i 23 länder runt om i världen, främst i Europa, men även i Saudiarabien och Sydamerika.
Total sett ansvarar gruppen för dialysvård av ca 39 000 patienter vid 437 kliniker.

Diaverum är en av världens ledande, fristående vårdgivare av njursjukvård. Diaverum erbjuder en rad tjänster till patienter som lider av kronisk njursjukdom (eng. "CKD").
Behandlingar av CKD-patienter som utförs av Diaverum sträcker sig från förebyggande vård till transplantation, med huvudfokus på hemodialys på klinik.
Diaverum erbjuder även ett antal andra tjänster inom ramen för sin kärnverksamhet, däribland semester-dialys och peritonealdialys,
samt kringtjänster inklusive vaskulär access, aferes och, på vissa marknader, kardiologisk vård och diabetesvård.

Utveckling av företagets verksamhet, resultat och ställning

	2022	2021	2020
Ekonomisk översikt			
Intäkter	91 791	88 228	88 855
Rörelsemarginal %	-7,6%	-2,8%	-4,9%
Balansomslutning	1 291 999	1 978 186	1 747 089
Soliditet %	42,2%	63,3%	74,7%

Definitioner: se not 29

Väsentliga händelser under räkenskapsåret

Rysslands invasion av Ukraina februari 2022. Diaverumkoncernen har ingen verksamhet i Ukraina men en liten verksamhet i Ryssland med 20 kliniker och i nuläget 1300 patienter. Den vård som företagsgruppen levererar till sina patienter är livssnödvändig. Diaverumkoncernen arbetar därför med att säkerställa att verksamheten i Ryssland kan fortlöpa utan avbrott i led med relevanta lagar och förordningar. Diaverum Sweden AB har via dotterbolag ett indirekt ägande i Diaverums verksamhet i Ryssland.

Bolaget har under året gjort nedskrivning av värdet på andelar i koncernföretag efter nedskrivningstest.
Nedskrivningen är en konsekvens av stigande räntor (diskonteringseffekt) och osäker organisk tillväxt för vissa marknader. Se även not 7.

Diaverum Sweden AB innehar en kapitaltäckningsgaranti från koncernbolaget Diaverum AB. Kapitaltäckningsgarantin gäller t.o.m. 2024-06-30.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Existerande vårdavtal sträcker sig fram till 2023-12-31 för Solna, Järfälla, Södertälje samt Nacka, upphandling för nytt 5-7 års vårdavtal startades i maj 2023.
Avtalet med Falköping gäller till och med 2027-07-31.

Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken

Bolaget bedriver ej någon anmälningspliktig verksamhet enligt miljöbalken.

Förslag till disposition av företaget vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 544 622 601, disponeras enligt följande:

Utdelning [1000 aktier * 15 015 kr]	15 015 179
Balanseras i ny räkning	529 607 422
Summa	544 622 601

Styrelsens yttrande om vinstdisposition

Bolagets egna kapital per 2022-12-31 uppgår till 544 741 601 kronor, varav 120 000 kronor avser bundet eget kapital.
Under året har koncernbidrag har erhållits med 9 024 083 kronor samt ett aktieägartillskott om 331 789 082 kronor.
Bolaget har fortsatt god soliditet och styrelsen anser därmed att värdeöverföringen kan försvaras med hänsyn till vad som anförts i ABL 17 kap 3§ 2-3 st.
Vad beträffar resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

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Resultaträkning

Belopp i kkr	Not	2022	2021
Nettoomsättning	2	91 791	88 228
Kostnad för utförda behandlingar		-85 986	-80 194
Bruttoresultat		5 805	8 034
Försäljningskostnader	4	-10 995	-10 048
Administrationskostnader	4	-775	-320
Övriga rörelseintäkter		1 729	729
Övriga rörelsekostnader	5	-2 712	-876
Rörelseresultat	3	-6 948	-2 481
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	7	-1 005 560	-278 607
Ränteintäkter och liknande resultatposter	8	34	
Räntekostnader och liknande resultatposter	9	-3 952	-5 483
Kostnad för infriad finansiell garanti		-59 223	-228 646
Resultat efter finansiella poster		-1 075 649	-515 217
Bokslutsdispositioner			
Koncernbidrag, erhållna		9 024	130 825
Resultat före skatt		-1 066 625	-384 392
Skatt på årets resultat	10	0	0
Årets resultat		-1 066 625	-384 392

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Balansräkning

Belopp i kkr	Not	31 dec. 2022	31 dec. 2021
Tillgångar			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Nedlagda utgifter på annans fastighet	11	3 251	6 143
Inventarier, verktyg och installationer	12	2 492	4 416
		5 743	10 559
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13	871 772	1 497 619
Andra långfristiga fordringar	15	342	342
		872 114	1 497 960
Summa anläggningstillgångar		**877 857**	**1 508 519**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter	16	874	739
		874	739
Kortfristiga fordringar			
Kundfordringar		14 495	14 243
Fordringar hos moderföretag	14	375 361	314 925
Fordringar hos koncernföretag		18 353	130 135
Aktuell skattefordran		1 858	1 858
Övriga fordringar		0	3
Förutbetalda kostnader och upplupna intäkter	17	2 252	2 138
		412 319	463 302
Kassa och bank	21	949	5 626
Summa omsättningstillgångar		**414 142**	**469 667**
Summa tillgångar		**1 291 999**	**1 978 186**
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
Fond för utvecklingskostnader		0	0
		120	120
Fritt eget kapital			
Balanserat resultat		1 611 247	1 636 349
Årets resultat		-1 066 625	-384 392
		544 622	1 251 956
Summa eget kapital		**544 742**	**1 252 076**
Obeskattade reserver			
Ackumulerade överavskrivningar	28	443	443
Summa obeskattade reserver		**443**	**443**
Avsättningar			
Avsättning kreditgaranti		287 869	228 646
Summa avsättningar		**287 869**	**228 646**
Långfristiga skulder	18		
Skulder till koncernföretag		410 643	453 873
Övriga skulder		1 926	29 002
Summa långfristiga skulder		**412 569**	**482 875**
Kortfristiga skulder			
Leverantörsskulder		5 597	3 540
Skulder till koncernföretag		938	895
Övriga skulder		29 341	72
Upplupna kostnader och förutbetalda intäkter	19	10 500	9 639
Summa kortfristiga skulder		**46 376**	**14 145**
Summa skulder		**458 945**	**497 020**
Summa eget kapital och skulder		**1 291 999**	**1 978 186**

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Rapport över förändringar i eget kapital

	Bundet eget kapital			Fritt eget kapital	
Belopp i kkr	Aktie-kapital	Reserv-fond	Fond för utvecklings-kostnader	Bal.res. inkl årets resultat	Total eget kapital
Ingående balans 1 januari 2021	100	20	0	1 304 559	1 304 679
Årets resultat	-	-	-	-384 392	-384 392
Transaktioner med ägare					
Utdelning	-	-	-	-	-
Aktieägartillskott erhållna	-	-	-	331 789	331 789
Summa	-	-	-	331 789	331 789
Utgående balans 31 december 2021	100	20	0	1 251 956	1 252 076

	Bundet eget kapital			Fritt eget kapital	
Belopp i kkr	Aktie-kapital	Reserv-fond	Fond för utvecklings-kostnader	Bal.res. inkl årets resultat	Total eget kapital
Ingående balans 1 januari 2022	100	20	0	1 251 956	1 252 076
Årets resultat	-	-	-	-1 066 625	-1 066 625
Transaktioner med ägare					
Utdelning	-	-	-	-16 070	-16 070
Aktieägartillskott erhållna	-	-	-	375 361	375 361
Summa	0	0	0	359 291	359 291
Utgående balans 31 december 2022	100	20	0	544 622	544 742

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Kassaflödesanalys

Belopp i kkr	Not	2022	2021
Den löpande verksamheten			
Resultat efter finansiella poster		-1 075 649	-515 217
Justering för poster som inte ingår i kassaflödet	23	1 095 054	515 595
Betald inkomstskatt		0	170
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**19 405**	**547**
Förändringar i rörelsekapital			
Ökning(-)/Minskning(+) av varulager		-135	-51
Ökning(-)/Minskning(+) av rörelsefordringar		60 310	-6 319
Ökning(+)/Minskning(-) av rörelseskulder		-57 534	277
Kassaflöde från den löpande verksamheten		**22 046**	**-5 545**
Investeringsverksamheten			
Lämnat aktieägartillskott		-27 160	-53 713
Förvärv av dotterföretag		0	0
Försäljning av dotterföretag		223	-
Förvärv av materiella anläggningstillgångar		-235	-221
Kassaflöde från investeringsverksamheten		**-27 172**	**-53 934**
Finansieringsverksamheten	24		
Upptagna lån		-	54 082
Amortering av lån		–	-6 000
Kassaflöde från finansieringsverksamheten		**0**	**48 082**
Årets kassaflöde		**-5 126**	**-11 397**
Likvida medel vid årets början		5 626	18 030
Kursdifferens i likvida medel		449	-1 007
Likvida medel vid årets slut	21	**949**	**5 626**

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Noter

Belopp i kkr om inget annat anges

Not 1 Redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och enligt Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade jämfört med tidigare år.

Avsättningar

En avsättning ska motsvara den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen. 4 kap. 15a ÅRL.
En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras. Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Bolagets säte

Diaverum Sweden AB bedriver verksamhet i associationsformen aktiebolag och har sitt säte i Malmö, Sverige. Huvudkontorets adress är Hyllie Boulevard 53, 215 37 Malmö.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Immateriella tillgångar

Övriga immateriella anläggningstillgångar
Övriga immateriella anläggningstillgångar som förvärvats är redovisade till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

Tillkommande utgifter
Tillkommande utgifter för en immateriell tillgång läggs till anskaffningsvärdet endast om de ökar de framtida ekonomiska fördelarna som överstiger den ursprungliga bedömningen och utgifterna kan beräknas på ett tillförlitligt sätt. Alla andra utgifter kostnadsförs när de uppkommer.

Avskrivningar
Avskrivningar enligt plan baseras på ursprungliga anskaffningsvärden minskat med restvärde.
Avskrivningarna sker linjärt över tillgångens beräknade nyttjandeperiod och redovisas som kostnad i resultaträkningen.

	Nyttjandeperiod
Förvärvade immateriella tillgångar	
Datalicenser inklusive utgifter för installationer	5 år

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas som tillgång i balansräkningen när de på basis av tillgänglig information är sannolikt att den framtida ekonomiska nyttan som är förknippad med innehavet tillfaller företaget och att anskaffningsvärdet för tillgången kan beräknas på ett tillförlitligt sätt.

Tillkommande utgifter
Tillkommande utgifter läggs till anskaffningsvärdet till den del tillgångens prestanda förbättras i förhållande till den nivå som gällde då den ursprungligen anskaffades. Alla andra tillkommande utgifter redovisas som kostnad i den period de uppkommer.

Avskrivningar
Avskrivningar enligt plan baseras på ursprungliga anskaffningsvärden minskat med beräknat restvärde. Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod.

	Nyttjandeperiod
Nedlagda utgifter på annans fastighet	5 år
Inventarier, verktyg och installationer	3-10 år

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag

Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Leasing

Alla leasingavtal redovisas som operationella leasingavtal.

Operationella leasingavtal
Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

Utländsk valuta

Poster i utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

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Varulager

Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt först in- först ut- principen. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

Finansiella tillgångar och skulder

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen

En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar

Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

Andelar i dotterföretag, intresseföretag och gemensamt styrda företag redovisas till anskaffnings-värde minskat med ackumulerade nedskrivningar.
I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Vid värdering till lägsta värdets princip respektive vid bedömning av nedskrivningsbehov anses företagets finansiella instrument som innehas för riskspridning ingå i en värdepappersportfölj och värderas därför som en post.

Värdering av finansiella skulder

Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivränte-metoden.

Ersättningar till anställda

Ersättningar till anställda efter avslutad anställning

Klassificering

Planer för ersättningar efter avslutad anställning klassificeras som avgiftsbestämda.

Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och har inte längre någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalat och den kapitalavkastning som avgifterna ger.

Avgiftsbestämda planer

Avgifterna för avgiftsbestämda planer redovisas som kostnad. Obetalda avgifter redovisas som skuld.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock särredovisas inte uppskjuten skatt hänförlig till obeskattade reserver eftersom obeskattade reserver redovisas som en egen post i balansräkningen. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdeberäknats.

Intäkter

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Koncernbidrag och aktieägartillskott

Företaget redovisar såväl erhållna som lämnade koncernbidrag som bokslutsdispositioner.

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Not 2 Nettoomsättning per rörelsegren och geografisk marknad

	2022	2021
Nettoomsättning per rörelsegren		
Ersättning för utförda behandlingar	91 791	88 228
Nettoomsättning per geografisk marknad		
Sverige	91 791	88 228

Not 3 Anställda, personalkostnader och arvoden till styrelse och revisorer

Medelantal anställda	2022	Varav män	2021	Varav män
Sverige	62	16%	62	12%
Summa	62	16%	62	12%

Könsfördelning i företagsledning	2022-12-31 Andel kvinnor	2021-12-31 Andel kvinnor
Styrelsen	0%	0%
Övriga ledande befattningshavare	80%	80%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2022			2021		
Belopp i kkr	Styrelse och VD	Övriga anställda	*Summa*	Styrelse och VD	Övriga anställda	*Summa*
Löner och andra ersättningar	1 143	35 341	36 484	2 052	30 889	32 941
Sociala kostnader	809	15 042	15 851	1 234	13 894	15 128
(varav pensionskostnader) 1)	*449*	*2 864*	*3 314*	*589*	*4 553*	*5 142*

1) Av företagets pensionskostnader avser 956 TSEK (f.å. 1 685 TSEK) företagets ledning som totalt består av 4 (4) personer.
Löner och ersättningar avser endast personal i Sverige.

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Arvode och kostnadsersättning till revisorer

Belopp i kkr	2022	2021
KPMG		
Revisionsuppdrag	-	-
Skatterådgivning	-	-
Andra uppdrag	-	-

Ovanstående sammanställning innehåller i bolaget kostnadsförda fakturor. Revisionsarvodet faktureras annat koncernbolag (Diaverum AB) och debiteras Diaverum Sweden AB via management fee. Totalt revisionsarvode och övriga arvoden fakturerat till Diaverum AB framgår i bolagets årsredovisning.

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra, samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 4 Avskrivningar av materiella och immateriella anläggningstillgångar

Belopp i kkr	2022	2021
Avskrivningar enligt plan fördelade per tillgång		
Inventarier, verktyg och installationer	5 051	6 177
	5 051	6 177
Avskrivningar enligt plan fördelade per funktion		
Kostnad för utförda behandlingar	5 042	6 166
Administrationskostnader	9	11
Summa	5 051	6 177

Not 5 Övriga rörelsekostnader

Belopp i kkr	2022	2021
Kursdifferenser	2 712	876
Summa	2 712	876

Not 6 Operationell leasing

Leasingavtal där företaget är leasetagare

Belopp i kkr	2022	2021
Framtida minimileaseavgifter avseende icke uppsägningsbara leasingavtal		
Inom ett år	7 259	6 053
Mellan ett och fem år	7 129	5 048
Mer än fem år	-	-
Summa	14 388	11 101

Belopp i kkr	2022	2021
Räkenskapsårets kostnadsförda leasingavgifter	7 255	6 933
Summa	7 255	6 933

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Not 7 Resultat från andelar i koncernföretag

Belopp i kkr	2022	2021
Utdelning från Diaverum International AB	16 070	0
Utdelning från Diaverum Metropoliten D.O.O.E.L,	6 513	0
Försäljning av Diaverum Ufa AB	223	0
Nedskrivning av Diaverum Holding Chile S.A	-45	0
Nedskrivning av Diaverum Ufa AB	0	-30 477
Nedskrivning av Diaverum International AB	-225 549	-218 303
Nedskrivning av Diaverum Assistência Médica e Nefrologica Ltda	0	-29
Nedskrivning av Diaverum Hong Kong Limited	0	-29 798
Nedskrivning av Diaverum Deutschland GmbH	-542 032	0
Nedskrivning av Geallium Handels AB	-260 694	0
Nedskrivning av Diaverum Assistência Médica e Nefrológica Ltda BRA	-47	0
Summa	**-1 005 560**	**-278 607**

Not 8 Ränteintäkter och liknande resultatposter

Belopp i kkr	2022	2021
Ränteintäkter	34	0
Summa	**34**	**0**

Not 9 Räntekostnader och liknande resultatposter

Belopp i kkr	2022	2021
Räntekostnader, koncernföretag	3 792	4 685
Räntekostnader, övriga	159	45
Kursdifferenser	0	754
Summa	**3 952**	**5 483**

Not 10 Skatt på årets resultat

Belopp i kkr	2022	2021
Aktuell skattekostnad	0	0
Uppskjuten skatt	0	0
Summa	**0**	**0**

Avstämning av effektiv skatt	2022		2021	
	%	Belopp	%	Belopp
Resultat före skatt		-1 066 625		-384 392
Skatt enligt gällande skattesats för moderföretaget	*20,6%*	219 725	*20,6%*	79 185
Ej avdragsgilla kostnader	*-21,0%*	-224 068	*-27,2%*	-104 520
Ej skattepliktiga intäkter	*0,4%*	4 698	*0,0%*	-
Aktivering av uppskjuten skatt	*0,0%*	-	*6,7%*	25 755
Räntebidrag	*0,0%*	-355	*-0,1%*	-420
Redovisad effektiv skatt	*0,0%*	0	*0,0%*	0

Not 11 Nedlagda utgifter på annans fastighet

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ackumulerade anskaffningsvärden		
Vid årets början	22 313	22 313
Årets anskaffningar	-	-
Avyttringar och utrangeringar	-	-
Vid årets slut	**22 313**	**22 313**
Ackumulerade avskrivningar		
Vid årets början	-16 170	-12 938
Återförda avskrivningar på avyttringar och utrangeringar	-	-
Årets avskrivningar	-2 892	-3 232
Vid årets slut	-19 062	-16 170
Redovisat värde vid årets slut	**3 251**	**6 143**

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Not 12 Inventarier, verktyg och installationer

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ackumulerade anskaffningsvärden		
Vid årets början	27 363	27 157
Årets anskaffningar	236	221
Avyttringar och utrangeringar	0	-15
Vid årets slut	27 599	27 363
Ackumulerade avskrivningar		
Vid årets början	-22 948	-20 018
Återförda avskrivningar på avyttringar och utrangeringar	0	15
Årets avskrivningar	-2 159	-2 945
Vid årets slut	-25 107	-22 948
Redovisat värde vid årets slut	2 492	4 416

Not 13 Andelar i koncernföretag

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ackumulerade anskaffningsvärden		
Vid årets början	2 386 499	2 000 997
Förvärv / aktieägartillskott	402 520	385 502
Avyttring	0	0
Omklassificeringar	-	-
Vid årets slut	2 789 019	2 386 499
Ackumulerade nedskrivningar		
Vid årets början	-888 880	-610 273
Avyttring	-	-
Omklassificeringar	-	-
Under året återförda nedskrivningar	-	-
Årets nedskrivningar	-1 028 367	-278 607
Årets uppskrivning	-	-
Vid årets slut	-1 917 247	-888 880
Redovisat värde vid årets slut	871 772	1 497 619

Spec av företagets innehav av andelar i koncernföretag

Dotterföretag / Org nr / Säte	Andel *i % i)*	31 dec. 2022	31 dec. 2021
Diaverum Deutschland GmbH, HRB176303, München, Tyskland	100,00%	40 642	555 514
Diaverum International AB, 556858-6589, Malmö, Sverige	99,00%	613 212	463 400
Diaverum Assistência Médica e Nefrológica Ltda, 35.219.214.556, SP, Brasilien	0,14%	161	208
Geallium Handels AB, 556942-8005, Malmö, Sverige	99,00%	74 260	334 954
Diaverum Ufa AB, 556866-5961, Malmö, Sverige	75,00%	0	0
Diaverum Metropoliten D.O.O.E.L, 4348648, Skopje, Makedonien	100,00%	143 497	143 497
Diaverum Holding Chile S.A., 76.136.543-6, Santiago, Chile	5,00%	1	46
Diaverum Hong Kong Limited, 2294807, Hong Kong, Kina	100,00%	0	0
Redovisat värde vid årets slut		871 772	1 497 619

Not 14 Fordringar hos moderföretag

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ackumulerade anskaffningsvärden		
Vid årets början	314 925	308 698
Tillkommande fordringar	375 361	314 925
Reglerade fordringar	-314 925	-308 698
Redovisat värde vid årets slut	375 361	314 925

Not 15 Andra långfristiga fordringar

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ackumulerade anskaffningsvärden		
Vid årets början	342	342
Tillkommande fordringar	-	-
Reglerade fordringar	-	-
Ackumulerade nedskrivningar		
Vid årets början	-	-
Årets nedskrivningar	-	-
Redovisat värde vid årets slut	342	342

Not 16 Varulager m m

Belopp i kkr	31 dec. 2022	31 dec. 2021
Råvaror och förnödenheter	874	739
Summa	874	739

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Not 17 Förutbetalda kostnader och upplupna intäkter

Belopp i kkr	31 dec. 2022	31 dec. 2021
Hyra	1 651	1 784
Försäkringar	27	47
Licenskostnader	189	161
Övriga poster	386	146
Summa	2 253	2 138

Not 18 Långfristiga skulder

Belopp i kkr	31 dec. 2022	31 dec. 2021
Skulder som förfaller mellan ett till fem år från balansdagen		
Skulder till koncernföretag	410 643	453 873
Övriga skulder	1 926	29 002
Summa	412 569	482 875

Not 19 Upplupna kostnader och förutbetalda intäkter

Belopp i kkr	31 dec. 2022	31 dec. 2021
Upplupna personalkostnader	7 653	6 425
Övriga poster	2 847	3 214
Summa	10 500	9 639

Not 20 Betalda räntor

Belopp i kkr	2022	2021
Erlagd ränta	3 792	3 990
Summa	3 792	3 990

Not 21 Kassa och bank

Belopp i kkr	31 dec. 2022	31 dec. 2021
Följande delkomponenter ingår i kassa och bank:		
Banktillgodohavanden	949	5 626
Summa	949	5 626

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:

- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Not 22 Ställda säkerheter och eventualförpliktelser

Belopp i kkr	31 dec. 2022	31 dec. 2021
Ställda säkerheter		
Andelar i koncernföretag	40 642	555 514
Övriga ställda panter och säkerheter	Inga	Inga
Summa	40 642	555 514

Eventualförpliktelser

Diaverum Deutschland GmbH har en kapitaltäckningsgaranti från Diaverum Sweden AB.

Not 23 Övriga upplysningar till kassaflödesanalysen

Justeringar för poster som inte ingår i kassaflödet m m

Belopp i kkr	31 dec. 2022	31 dec. 2021
Av- och nedskrivningar av tillgångar	5 051	6 177
Nedskrivningar/reversering av nedskrivningar	1 028 367	278 607
Orealiserade kursdifferenser	2 153	1 470
Rearesultat försäljning av anläggningstillgångar	-	-
Rearesultat försäljning av rörelse/dotterföretag	-223	0
Kostnadsförda men ej betalda räntor	133	695
Avsättning för kreditgaranti	59 573	228 646
Övriga ej kassaflödespåverkande poster	-	-
Summa	1 095 054	515 595

Not 24 Transaktioner som inte medför betalningar

Belopp i kkr	31 dec. 2022	31 dec. 2021
Aktieägaretillskott som inte medför betalningar, erhållit	375 361	331 789
Amortering av lån som inte medför betalningar	-	-
Aktieägaretillskott som inte medför betalningar, lämnat	-375 361	-331 789

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Not 25 Vinstdisposition

Styrelsen föreslår att fritt eget kapital, kronor 544 622 601, disponeras enligt följande:

Utdelning [1000 aktier * 15 015 kr]	15 015 179
Balanseras i ny räkning	529 607 422
Summa	544 622 601

Not 26 Antal aktier och kvotvärde

	31 dec. 2022	31 dec. 2021
Antal aktier, st	1 000	1 000
Kvotvärde, kr	100	100

Not 27 Koncernuppgifter

Företaget är helägt dotterföretag till Diaverum Holding AB, org nr 556717-6150 med säte i Malmö.
Diaverum Holding AB ingår i en koncern där Diaverum S.à r.l., org nr B129921, med säte i Luxemburg upprättar koncernredovisning.

Inköp och försäljning inom koncernen
Av företagets totala inköp avser 319 TSEK andra företag inom koncernen och av företagets totala nettoomsättning avser 0 TSEK andra företag inom koncernen.

Not 28 Obeskattade reserver

Ackumulerade avskrivningar utöver plan

Belopp i kkr	31 dec. 2022	31 dec. 2021
Vid årets början	443	443
Årets avskrivningar utöver plan	0	0
Utgående balans vid periodens slut	443	443

Not 29 Nyckeltalsdefinitioner

Rörelsemarginal:	Rörelseresultat / Nettomsättning
Balansomslutning:	Totala tillgångar
Soliditet:	Justerat eget kapital / Totala tillgångar

Not 30 Händelser efter balansdagen

Den 19 april 2023 kommunicerades att M42, ett Abu Dhabi baserat bolag, förvärvar 100% av aktierna i Diaverum AB som är moderbolag i Diaverum AB-koncernen i vilken Diaverum Sweden AB ingår. Förvärvet är villkorat av att berörda konkurrensmyndigheter ger sitt godkännande, vilket förväntas ske under det andra halvåret 2023.

Under maj 2023 startade upphandlingen för nytt vårdavtal (från 2024-01-01) gällande de fyra klinikerna Järfälla, Nacka, Solna och Södertälje.

Malmö 2023-06-26

Annica Rosenborg
Verkställande direktör

Dimitrios Moulavasilis
Ordförande

Hans Abrahamsson

Björn Brixer

Vår revisionsberättelse har lämnats 2023-06-26
KPMG AB

Jonas Nihlberg
Auktoriserad revisor

20230630023316

Revisionsberättelse

Till bolagsstämman i Diaverum Sweden AB, org. nr 556209-2790

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Diaverum Sweden AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Diaverum Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Diaverum Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i *revisionsberättelsen fästa uppmärksamheten på upplysningarna* i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Diaverum Sweden AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Diaverum Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

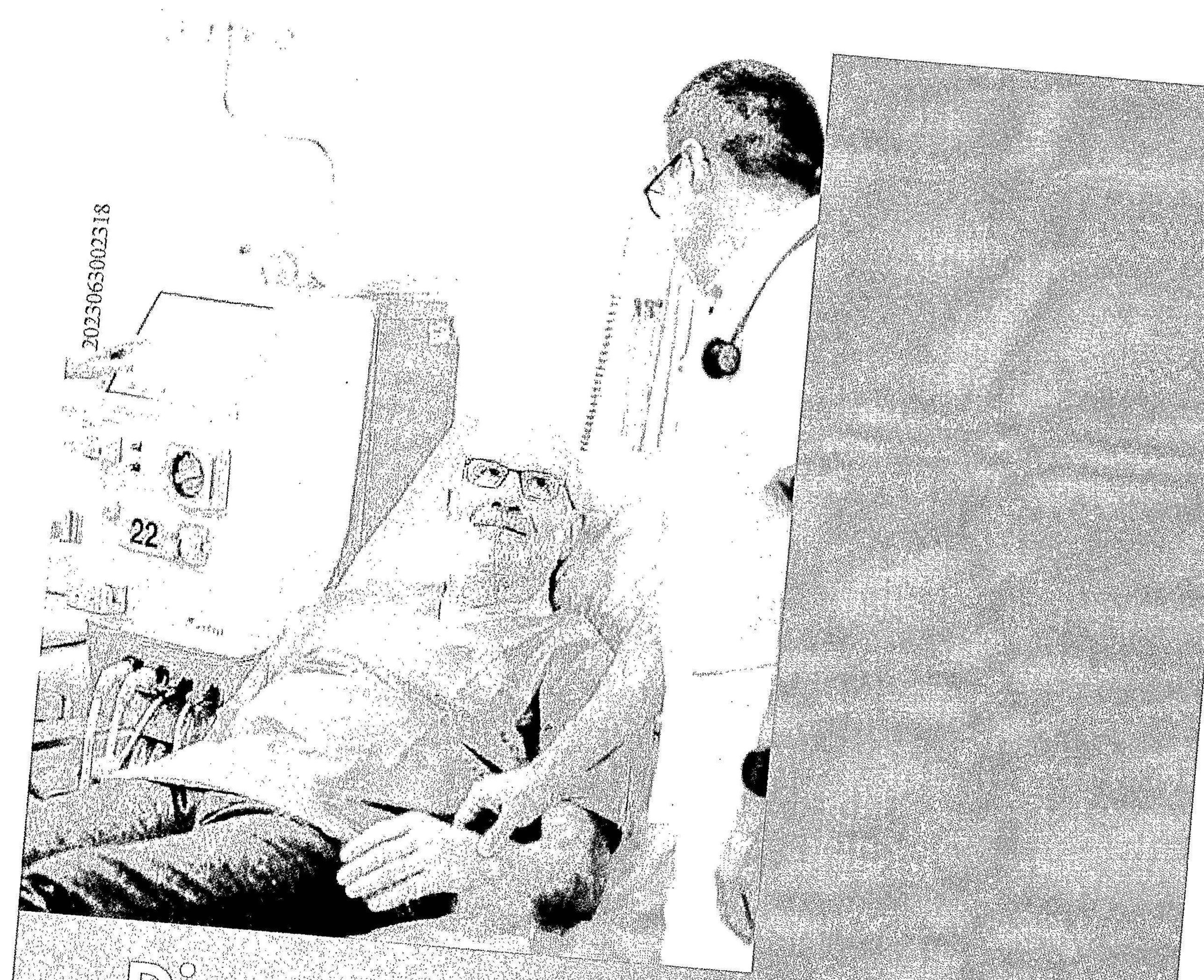
Anmärkning

Bolaget har vid ett antal tillfällen inte betalat skatter och avgifter i rätt tid.

Malmö den 26 juni 2023

KPMG AB

Jonas Nihlberg
Auktoriserad revisor



Diaverum S.à r.l.

Consolidated Financial Statements for the year ended 31 December 2022

(With the report of the Réviseur d'Enterprises Agréé thereon)

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Management Report

Business overview

Diaverum S.à r.l. is the parent company of Diaverum AB, a leading global provider of renal care services and the largest independent provider in Europe.

Diaverum has been providing dialysis services for more than 30 years – initially as part of the Gambro Group and since 2007 as an independent company. In 2007, the Gambro Healthcare division was acquired by Velox Bidco S.à r.l. and, later renamed to Diaverum Holding S.à r.l., an independent group 100% dedicated to renal services.

The Diaverum Group aims to deliver best-in-class medical outcomes for patients and value for payers through its scale and expertise in clinical operations, patient care, digital infrastructure, scientific affairs and education. Its focus on patient-centred care and ability to offer flexible and unique digital solutions in care delivery & coordination position Diaverum as an innovative developer in the renal business arena.

Diaverum's vision is "to transform renal care, offering the highest quality of care and empowering patients to live a fulfilling life". The company works together with payers to reduce the total cost of care while partnering with local communities to educate around health and the value of prevention, as to become the first choice for patients and the preferred partner for key stakeholders such as healthcare ministries, Trusts and university hospitals. Employees, patients and partners benefit from Diaverum's culture of True care, high standards of clinical policies and procedures, thorough internal & external audits and awarded training programmes. World-class scientific activities focus on the needs and demands of the patients and their results are regularly published in renowned international medical publications. The scientific results serve as proof of the value Diaverum delivers to health care systems around the world.

In Diaverum's current countries of operation, haemodialysis (HD) is the primary treatment modality with a market share of more than 90% in most of these. The company's in-centre hemodialysis (HD) and peritoneal dialysis (PD) treatments currently account for 95% (95) of the revenues.

Diaverum operated 437 clinics in 23 markets and served 39,000 HD and PD permanent patients as of 31 December 2022. A patient typically needs to visit a Diaverum clinic three times every week, which provides for stability and predictability in operations.

Events during the financial year

In line with its expansion strategy, Diaverum further strengthened its position during the year, with acquisitions adding 5 new clinics in Chile and Morocco. Moreover, during the year Diaverum opened 11 new clinics, whereof 4 in Kazakhstan, 2 in the UK, 2 in China, 1 in France, 1 in Portugal and 1 in Russia. During the year Diaverum exited the Argentinean market and divested the renal and transplant business (32 clinics, c. 3,300 patients) as a sale was seen as the best strategic alternative given the macroeconomic deterioration of the country. To optimize the portfolio the group also merged and divested a net of -11 units mainly in Italy, Singapore and Portugal. The net inflow of 1,722 permanent patients (excluding Argentina impact) derives mainly from new business. Like-for-like units increased by 648 with inflow and mortality turning back towards pre-pandemic levels.

Russia's invasion of Ukraine. Diaverum does not have any operations in Ukraine. Diaverum's Russian operations are relatively small with 20 clinics, 1,300 patients, EUR 16 million in revenue and a very limited earnings contribution to the group. The haemodialysis services provided by the Diaverum Group for patients with chronic kidney disease are critical for the patients to stay alive and successively missed treatments will lead to a rapid deterioration in the patients' health and well-being. Diaverum is thus working to ensure that its operations in Russia can continue without interruption and in compliance with all relevant laws and regulations. Diaverum's Russian operations have supplies on-hand and sufficient working capital to cover their needs in the medium term. Diaverum's Russian business is limited to life-sustaining medical treatments which is not an industry sector specifically targeted by sanctions and further only imports medical products it requires to treat its patients. During 2022, Diaverum recognized an impairment loss on goodwill in Russia after which goodwill allocated to the cash-generating unit in Russia was fully impaired.

FACTS AND FIGURES

Sales

The customers of the Group are comprised mainly, either directly or indirectly, of publicly funded insurance systems. Net sales are achieved through reimbursements from these systems, based on performed treatments.

The systems and how licenses or agreements are distributed vary in the different markets, as well as the length of these agreements. The level of privatisation and competition in the respective markets also vary. All these circumstances affect to what extent and in what way the Group approaches different markets, as well as their underlying profitability.

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For the Financial Year 2022, the Group reached revenues of EUR 920.3 million (881.2), an increase of 4.4% versus the previous year. Growth was mainly driven by a net of 5 new clinics (excluding Argentina), whereof 5 were added through acquisition, 11 by tender awards or greenfield units while -11 were divested, merged or closed. Measured at fixed exchange rates, organic growth reached 3% (excluding Argentina), acquisitions contributed with 1% while divestment effect was -3% and currency impacted positively with 3%. The number of treatments during the full year increased by -1% but +3% excluding Argentina divestment and amounted to EUR 6.3 million (6.0 excluding Argentina) with Brazil, Kazakhstan, Chile, China and Morocco being the main contributors.

Earnings

Results from operating activities (EBIT) for the financial year reached EUR 10.2 million (96.3). The result from operating activities in 2022 was impacted by disposal business of EUR -69.3 million, see note 35. Reported operating margin (EBIT) was 1.1% (10.9%).

Depreciation and amortisation amounted to EUR 87.9 million (76.4). The net profit before tax amounted to EUR -67.5 million (-23.4).

Research and Development

While the Group is very active in the field of science, it does not treat R&D as a separate cost item but rather part of its operating expenses.

Business combination and Disposal Businesses

Acquisitions with a total consideration transferred of EUR 8.7 million (70.3), related to Brazil, Chile, and Morocco, were made during 2022. Other capital expenditure amounted to EUR 61.9 million (58.0).

During the year Diaverum ended its presence in Argentina. 31 clinics and one transplant facility were sold in two separate transactions. Two legal entities in China were also divested. The total consideration transferred was EUR 3.0 million.

Equity & Preferred Equity Certificates

The equity of the Group, including non-controlling interest and Preferred Equity Certificates (PEC), amounts to EUR -183.7 million (-142.7). The Preferred Equity Certificates, held by the shareholders, amount to EUR 1,453.6 million (1,446.3). There are no contractual payments (interests or amortisations) related to the PEC before the year 2037. Management is not aware of any issues that could cause doubt over the Company's ability to continue under a going concern assumption.

Cash and cash equivalents at the end of the period amounted to EUR 133.7 million (104.8).

Risks and uncertainties

Risks related to the Group's business activities include changes in the market and the competitive situation, as well as failure to deliver world-class renal care. The global nature of the Group's business implies a dependence on the different local economic, social and political conditions, together with laws and practices. This means that changes to reimbursement systems, including government decisions on how and by whom future renal care shall be provided, can affect the Group. The Group's ability to compete successfully, to maintain and develop its market position, depends on its capacity to provide life-enhancing renal care with superior medical outcomes and personalised caring support, in a cost-efficient way.

The Group's strategy to fulfil this is based, among other things, on the Constant Quality Improvement programme (CQI), which contributes to an ongoing improvement in clinical care, based on the sharing of experience and comparison to the best available evidence standards. In addition, to secure continual success, it is important to maintain a close relationship with the Group's stakeholders, to closely monitor changes in local market conditions, as well as to consistently work on improving clinical operational efficiency.

For further information regarding the principal risks and uncertainties in the business, objectives & policies with regards to financial risk management and exposure to financial risk, please refer to note 28 (Financial Instruments).

Human Resources

In 2022, the average number of employees amounted to 9,648 (10,446).

A majority share of the employees consists of medically trained personnel, such as doctors and nurses, who work in Diaverum clinics around the world.

Staff supply is key to continued growth. In order to continue to attract skilled healthcare professionals, the Group works in a structured way to build and maintain its strong company culture, known as True care. The culture is driven by the core values focused on delivery of life-enhancing renal care – competency, passion and inspiration. There are annual employee surveys, including a feeding back loop for suggested improvements. Training and development are core to attracting and retaining the best people and Diaverum has developed a best-in-class training platform - d.ACADEMY - to ensure that its people are competent in the delivery of high-quality kidney care. To address medical staff challenges, the Group is also about to deploy an IT-based process support system to standardise and facilitate the hemodialysis service (Treatment Guidance System, TGS).

Significant events after the end of the financial year

No significant events occurred subsequent to 31 December 2022.

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Board of Managers and Group Management
The board of managers consisted, at closing date, of Christopher Bley, Davy Beauce, David Antoine, Rémy Cornet, Matthieu Dion and Céline Dumazert.

The Group Management consisted, at closing date, of Dimitris Moulavasilis, Björn Brixer, Nataliya Das, Fernando Macário, Hans Abrahamsson, Zoltan Szepesi, Kirsty Bashforth and Andreas Fagher.

Ownership Structure
As of end of 2022, Bridgepoint Capital (Nominees) Limited, situated in the United Kingdom, holds; 60.49% (60.49) of the ordinary share capital in Diaverum S.à r.l. and 71.16% (71.16) of the non-redeemable preference shares. In total, the shares controlled by Bridgepoint Capital (Nominees) Limited represent 68.68% (68.68) of the votes. The remaining part of the total share capital and votes, 31.32% (31.32), are held by other private and institutional investors.

Outlook for 2023
The company is dedicated to continued organic and M&A-led growth. The Group is focused on the continued development of its existing markets, entering new markets, and expanding its service offering. One of its cornerstones is structured sharing of best practice between different clinics and countries. Local presence means that Diaverum has a very good understanding of the systems, patients and local circumstances that exist in each country. The combination of local insight and global perspective is fundamental to Diaverum continuing its path as one of the world's leading providers of renal care services.

Diaverum makes financial forecasts on a regular basis for all its cash generating units. The cash flow projections for the Group did not result in any doubt about the Group's ability to meet its future payment obligations.

Diaverum is consistent in its enterprise risk management with risk identification, assessment, management, monitoring and reporting of risks. No key risks have been identified.

Luxembourg, 23 March 2023

Matthieu Dion

David Antoine

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Consolidated statement of profit or loss

1 January–31 December

EUR thousand	Note	2022	2021
Revenue	3	920,263	881,182
Costs of sales	9	-712,376	-672,926
Gross profit		**207,887**	**208,256**
Other income	5	8,956	9,374
Administrative and selling expenses	9	-134,863	-119,712
Other expenses	6	-2,516	-1,986
Disposal of businesses	35	-69,280	-
Share of profit of joint ventures, net of tax		-14	379
Operating profit		**10,170**	**96,311**
Finance income		2,163	304
Finance costs		-79,872	-73,219
Net finance costs	10	**-77,709**	**-72,915**
Profit (loss) before tax		**-67,539**	**23,396**
Income tax expense	11	-25,566	-24,601
Profit (loss) for the period		**-93,105**	**-1,205**
Profit (loss) attributable to:			
Owners of the parent company		-93,773	-1,652
Non-controlling interests	33	668	447
		-93,105	**-1,205**

The notes on pages 11 to 53 are an integral part of these special purpose consolidated financial statements.

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Consolidated statement of profit or loss and other comprehensive income

1 January–31 December

EUR thousand	Note	2022	2021
Profit (loss) for the period		**-93,105**	**-1,205**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plans	23	-315	-416
Related tax	11	56	79
		-259	**-337**
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on foreign operations		14,873	7 835
Reclassification of exchange differences on disposed foreign operations	35	39,244	-
		54,117	**7 835**
Other comprehensive income (loss) for the period, net of tax		**53,858**	**7 498**
Total comprehensive income (loss) for the period		**-39,247**	**6 293**
Total comprehensive income (loss) attributable to:			
Owners of the parent company		-39,191	5,939
Non-controlling interests	33	-56	354
Total comprehensive income (loss) for the period		**-39,247**	**6,293**

The notes on pages 11 to 53 are an integral part of these special purpose consolidated financial statements.

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Consolidated statement of financial position

EUR thousand	Note	31 Dec. 2022	31 Dec. 2021
Assets			
Goodwill	12	782,453	805,399
Other intangible assets	13	24,437	25,013
Property, plant and equipment	14	242,365	240,331
Right-of-use assets	29	140,459	164,116
Equity interest in joint ventures	15	150	132
Non-current receivables	16	9,231	8,336
Deferred tax assets	11	13,291	17,457
Non-current assets		**1,212,386**	**1,260,784**
Inventories	17	29,173	36,991
Current tax assets		13,008	15,714
Trade receivables	28	108,405	140,784
Other current receivables	18	8,599	11,019
Prepaid expenses and unbilled revenue	19	46,913	23,517
Cash and cash equivalents	20	133,724	104,829
Current assets		**339,822**	**332,854**
Total assets		**1,552,208**	**1,593,638**
Equity			
Share capital		43,000	43,000
Reserves		6,700	-48,141
Retained earnings		-1,692,544	-1,589,725
Equity attributable to owners of the parent company	21	**-1,642,844**	**-1,594,866**
Non-controlling interests	33	5,549	5,806
Total equity		**-1,637,295**	**-1,589,060**
Liabilities			
Preferred Equity Certificates to equity holders	22	1,453,557	1,446,328
Loans and borrowings	22	1,311,783	1,289,658
Leasing liabilities	29	121,225	141,387
Other non-current liabilities	25	3,396	6,970
Pensions and other long-term employee benefits	23	18,302	14,838
Provisions	24	449	2,292
Deferred tax liabilities	11	23,284	28,076
Non-current liabilities		**2,931,996**	**2,929,549**
Loans and borrowings	22	8,809	9,157
Leasing liabilities	29	29,650	29,287
Current tax liabilities		17,827	14,845
Trade payables	28	55,156	60,427
Other current liabilities	25	26,239	27,039
Accrued expense and deferred income	26	119,631	112,281
Provisions	24	195	113
Current liabilities		**257,507**	**253,149**
Total liabilities		**3,189,503**	**3,182,698**
Total equity and liabilities		**1,552,208**	**1,593,638**

The notes on pages 11 to 53 are an integral part of these special purpose consolidated financial statements.

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Consolidated statement of changes in equity

	Attributable to owners of the parent company						
EUR thousand	Share capital	Reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2020	43,000	-459	-55,749	-1,588,197	-1,601,405	6,258	-1,595,147
Total comprehensive income for the period							
Profit (loss) for the period	-	-	-	-1,652	-1,652	447	-1,205
Other comprehensive income for the period	-	-	7,928	-337	7,591	-93	7,498
Total comprehensive income for the period	**-**	**-**	**7,928**	**-1,989**	**5,939**	**354**	**6,293**
Dividend to holders of NCI	-	-	-	-	-	-225	-225
Acquisition of NCI without change of control	-	-	139	461	600	-600	0
Acquisition of subsidiaries with non-controlling interest	-	-	-	-	-	19	19
Balance at 31 December 2021	**43,000**	**-459**	**-47,682**	**-1,589,725**	**-1,594,866**	**5,806**	**-1,589,060**
Balance at 31 December 2021	43,000	-459	-47,682	-1,589,725	-1,594,866	5,806	-1,589,060
Total comprehensive income for the period							
Profit (loss) for the period	-	-	-	-93,773	-93,773	668	-93,105
Other comprehensive income for the period	-	-	54,841	-259	54,582	-724	53,858
Total comprehensive income for the period	**-**	**-**	**54,841**	**-94,032**	**-39,191**	**-56**	**-39,247**
Dividend to holders of NCI	-	-	-	-	-	-201	-201
Acquisition of NCI without change of control	-	-	-	-8,787	-8,787	-	-8,787
Balance at 31 December 2022	**43,000**	**-459**	**7,159**	**-1,692,544**	**-1,642,844**	**5,549**	**-1,637,295**

The notes on pages 11 to 53 are an integral part of these special purpose consolidated financial statements.

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Consolidated statement of cash flow

1 January–31 December

EUR thousand	Note	2022	2021
Cash flows from operating activities			
Profit (loss) for the period		-93,105	-1,205
Adjustments for:			
- Depreciation and impairment	14, 29	82,146	72,597
- Amortisation of intangible assets	13	5,728	3,837
- Impairment losses related to goodwill	12	36,461	22,854
- Share of profit of joint venture, net of tax		14	-379
- Net finance costs	10	77,709	72,915
- Income tax expense	11	25,566	24,600
- Disposal of businesses	35	69,280	-
- Other non-cash items		244	-4,388
		204,043	**190,831**
Changes in:			
- Inventories		3,976	-2,969
- Trade receivables and other receivables		-17,756	-17,535
- Trade payables and other payables		21,311	-11,088
Provision and pension		2,133	1,217
Cash generated from operating activities		**213,707**	**160,456**
Dividends received from joint venture		-	9,013
Income tax paid		-30,730	-29,404
Net cash from operating activities		**182,977**	**140,065**
Cash flows from investing activities			
Interest received		565	211
Acquisition of intangible assets	13	-4,793	-6,617
Acquisition of property, plant and equipment	14	-57,120	-51,379
Proceeds from sale of property, plant and equipment	14	1,148	767
Acquisition of subsidiaries, net of cash acquired	4	-10,122	-22,040
Proceeds from disposal business	35	-5,174	-
Acquisition of financial assets		-1,098	-5,276
Net cash used in investing activities		**-79,594**	**-84,334**
Cash flow from financing activities			
Dividend to holders of non-controlling interests		-169	-189
Payment of liabilities to holder of non-controlling interests		-	-2,409
Interest paid		-65,514	-42,794
Proceeds from loans and borrowings	34	69,905	210,706
Repayment of loans and borrowings	34	-55,734	-191,725
Change in bank overdraft	34	3,603	4,721
Payment of lease liabilities	34	-32,361	-30,340
Net cash from (+) / used in (-) financing activities		**-80,270**	**-52,030**
Net increase/decrease in cash and cash equivalents		**26,113**	**3,701**
Cash and cash equivalents at 1 January		**104,829**	**98,535**
Effect of exchange rate fluctuations on cash held		2,782	2,593
Cash and cash equivalents at 31 December	20	**133,724**	**104,829**

The notes on pages 11 to 53 are an integral part of these special purpose consolidated financial statements.

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Notes to the consolidated financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also section (f) below).

(a) Reporting entity

Diaverum S.à r.l. (the "Company") is a limited liability company (société à responsabilité limitée) domiciled in Luxembourg which, was formed on 20 June 2007 in the name of Velox Holdco S.à r.l. The address of the Company's registered office is 6B, Rue du Front Niedergrünewald, L-2226 Luxembourg. The consolidated financial statements of the Company, which reflects the Group's financial year as from 1 January 2022 up and until 31 December 2022, comprise the Company and its subsidiaries (together referred to as the "Group" or "Diaverum" and individually as "Group entities"). The Group's primary business is patient care including clinic management in the renal services market.

(b) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Events that provide evidence of conditions that existed at the end of the reporting period are adjusted for (adjusting events) whereas events that are indicative of conditions that arose after the reporting period not adjusted for (non-adjusting events), but disclosed (see note 36).

When preparing the financial statements, management has considered events up to the date of authorisation 23 March 2023 of the financial year as of and for the year ended 31 December 2022.

(c) Basis of accounting

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The annual report and the consolidated financial statements were authorised for issue by the Company's board of directors and the chief executive officer on 23 March 2023.

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments. Derivative financial instruments and liabilities for contingent consideration are measured at fair value whereas all other financial instruments are measured at amortised cost.

(e) Functional and presentation currency

The consolidated financial statements are presented in Euro, which is the functional currency of Diaverum S.à r.l. and the presentation currency for the Group. All financial information presented in Euro has been rounded to the nearest thousands, except when otherwise indicated, and consequently the sum of individual figures can deviate from the total.

(f) Use of estimates and judgements in the financial reports

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements as well as information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk and resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are provided in note 2.

(g) Changes in significant accounting policies

A number of changes to IFRS were effective from 1 January 2022, but they did not have a material effect on the Group's financial statements.

(h) Standards and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective as of 1 January 2023 or later. The Group has not early adopted any new or amended standards in preparing these consolidated financial statements. None of the standards, amendments to standards and interpretations issued, but not yet effective, are expected to have a significant impact on the Group's financial statements.

(i) Operating segments

The Group does not disclose segment information as it does not have debt or equity instruments traded in a public market.

(j) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled – directly or indirectly – by Diaverum S.à r.l. The Group controls an entity when

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it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Business combinations

Diaverum accounts for business combinations using the acquisition method when control is transferred to the Group. The following steps are considered:

- Identifying the acquirer and determining the acquisition date.
- Recognising and measuring of the identifiable assets acquired, the liabilities assumed and any non-controlling interest (NCI) in the acquiree.
- Recognising and measuring goodwill as:
- the fair value of the consideration transferred including contingent consideration and any liabilities for put options to NCI; plus
- the recognised amount of any NCI; plus
- if the business combinations is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuing of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss.

Any contingent consideration payable is measured at fair value on the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Increases in the fair value of the contingent consideration are reported as "Other expenses" and decreases in the fair value as "Other income". Interest from the unwinding of discounting on the liabilities for contingent consideration is presented as "Interest expense".

If payments for earn-outs are tied to the continued employment or sub-contracting of a seller, these earn-outs are considered as remuneration for future services and not as additional consideration for the business.
If the acquisition accounting is provisional, the acquisition accounting will be revised if the Group obtains new information within one year from the acquisition date.

(iii) Non-controlling interests

NCIs are measured at their proportionate share of the acquiree's identifiable net assets on the acquisition date or at fair value. The choice is made for each business combination. Acquisitions of NCIs are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to NCIs arising from transactions that do not involve the loss of control are based on a proportionate amount of the Group's value of net assets of the subsidiary.

A put option issued to NCI that could require the Group to purchase the shares in the acquiree held by NCI results in the Group recognising of a financial liability for the present value of the redemption amount. IFRS does not specify how the debit side of the transaction is to be accounted for. However, the Group has chosen to apply the so-called anticipated acquisition method (AAM). Under AAM, the NCI that hold the written put option are derecognised when the financial liability is recognised. The underlying interests, profits and losses attributable to the holder of the NCI are presented as already owned by the entity, both in the statement of financial position and in the statement of profit or loss and OCI, even though legally they are still NCI. Changes in the carrying amount of the NCI put liability is recognised in equity (including changes due to accretion of interest).

(iv) Loss of control

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCIs and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Equity interests in joint ventures

The Group had an equity interest in a joint venture in the Kingdom of Saudi Arabia. During 2021, the Group acquired the shares held by the joint venture partner. Following the acquisition, the Group owns 100% of the former joint venture in Saudi Arabia and consolidates the entity as a wholly owned subsidiary from the date of acquisition. An acquisition of the shares held by a joint venture partner whereby the acquirer gains control over the joint venture is a business combination achieved in stages, whereby the acquisition is effectively seen as a sale of the joint venture and acquisition of a subsidiary. Consequently, the Group remeasured its previously held equity interest in the joint venture at fair value and reported a minor loss from revaluation as part of "Other operating expenses". The performance price allocation performed for the acquired subsidiary resulted in a bargain purchase for the Group and a gain reported in "Other operating income". The bargain purchase was mainly the result of the price for the joint venture having been set at signing in late 2020, whereas the acquisition date was not until 1 July 2021 when the Group had received the necessary regulatory approvals from

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the authorities in the Kingdom of Saudi Arabia. The profits accumulated in the joint venture between the signing of the purchase agreement and the acquisition date more than half a year later resulted in the business combination being a bargain purchase.

Prior to the acquisition date, the Group accounted for its joint venture using the equity method. The consolidated financial statements include the Group's share of the profit or loss (net of tax) and other comprehensive income (OCI) of the joint venture prior to the acquisition date.

The Group considered the joint venture to be integral to the operating business of the Group and therefore chose to present the Group's share of profit from the joint venture within "Operating profit".

The Group also has a joint venture in Malaysia and the Sultanate of Oman. However, as per 31 December 2022, the Group was in the process of closing down the joint venture in the Sultanate of Oman. The joint ventures in Malaysia and the Sultanate of Oman are also accounted for using the equity method as described above.

For more information on the joint ventures, see note 15.

(vi) Transactions with joint ventures

Prior to the acquisition of the joint venture in Saudi Arabia, the Group purchased routine supplies, leased equipment and purchased maintenance and training services related to the leased equipment from its joint venture. The costs of the purchased services and the leases are included in "Costs of sales". Following the purchase of the joint venture in 2021, these transactions are between consolidated Group entities and does therefore not impact the consolidated financial statements of the Group. For information on the transactions, see note 27.

(vii) Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and expenses and unrealised profit or losses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised profit, but only to the extent that there is no evidence of impairment.

(k) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the date of the transaction day. The functional currency is the currency of the primary economic environments in which the company operates. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency using the exchange rate at the reporting date. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities measured at fair value are translated into the functional currency at the exchange rate on the date the fair value was determined and the exchange rate change is then reported in the same way as other changes in the value of the asset or liability.

Foreign currency differences from transactions in foreign currencies are recognised in profit or loss. Gains and losses related to assets and liabilities of an operating function are presented net within "Other income" or "Other expense", whereas gains and losses on assets and liabilities that relate to the financing function are reported net within "Finance income" or "Finance costs".

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into Euro at an average rate approximating the rates on each transaction day. Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests. For the treatment of retranslation of foreign operations in hyperinflationary economies, see section (l) below.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur, then foreign currency differences from such item form part of the net investment in the foreign operation. Such differences, if they occur, are recognised in OCI and accumulated in the translation reserve.

(l) Foreign operations in hyperinflationary economies

The Group had operations in Argentina that were divested during 2022, see note 35. Argentina has been declared a hyperinflationary economy under the criteria in IAS 29 Financial Reporting in Hyperinflationary Economies. Prior to divestment, the Group applied IAS 29 for its operations in Argentina. The financial statements of the Argentinian entities were first restated to compensate for the loss of purchasing power of the Argentine Peso (ARS) during the period. Restatement was made using the consumer price index (CPI) in Argentina as published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). As a result, the financial statements were stated at the current purchasing power at the reporting date under the so-called "current purchasing power concept". Assets (including goodwill) and liabilities as well as income and expenses in the inflation-adjusted financial statements of the Argentinian entities were then as a second step translated from ARS into Euro (EUR) by using the closing rate at the reporting date.

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(m) Revenue

(i) Revenue from dialysis treatments

The Group's revenues consists mainly of revenues from dialysis treatments. The Group's customers are typically national or regional public healthcare authorities, but may also be private insurance providers. The contracts with the customers generally require Diaverum to provide dialysis services to patients for an agreed-upon fee for each treatment.

Diaverum considers each type of dialysis treatment provided in accordance with the contracts with the customers to be a series of distinct services that are "substantially the same". Each treatment also has the same "pattern of transfer" to the customer since the customer (i.e. the insurance provider) simultaneously receives and consumes the benefits of the treatments provided to patients. Hence, the performance obligation in the contracts with the Group's customers is to provide a series of dialysis treatments to patients (under circumstances specified in the contracts).

Since the customer (i.e. the insurance provider) simultaneously receives and consumes the benefits of the treatments provided to patients, the performance obligations in the contracts are considered to be satisfied over time. Since the Group generally has a right to consideration for the treatments provided that directly corresponds to the number of treatments provided, the Group has elected to apply the practical expedient in paragraph B16 of IFRS 15 Revenue from Contracts with Customers that allows an entity to recognise revenue in the amount to which the entity has a right to invoice. This effectively means that revenues are recognised as treatments are performed.

(n) Leases

The majority of the Group's lease contracts relate to properties, i.e., hospitals and clinics. Rental contracts are typically made for fixed periods of 5 to 15 years, but many contracts have extension and termination options. These terms are used to maximise operational flexibility in terms of managing contracts. At lease inception, the Group assesses whether it is reasonably certain to exercise an extension or termination option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control or when the non-cancellable period is changed. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets and corresponding liabilities on the date at which a leased asset is available for use by the Group. Each lease payment is allocated between the instalment on the lease liability and financial cost. The finance cost is recognised in profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments when applicable:

» Fixed payments less any lease incentives receivable.
» Variable lease payment that are based on an index or a rate.
» Amounts expected to be payable under residual value guarantees.
» The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
» Payments of penalties for termination of the lease, if termination is reflected in the assessment of the lease term.

According to IFRS 16, the discount rate to be used when measuring the initial amount of lease liability is primarily the interest rate implicit in the lease. If that rate cannot be determined, the standard specifies that the lessee's incremental borrowing rate should be used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The majority of the Group's leases relate to leases of clinics, offices and other properties for which the implicit rate cannot be determined. Instead, the incremental borrowing rate are used for such leases. The Group determines the incremental borrowing rate by obtaining interest rates in the currency in which the leasing payments are denominated. The rates are obtained from external financing sources and the Group makes adjustments to reflect the terms of the lease (such as the leasing period) and the type of asset leased (such as considering the quality of the underlying asset as collateral in a borrowing transaction and the impact of the collateral on the incremental borrowing rate).

After initial recognition, the lease liabilities are measured at amortised cost using the effective interest rate method. The lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The lease liabilities are also remeasured when there is a change in the non-cancellable leasing period. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset (or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero).

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Right-of-use assets are initially measured at cost comprising the following:

» The amount of the initial measurement of lease liability.
» Any lease payments made at or before the commencement date less any lease incentives received.
» Any initial direct costs incurred by the lease.
» An estimation of restoration costs.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases with a lease term of 12 months or less and for leases of low value assets (a value of EUR 5 thousand or less). The lease payments for such leases are recognised as an expense on a straight-line basis over the lease term.

(o) Finance income and finance costs

Financial income consists of interest income on interest bearing financial assets and foreign exchange gains that arise when translating monetary assets and monetary liabilities denominated in foreign currencies into the functional currency.

Financial costs consist of interest expense on loans and borrowings, on loans from shareholders, on leasing liabilities and from the unwinding of discounting on financial liabilities for contingent consideration. Financial costs also include foreign exchange losses that arise when translating monetary assets and monetary liabilities denominated in foreign currencies into the functional currency.

Interest income and interest expense is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. The calculation includes transaction costs, fees and points paid or received by the Group that are an integral part of the effective interest rate as well as other premiums or discounts.

Foreign currency gains and losses are reported on a net basis.

(p) Income tax

Incomes tax expense comprise current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. The Group has determined that interest and penalties related to income taxes, including those relating to uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill, initial recognition of assets and liabilities in a transaction which is not a business combination and at the time of the transaction affects neither reported or taxable earnings or for temporary differences attributable to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of such temporary differences and it is probable that they will not reverse in the near future.

Deferred tax assets relating to deductible temporary differences and unused tax losses are recognised only to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income tax, if any.

(iii) Offsetting

Current tax assets and current tax liabilities are offset only if the entities concerned have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A legally enforceable right to set off a current tax asset against a current tax liability normally exists when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entities to make or receive a single net payment.

Deferred tax assets and deferred tax liabilities are offset only if the entities have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and

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assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments recognised in the statement of financial position include, on the asset side, trade receivables, other receivables and cash and cash equivalents. Financial liabilities consists of loans and borrowings, trade payables and other payables.

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus transaction costs directly attributable to its acquisition or issue. Transaction costs are, however, not included in the initial carrying amount of financial assets and financial liabilities measured at fair value through profit or loss. Trade receivables are initially measured at the transaction price determined under IFRS 15.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income of fair value through profit or loss. All of the Group's financial assets are measured at amortised cost using the effective interest rate method since they are held to collect the contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

All of the Group's financial liabilities are measured at amortised cost using the effective interest rate method, except for liabilities for contingent consideration, which are measured at fair value through profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or when it transfers the rights to receive the cash flows in a transaction in which substantially all of the risks and rewards of the financial asset is transferred. The Group has non-recourse factoring arrangements in Spain and Portugal. The receivables sold under these arrangements are derecognised in their entirety since substantially all of the risks and rewards of the receivables are transferred to the counterparty.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Derivative financial instruments

The Group holds interest rate caps to hedge its interest rate risk exposures. As hedge accounting is not applied for interest rate caps, the caps are measured at fair value through profit or loss.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(r) Property, plant and equipment

Property, plant and equipment assets are items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and expected to be used during more than one period.

(i) Recognition and measurement

Cost includes expenditure that is directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Self-constructed assets primarily consist of leasehold improvements. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount. The gain or loss is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditures will flow to the Group.

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(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

» buildings; 20–50 years
» machinery and equipment; 3–15 years
» leasehold improvements; shorter of leasing term and useful life.

(s) Intangible assets and goodwill

An intangible asset is an identifiable non-monetary asset without physical substance. The intangible assets comprise goodwill, customer relationships, patent and similar rights, capitalised software and intangible assets under development. Customer relationships primarily consists of assets recognised for tender contracts held by acquired entities prior to being acquired by the Group. The identifiably criterion is met when an asset is separable, i.e. capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged; or arises from contractual or other legal rights.

(i) Recognition

An intangible asset is recognised as an asset if it meets the definition of an intangible asset, when it is probable that expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The probability of expected future economic benefits is assessed using reasonable and supportable assumptions that represent the management's best estimate. The probability criterion is always considered to be satisfied for intangible assets that are acquired separately or in a business combination.

Internally generated goodwill, brands, customer lists, and similar items are not recognised as assets. Expenditures on intangible items, which were initially recognised as expenses in previous reporting periods, are not capitalised on a later date. The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(ii) Measurement

An item of intangible asset, which qualifies for recognition as an asset, is initially measured at its cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of preparing the asset for its intended use. Examples of directly attributable costs are professional fees, such as for legal services. Intangible assets acquired in a business combination are measured at fair value at the acquisition date.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, has sufficient resources to complete development, and has ability to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Subsequent to initial recognition as an asset, an intangible asset is carried at cost less any accumulated depreciation and any impairment losses. Goodwill is measured at cost less accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Useful life

Intangible assets can be classified as having finite or indefinite useful lives. The useful life of an intangible asset is the period over which the asset is expected to be available for use. If there is no foreseeable limit to the period over which the asset is expected to generate positive net cash flows, the intangible asset is regarded as having an indefinite useful life. The useful life of an intangible asset that arises from contractual or other legal rights does not exceed the period of the contractual or other legal rights. The useful life of intangible assets is reviewed annually. For example, the recognition of an impairment loss may indicate that the amortisation period needs to be changed.

(iv) Amortisation

Intangible assets with finite useful lives are amortised, whereas goodwill is not amortised but instead tested at least once a year or whenever there is an indication of impairment. Intangible assets with finite useful lives are amortised a straight-line basis over their useful lives:

» customer relationships; length of the tender contract. Generally, 5–20 years and in exceptional cases up to 50 years.
» capitalised expenses for software; 3–5 years
» clinic licenses; contractual length of the license
» other intangible assets; 5–20 years.

Amortisation starts when the asset is available for use (the month after) and continue until the end of the month when the asset is fully amortised or when the asset is classified as held for sale.

Amortisation methods, useful lives and residual values are reviewed at each closing date and adjusted if appropriate.

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(t) Inventories

Inventories comprise mainly of consumables used in the treatment process.

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value includes adjustments for obsolescence due to scrapping and write-offs.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
The cost of inventories are based on the weighted average cost method. Inventories are reported net of deductions for obsolescence.

(u) Other current receivables, prepaid expenses and unbilled revenue

Other current receivables comprise receivables due within one year. They include VAT receivables, advances and loans to employees and other receivables.

Prepaid expenses constitute payments for the period, which cover costs for subsequent periods such as prepaid insurance costs.

Unbilled revenue represent the Group's unconditional right to consideration for dialysis treatments performed, but where the amounts have not yet been invoiced to the customer.

(v) Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at least once a year or whenever there is an indication of impairment. IAS 36 is applied to test if an impairment loss shall be recognised for assets other than financial assets, inventories, deferred tax receivables and non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5. For the excluded items above, value is assessed in accordance with the relevant standard.

(i) Impairment of property, plant and equipment and intangible assets including goodwill

If there is an indication of impairment, the asset's recoverable amount is calculated. For goodwill and intangible assets not yet ready for use, the recoverable amount is estimated annually. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is determined. An impairment loss is recognised when an asset's or cash-generating unit's carrying value is higher than the recoverable amount. An impairment loss is recognised in profit or loss.

Irrespective of whether there is an indication of impairment, the Group also annually tests an intangible asset with indefinite useful life or an intangible asset not yet available for use for impairment. An impairment loss for a cash generating unit (group of units) is allocated to reduce the carrying amount of the assets of the unit, firstly to goodwill and then to other assets of the unit (group of units) pro rata based on the carrying amount of each asset.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Group has used an approach to leases in the estimation of values in use in which lease payments are deducted from the cash flows that are discounted (i.e. the cash flows reflect payments on lease agreements). Right-of-use assets are included in the cash generating units' carrying amounts. In order for the carrying amount to be consistent with the value in use, which is reduced with future lease payments, the value of lease liabilities are deducted from the carrying amounts. Under this approach, leases are treated as part of the operations, rather than as financing, with the effect that discount rates constitute a weighted average cost of debt and equity financing where lease liabilities are not included in the debt component.

(ii) Impairment of financial assets

The impairment model in IFRS 9 is an expected loss model "ECL", which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance. For financial receivables, other than trade and other receivables that result from transactions within the scope of IFRS 15, the so-called "general model" for impairment in IFRS 9 is applied. Impairment losses are recognised in profit or loss.

Under the general model, the loss allowance is initially calculated as the "12-month ECL". "12-month ECLs" are defined as the portion of lifetime ECLs that represents the ECLs resulting from default events on the receivable that are possible within 12 months of the reporting date. This means that 12-month ECLs represent the lifetime cash shortfalls that will result from a default occurring in the 12 months after the reporting date, or a shorter period if the expected life of the asset is less than 12 months, weighted by the probability of that default occurring. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as "lifetime" ECLs, i.e., the cash shortfalls that will result from a default during the asset's entire lifetime.

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The assessment of whether there has been a significant increase in credit risk is made on each closing date.

For trade and other receivables that result from transactions within the scope of IFRS 15, the Group applies the simplified approach in IFRS 9 for calculating ECL. This means that the loss allowance always equals the ECLs that result from all possible default events over the expected life of the receivables.

An individual assessment of expected credit losses is made for trade receivables where an event has occurred that negatively impacts the probability that the customer will pay the Group the full amount. The assessment is based on relevant historical loss experience. For trade receivables, the expected credit loss is estimated using the formula: Probability of Default (PD) x Loss Given Default (LGD) x Exposure at Default (EAD). The PD and LGD variables are estimated using data from rating agencies.

Receivables are written off when there are no further possibilities to claim the receivable, e.g., if customer been declared bankrupt.

(iii) Impairment of equity interest in joint ventures

The Group's equity interests in joint ventures are tested for impairment if there is an indication of impairment. An impairment loss in respect of the equity interest in joint ventures is measured by comparing the recoverable amount with its carrying amount. An impairment loss is recognised in profit or loss, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(w) Equity

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(ii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Group's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in income statement as accrued. The Company has five different classes of non-redeemable preferred shares classified as equity under these principles. In addition, the Company issued three types of preferred equity certificates that are classified as liabilities under these principles.

(x) Employee benefits

(i) Short-term benefits

Short-term employee benefits are employee benefits, other than termination benefits, that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short-term employee benefits include for example wages, salaries and social security contributions, profit sharing, bonuses and benefits. When an employee has rendered services, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense.
The Group recognises the expected cost of bonus payments when there is a legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current or prior periods. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan, where the Group has the obligation to provide the agreed benefits to current and former employees. Actuarial risk and investment risk thus fall on the Group, and the Group's obligation may be increased.

The obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, based on demographic variables such as employee turnover and mortality and financial variables, such as future increases in salaries and medical costs, that will influence the cost of the benefit.

That benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on high quality corporate bonds (rated "AA" or "AAA") that have maturity dates approximating the terms of the obligations and are denominated in the same currency as the benefits are expected to be paid. The calculation is performed by a qualified actuary, using the projected unit credit method.

Actuarial gains and losses are recognised in the balance sheet immediately, with a charge to other comprehensive income (OCI) in the periods in which they occur. They are not subsequently recycled to profit or loss. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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(iv) Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits relates to incentive programs. The benefits are measured using the projected unit credit method and discounted to determine their present values. Remeasurements are recognised in profit or loss in the period in which they arise.

During 2020, Diaverum issued a bonus to certain employees of the Group whereby each individual is entitled to a fixed bonus amount as a recognition for the commitment shown in connection with Diaverum's exit process. The bonus has been paid out in cash in three instalments until 31 December 2022. The employee's right to receive each instalment is subject to the employee not having been given notice, or not have given notice prior to the due-date for the respective instalment. Due to the requirement for the employee to remain in service until 31 December 2022 in order to receive all three instalments, the bonus has been recognised as an expense over the service period, i.e. from 2020 to 2022.

During 2022, the Diaverum Group has set up a rolling long term cash-based incentive plan for senior executives in the group. Currently there is only one such plan in place, that commenced in 2022. Pay-outs is expected in 2025 and are based on medical, financial and strategic targets set on individual level. Pay-outs can vary between 0-100% of an individual's annual salary and pay-outs will be treated as salary with the customary associated social contributions.

(v) Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either Diaverum's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(y) Provisions, contingent liabilities and contingent assets
(i) Provisions
A provision is a liability of uncertain timing or amount. A provision becomes recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

A constructive obligation is an obligation that derives from the Group's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the Group has indicated to other parties that it will accept certain responsibilities and as a result, the Group has created a valid expectation on the part of those other parties that it will discharge those responsibilities. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

If the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. No provisions are made for future operating losses.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

Provisions is reviewed at each closing date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognised.

(ii) Contingent liabilities
A contingent liability is not recognised, but disclosed whenever there is a possible obligation arising from past events and whose existence is confirmed only by one or more uncertain future events not wholly within the control of the Group, or there is a present obligation not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(iii) Contingent assets
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is disclosed where an inflow of economic benefits is probable.

(z) Other liabilities, accrued expenses and deferred income
Other liabilities comprise for example VAT liabilities, withheld tax for employees and debts to employees. Accrued expenses are period costs where payments are made in later periods such as accrued vacation pay and accrued interest. Deferred income is payments during the period that relate to services to be performed in future periods when revenue will be recognised.

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NOTE 2. USE OF JUDGEMENTS AND ESTIMATES

When preparing these financial statements, management has made judgements and used estimates that affects the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Significant judgements made in the application of the Group's accounting policies
Significant judgements that management has made in the process of applying the Group's accounting principles are described below.

Options to extend or terminate a lease
As at 31 December 2022 the Group's right-of-use assets amounted to EUR 140,459 thousand and its leasing liabilities to EUR 150,875 thousand. Assessing the length of the lease term involves judgement, as IFRS 16 requires the lease term to include both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, as well as periods covered by options to terminate the lease if it is reasonably certain the Group will not exercise that right. The majority of the Group's leases relate to leases of clinic facilities. It is common for such leases to contain an option for the Group to extend the lease for additional periods or for the contracts to renew on a continuous basis if the Group does not exercise its right under the contract to terminate the lease at certain dates. The assessment of the lease term has significant impact on the size of the lease liability and the corresponding right-of-use asset, in particular for property leases. When assessing the lease term, the Group in particular considers factors such as the length of the reimbursement contract covering the dialysis treatments that are performed at the leased clinic and the existence of any significant leasehold improvements. For further information on the Group's leasing activities, see note 29.

Assumptions and estimation uncertainties
The sections below provide information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Impairment testing of goodwill
During 2022, the Group recognised an impairment loss on goodwill in Germany. On 31 December 2022, the recoverable amount of the cash-generating unit was therefore almost equal to the carrying amount of the cash-generating unit. Any adverse movements in the assumptions used by management when determining the recoverable amount of the cash-generating unit in Germany would therefore lead to further impairment. On 31 December 2022, the goodwill in the cash-generating unit had a carrying amount of EUR 63,442 thousand. During 2022, the Group also recognised an impairment loss on goodwill in Russia after which goodwill allocated to the cash-generating unit in Russia was fully impaired. As impairment losses on goodwill are not reversed, there is no risk of a change in the carrying amount of goodwill in Russia during the next financial year.

Fair value of liabilities for contingent considerations
The Group has financial liabilities for contingent consideration that has arisen from several different business combinations. Such liabilities are measured at fair value through profit or loss. Determining the fair value of the liabilities requires management to estimate future excepted payments under each agreement, which typically involves estimation of future revenue, EBITDA or other factors in the acquired business. Changes in estimates affects the fair values recognised for the liabilities. At 31 December 2022, financial liabilities for contingent considerations had a total fair value of EUR 11,796 thousand. The minimum amount payable for the contingent considerations that existed at 31 December 2022 was EUR 4,134 thousand and the maximum amount payable was EUR 12,074 thousand. For further information on the fair value measurement of liabilities for contingent considerations, see note 28.

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NOTE 3. REVENUE

The Group generates revenue primarily from dialysis treatments. The Group provides renal services in 23 countries around the world. The most significant dialysis markets are at present Spain, Portugal, France, Romania, Germany and UK that are included in the reportable segment "Europe" and Saudi Arabia, Argentina, Brazil and Kazakhstan included in the reportable segment "International".

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by country in which the Group has operations, as this is consistent with the information regularly reviewed by the chief operating decision maker. The disaggregation of revenue by country also reflects how cash flows are affected by economic factors as the Group's revenue from dialysis treatments over time is affected by the economic and political developments in each country.

EUR thousand	2022	2021
Europe		
Spain	103,779	103,540
Portugal	84,056	83,436
France	76,680	74,816
Romania	73,020	65,184
UK	52,494	48,463
Germany	48,469	50,381
Other countries [1]	113,617	110,746
Segment revenue	**552,115**	**536,565**
International		
Saudi Arabia	184,170	161,704
Argentina	39,187	56,779
Kazakhstan	36,131	32,728
Brazil	31,360	24,356
Other countries [2]	77,300	69,049
Segment revenue	**368,148**	**344,617**
Total	**920,263**	**881,182**

1) Other countries within Europe includes 2022 following countries: Italy, Poland, Hungary, North Macedonia, Albania, Sweden and Lithuania.

2) Other countries within International includes 2022 following countries: Russia, Chile, Uruguay, China, Morocco, Singapore, Malaysia and Kyrgyzstan.

Contract balances

Treatments are generally invoiced to the customer after they are performed. Trade receivables are presented as a separate line item in the statement of financial position. The Group presents amounts for which it has an unconditional right to payment, but which has not yet been invoiced as "Unbilled revenue", see note 19 The Group does not have any material assets that meet the criteria for contract assets in IFRS 15. Payment terms vary depending on agreements in different countries, but in most cases invoices are payable within 30 to 90 days. Contract liabilities consist of the Group's obligation to perform treatments for which consideration has been received in advance (deferred income). The table provides below information about contract liabilities from contracts with customers. The contract liabilities are included in "Accrued expenses and deferred income", see note 26.

EUR thousand	31 Dec. 2022	31 Dec. 2021
Contract liabilities	6,538	230

The amounts presented as contract liabilities per 31 December 2021 were recognised as revenue during 2022. The amount presented as contract liability per 31 December 2022 will be recognised as revenue during 2023.

The Group applies the practical expedient in IFRS 15.B16 and recognises revenue at the amount to which it has the right to invoice for treatments performed during the period (see note 1 (m)). As is allowed by IFRS 15, the Group does therefore not provide information about transaction price allocated to remaining performance obligations at 31 December 2022 and 31 December 2021.

Revenues from contracts with customers included in "Other income"

The Group has certain revenues from lab services and from clinical studies. The revenues from these services constitute revenue from contract with customers under IFRS 15. Revenues from lab services and clinical studies are included within "Other income" as they result from activities outside the Group's ordinary business as a provider of renal treatments.

EUR thousand	31 Dec. 2022	31 Dec. 2021
Lab services and clinical studies	1,219	1,115
Total	**1,219**	**1,115**

NOTE 4. BUSINESS COMBINATIONS

Acquisitions during 2022

In 2022, businesses were acquired in Brazil, Chile and Morocco. The total consideration transferred for these acquisitions were EUR 8,653 thousand.

The business combinations listed individually above are each insignificant, and hence is information presented in aggregate below.

a) Consideration transferred

The following table summarises the acquisition date fair value of the consideration transferred.

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EUR thousand	
Cash	6,672
Contingent consideration	1,981
Total consideration transferred	**8,653**

The following table summarises the cash flows arising from the business combinations.

EUR thousand	
Consideration paid, satisfied in cash	6,672
Cash and cash equivalents acquired	-201
Net cash outflows	**6,471**

b) Contingent consideration
The contingent consideration, dependent on future performance of the acquired entities, relates to the acquisitions in Brazil, Chile and Morocco. Out of the initially recognised contingent consideration, EUR 539 thousand was paid out before year-end. For prior years' acquisitions, contingent consideration of EUR 3,116 thousand was paid out. Principles for the calculation in contingent considerations and changes in outstanding contingent considerations are disclosed in note 28.

c) Acquisition-related costs
Acquisition-related costs amounting to EUR 337 thousand have been excluded from the purchase price and have been recognised as an expense in the current year, within the "Administrative and selling expenses" line item in the consolidated statement of profit or loss.

d) Identifiable acquired assets and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

EUR thousand	Note	
Tangible assets	14	1,266
Right-of-use assets		1,769
Other intangible assets	13	406
Non-current receivables		28
Current assets		1,740
Cash and cash equivalents		201
Non-interest-bearing liabilities		-2,651
Interest-bearing liabilities		-180
Deferred tax liabilities		-136
Leasing liability		-1,769
Total identifiable net assets acquired		**674**
Goodwill		7,980
Total consideration transferred		**8,654**

Customer relationship included in "Other intangible assets" consists of tender contracts held by the acquired entities prior to the acquisitions. The fair value of the tender contracts has been estimated using a discounted cash flow model with a risk adjusted discount rate. The trade receivables comprise gross contractual amounts due of EUR 1,083 thousand. All of it was expected to be collectable at acquisition date.

The acquisition accounting is provisional since the acquired entities are small, privately held entities and there is a certain time lag between the acquisition date and the date when the Group receives finalised financial statements for the acquired entities

e) Impact on the results of Diaverum
During 2022, the acquisitions have contributed to the Group's revenue with EUR 4,847 thousand and to the Group's profit before tax with EUR 754 thousand for the period. If the acquisitions had occurred on 1 January 2022, management estimates that consolidated revenue would have been impacted with EUR 6,436 thousand and the consolidated profit before tax for the period with EUR 1,410 thousand.

f) Goodwill
Goodwill arose in the acquisitions in 2022 because the purchase price paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce in the acquired companies. These benefits are not recognised separately from goodwill because they do not meet the criteria for identifiable intangible assets. The goodwill arising on these acquisitions is not expected to be tax-deductible in the current format. The provisional acquisition accounting for business that occurred during 2021 was updated during 2022. Future mergers of entities could potentially lead to deductibility in the tax jurisdiction of Brazil.

Acquisitions during 2021 - Saudi Arabia
In 2021, the acquisitions of Diaverum Arabia Ltd and Nazer for Dialysis and Advanced Health Services Co. Ltd were closed. The beneficial ownership was transferred 12 December 2020, subject to regulatory approval. For Diaverum Arabia Ltd the approval was granted in July 2021 and for Nazer for Dialysis and Advanced Health Services Co. Ltd in October 2021. The total consideration transferred for these acquisitions were EUR 28.580 thousand.

a) Consideration transferred
The following table summarises the acquisition date fair value of the consideration transferred.

EUR thousand	
Cash	-
Equity interest in joint venture	4,580
Prepaid consideration	24,000
Total consideration transferred	**28,580**

The following table summarises the cash flows arising from the business combinations.

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EUR thousand	
Consideration paid, satisfied in cash	-
Cash and cash equivalents acquired	-14,257
Net cash outflows	**-14,257**

b) Contingent consideration
There is no contingent consideration for the Saudi transaction.

c) Acquisition-related costs
The acquisition had no acquisition-related costs.

d) Identifiable acquired assets and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

EUR thousand	Note	
Tangible assets	14	44,570
Right-of-use assets		978
Other intangible assets	13	512
Non-current receivables		1,797
Current assets		2,003
Cash and cash equivalents		14,257
Interest-bearing liabilities		-26,141
Employee benefits		-1,352
Non-interest-bearing liabilities		-3,857
Leasing liability		-978
Total identifiable net assets acquired		**31,789**
Bargain purchase		-3,209
Total consideration transferred		**28,580**

The trade receivables comprise gross contractual amounts due of EUR 330 thousand. All of it was expected to be collectable at acquisition date.

e) Impact on the results of Diaverum
During 2021, the acquisitions contributed to the Group's revenue with EUR 365 thousand and to the Group's profit before tax with EUR 797 thousand for the period. If the acquisitions had occurred on 1 January 2021, management estimates that consolidated revenue would have been impacted with EUR 1,395 thousand and the consolidated profit before tax for the period with EUR 1,231 thousand.

f) Goodwill
The purchase price allocation performed for Diaverum Arabia Company Ltd. resulted in a bargain purchase for the Group and a gain reported in "Other operating income". The bargain purchase was mainly the result of the price for the joint venture having been set at signing in late 2020, whereas the acquisition date for Diaverum Arabia Company Ltd. was not until July 2021 when the Group had received the necessary regulatory approvals from the authorities in the Kingdom of Saudi Arabia. The profits accumulated in the joint venture between the signing of the purchase agreement and the acquisition date more than half a year later resulted in the business combination being a bargain purchase. Diaverum for Dialysis and Advanced Health Services Co. Ltd was a non-material acquisition made at the same time as the Group acquired the outstanding shares in Diaverum Arabia Company Ltd.

Acquisitions during 2021 – Other
In 2021, businesses were acquired in Brazil, Cyprus, Kazakhstan, Malaysia, Morocco, Portugal and Singapore. The total consideration transferred for these acquisitions were EUR 41,673 thousand.

The business combinations listed individually above are each insignificant, and hence is information presented in aggregate below.

a) Consideration transferred
The following table summarises the acquisition date fair value of the consideration transferred.

EUR thousand	
Cash	34,032
Liability for NCI put option	2,565
Contingent consideration	5,076
Total consideration transferred	**41,673**

The following table summarises the cash flows arising from the business combinations.

EUR thousand	
Consideration paid, satisfied in cash	34,032
Cash and cash equivalents acquired	-3,225
Net cash outflows	**30,807**

b) Contingent consideration
The contingent consideration, dependent on future performance of the acquired entities, relates to the acquisitions in Brazil, Cyprus, Kazakhstan, Malaysia, Morocco, Portugal and Singapore. Out of the initially recognised contingent consideration, EUR 2,182 thousand was paid out before year-end. For prior years' acquisitions, contingent consideration of EUR 3,134 thousand was paid out. Principles for the calculation in contingent considerations and changes in outstanding contingent considerations are disclosed in note 28.

c) Acquisition-related costs
Acquisition-related costs amounting to EUR 950 thousand have been excluded from the purchase price and have been recognised as an expense in the current year, within the "Administrative and selling expenses" line item in the consolidated statement of profit or loss.

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d) Identifiable acquired assets and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

EUR thousand		
Tangible assets	14	2,486
Right-of-use assets		4,371
Other intangible assets	13	26
Non-current receivables		124
Current assets		3,815
Cash and cash equivalents		3,225
Interest-bearing liabilities		-1,164
Non-interest-bearing liabilities		-3,729
Leasing liability		-4,371
Total identifiable net assets acquired		**4,783**
Goodwill		36,890
Total consideration transferred		**41,673**

The trade receivables comprise gross contractual amounts due of EUR 2,635 thousand. All of it was expected to be collectable at acquisition date.

The acquisition accounting is provisional since the acquired entities are small, privately held entities and there is a certain time lag between the acquisition date and the date when the Group receives finalised financial statements for the acquired entities

e) Impact on the results of Diaverum
During 2021, the acquisitions have contributed to the Group's revenue with EUR 12,618 thousand and to the Group's profit before tax with EUR 3,043 thousand for the period. If the acquisitions had occurred on 1 January 2021, management estimates that consolidated revenue would have been impacted with EUR 17,985 thousand and the consolidated profit before tax for the period with EUR 2,892 thousand.

f) Goodwill
Goodwill arose in the acquisitions in 2021 because the purchase price paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce in the acquired companies. These benefits are not recognised separately from goodwill because they do not meet the criteria for identifiable intangible assets. The goodwill arising on these acquisitions is not expected to be tax-deductible in the current format. The provisional acquisition accounting for business that occurred during 2020 was updated during 2021. Future mergers of entities could potentially lead to deductibility in the tax jurisdiction of Brazil.

NOTE 5. OTHER INCOME

EUR thousand	2022	2021
Lab services and clinical studies	1 219	1 115
Clinic-related other income	436	926
Exchange rate gains	-	280
Gain on sale of fixed assets	620	382
Change in fair value contingent consideration	1,332	1,032
Bargain purchase	-	3,209
Other	5,349	2,430
Total	**8,956**	**9,374**

NOTE 6. OTHER EXPENSES

EUR thousand	2022	2021
Clinic-related other expenses	332	456
Loss on sales of fixed assets	191	129
Exchange rate losses	266	-
Change in fair value contingent consideration	1,265	561
Other	462	840
Total	**2,516**	**1,986**

NOTE 7. EMPLOYEES & PERSONNEL COSTS

Costs for remuneration to employees

EUR thousand	2022	2021
Salaries and other remuneration	283,403	260,515
Severance pay	1,995	1,726
Pension costs, defined benefit plans	2,833	2,509
Pension costs, defined contribution plans	2,263	1,730
	290,493	**266,480**
Social security contributions	49,287	46,124
Total	**339,780**	**312,604**

Personnel costs of EUR 273,791 thousand (254,919) are included in Costs for sales and EUR 65,989 thousand (57,687) in Administrative and selling expenses.

Average number of employees for the year is 9,648 (10,446).

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NOTE 8. AUDIT FEES AND EXPENSES

EUR thousand	2022	2021
Audit services		
KPMG	993	1,170
Other	183	141
Subtotal	**1,176**	**1,311**
Audit services in excess of the audit engagement		
KPMG	3	32
Subtotal	**3**	**32**
Tax consultancy		
KPMG	472	391
Other	22	33
Subtotal	**494**	**424**
Other services		
KPMG	63	302
Other	42	142
Subtotal	**105**	**444**
Total	**1,778**	**2,211**

Audit services refers to legally required examination of the annual report and the book-keeping, the management by the Board of Directors and the CEO and any other audit examinations or agreed-upon procedures determined by agreement or contract. Audit services in excess of the audit engagement includes other assignments incumbent upon the Company's auditor to conduct, as well as advising or other support justified by observations in the course of examination or execution of such other assignments.

NOTE 9. EXPENSES BY NATURE

EUR thousand	Note	2022	2021
Consumables and utilities		246,109	244,311
Employee benefits	7	338,901	311,810
Consultancy, advertising, audit etc.		136,362	124,723
Depreciation and amortisation	13, 14, 29	87,722	76,417
Impairment losses on goodwill and property, plant and equipment	12, 13, 14	36,633	22,871
Lease and contingent rent	29	1,512	12,506
Total		**847,239**	**792,638**

NOTE 10. FINANCE INCOME AND EXPENSES

Amounts recognised in profit or loss

EUR thousand	2022	2021
Interest income	2,163	304
Finance income	**2,163**	**304**
Interest expenses loans and borrowings	-67,536	-61,681
Interest expenses leasing	-8,104	-8,612
Net foreign exchange loss	-4,232	-2,925
Finance cost	**-79,872**	**-73,219**
Net finance expense recognised in profit or loss	**-77,709**	**-72,915**

All interest income is related to financial instruments measured at amortised cost.

Interest expense relating to financial instruments measured at amortised cost amounts to EUR -75,197 thousand (-70,222). The remaining part is interest cost on contingent consideration EUR -443 thousand (-72).

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NOTE 11. INCOME TAXES

a) Amounts recognised in profit or loss

EUR thousand	2022	2021
Current tax expense		
Current period	29,922	23,414
	29,922	**23,414**
Deferred tax revenue and tax expense		
Change in temporary differences	-4,356	1,187
Tax expenses	**25,566**	**24,601**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. The complexity of rules related to taxes in different jurisdictions and the accounting for these require management involvement in judgements and estimates. These estimates might differ from the actual outcome.

b) Amounts recognised in OCI

	2022			2021		
EUR thousand	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurement of defined benefit liability (asset)	-315	56	-259	-416	79	-337
Foreign currency translations differences	54,117	-	54,117	7,835	-	7,835
Total	**53,802**	**56**	**53,858**	**7,419**	**79**	**7,498**

c) Reconciliation of effective tax rate

EUR thousand		2022		2021
Profit (loss) for the period		-93,105		-1,205
Income tax expenses		-25,566		-24,601
Profit (loss) before tax		**-67,539**		**23,396**
Tax using the parent company's domestic tax rate	24.9%	16,844	24.9%	-5,835
Effect of tax rates in foreign jurisdictions	4.2%	2,845	-2.9%	674
Changes in tax rates	-	-	4.6%	-1,068
Non-deductible expenses	-50.1%	-33,847	59.0%	-13,797
Effect of result in equity-accounted investee	0.0%	2	-4.7%	1,089
Tax-exempt income	2.3%	1,564	-9.5%	2,232
Changes in estimates related to prior year	1.2%	816	10.6%	-2,470
Losses for which no deferred tax asset was recognised	-20.4%	-13,790	23.2%	-5,426
	37.9%	**-25,566**	**105.2%**	**-24,601**

The non deductible expenses primarily relates to non-tax deductible expenses linked to the disposal of business EUR 20,251 thousand, impairment losses on goodwill EUR 5,142 thousand (4,708), limitation on the deductibility of interest expenses EUR 2,265 thousand (2,530).

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d) Recognised deferred tax assets and liabilities

2022

EUR thousand	Net balance 1 January	Recognised in profit or loss	Business combination / Disposal business	Recognised in OCI	Balance at 31 December: Net	Def. tax assets	Def. tax liabilities
Property, plant and equipment	2,308	2,275	-1,716	76	2,943	3,245	-302
Intangible assets	-25,110	2,301	-136	-8	-22,953	-	-22,953
Lease liabilities	3,920	-182	-298	-20	3,420	3,420	-
Employee benefits	2,852	454	-	178	3,484	3,506	-22
Provisions	1,510	167	-632	-41	1,004	1,105	-101
Other items	3,268	-39	-1,012	-120	2,097	2,428	-331
Carry forward losses	633	-620	-	-	13	13	-
Deferred tax assets/liabilities (-)	**-10,619**	**4,356**	**-3,794**	**65**	**-9,992**	**13,717**	**-23,710**
Set-off tax						**-426**	**426**
Net deferred tax assets/liabilities (-)						**13,291**	**-23,284**

2021

EUR thousand	Net balance 1 January	Recognised in profit or loss	Business combination	Recognised in OCI	Balance at 31 December: Net	Def. tax assets	Def. tax liabilities
Property, plant and equipment	925	-1,447	1,785	1,045	2,308	4,120	-1,812
Intangible assets	-24,453	-671	-	14	-25,110	-	-25,110
Lease liabilities	3,599	321	-	-	3,920	3,920	-
Employee benefits	2,689	-102	-	265	2,852	2,852	-
Provisions	136	1,479	-	-105	1,510	1,628	-118
Other items	3,899	-616	-	-15	3,268	4,571	-1,303
Carry forward losses	789	-151	-	-5	633	633	-
Deferred tax assets/liabilities (-)	**-12,416**	**-1,187**	**1,785**	**1,199**	**-10,619**	**17,724**	**-28,343**
Set-off tax						**-267**	**267**
Net deferred tax assets/liabilities (-)						**17,457**	**-28,076**

e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

EUR thousand	2022 Gross	2021 Gross
Tax losses	892,470	847,173
Deductible temporary differences	3,631	6,286
	896,100	**853,459**

f) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2022		2021	
EUR thousand	Amount	Expiry date	Amount	Expiry date
Expire	354	2023	11,469	2022
Expire	18,795	2024-2027	11,350	2023-2026
Expire	18,693	2028-2032	15,633	2027-2031
Expire	199,779	2033-2039	189,883	2032-2038
Indefinite	654,848	-	618,838	-
	892,470	**-**	**847,173**	**-**

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NOTE 12. GOODWILL

a) Reconciliation of carrying amount

EUR thousand	2022	2021
Costs		
Balance at 1 January	910,306	872,971
Acquisitions through business combinations	7,980	36,890
Adjustment of prior year provisional acquisition accounting	-137	112
Disposals	-9,296	
Effect of movement in exchange rate	3,045	333
Balance at 31 December	**911,898**	**910,306**
Impairment losses		
Balance at 1 January	-104,907	-82,287
Impairment losses for the period	-36,461	-22,854
Disposals	9,296	
Effect of movement in exchange rate	2,627	234
Balance at 31 December	**-129,445**	**-104,907**
Carrying amounts		
At 31 December	**782,453**	**805,399**

The goodwill recognised is mainly attributable to the benefit of expected synergies, growth opportunities, market position and the assembled workforce of the acquired businesses.

b) Impairment testing for groups of cash-generating units containing goodwill

The Group reviews the carrying value of goodwill on at least an annual basis. In addition testing will be performed at every given occasion where indications of impairment losses have been identified.

For the purpose of impairment testing, goodwill is allocated to each country in which the Group operates, since this represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill allocated to each group of cash generating units is as follows:

EUR thousand	2022	2021
Portugal	174,618	174,925
Spain	150,008	150,008
France	142,011	142,011
Romania	83,658	83,666
Germany	63,442	74,942
China	-	-
Russia	-	25,880
Multiple units without, in comparison with total, significant goodwill	168,716	153,967
Total	**782,453**	**805,399**

When testing impairment of goodwill, the recoverable amount is compared with the carrying amount for the group of cash generating units. The recoverable amount for the group of cash generating units of the Group was calculated as value in use and was determined by discounting the future cash flows to be generated from the continuing use of the cash-generating unit. The value in use 2022 was determined in a similar manner as in 2021.

The carrying amount of the following groups of cash generating units was determined to be higher than its recoverable amount. The impairment loss was fully allocated to goodwill and included in Administrative and selling expenses.

Group of cash generating units	Item	2022	2021
Germany (Impairment loss due to uncertain organic growth prospects)	Impairment loss:	11,500	-
	Recoverable amount:	77,168	-
	Discount rate:	7.6%	-
Russia (Impairment due to war in Ukraine and related country risk)	Impairment loss:	24,961	9,092
	Recoverable amount:	11,307	26,822
	Discount rate:	24.4%	15.0%
China (Impairment loss due to uncertain organic growth prospects)	Impairment loss:	-	13,762
	Recoverable amount:	-	11,685
	Discount rate:	-	9.2%
	Impairment loss:	**36,461**	**22,854**

c) Assumptions used in estimating value in use

Key assumptions in the calculation of recoverable amounts are revenue growth drivers, development of labour and other cost items and investments relevant to each group of cash generating units. The values assigned to the assumptions used in the cash flow projections are based

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on local management's preparation – with guidance from group management - of long-term business plans (normally 5-years). These plans reflect past experience and take into consideration future trends relevant for the renal industry (based on both external sources and internal historical data) when projecting key drivers such as patient growth, reimbursement development, labour cost development and other cost items as well as expected investment needs.

Key assumptions	Determination of the values assigned to key assumptions
Patient growth	General underlying observed market growth with adaptation to clinic specifics such as location, patient flow patterns, clinic capacity expansion or constraints, tender contract limitations.
Reimbursement development	In line with explicit and implicit key drivers such as local inflation and salary increase trends, union agreements. Adjustments made for expected changes to reimbursement scope or local political/regulatory situation.
Labour cost development	Inflation and salary increase trends, union agreements, adherence to staff ratios/ needs in line with patient development, offset by potential operational efficiency.
Other cost items (such as rent and cost of maintenance, utilities, pharmacy and laboratory, country organisation)	Contracted price levels and potential changes in supply sourcing, service requirements, country overhead structure; specific efficiency initiatives and inflation.
Investment needs	Investments in dialysis infrastructure such as monitors, water treatment plants and leasehold improvements in line with local and corporate requirements; other fixed assets as per perceived needs.

Cash flows were extrapolated using a growth rate deemed reasonable considering the long-term average growth rate for the industry combined with local circumstances. The annual projected growth by cash generating unit for the terminal period was based on the assumed inflation rate or minimum 2.0% (inflation rate), the anticipated local real growth, measured as the expected population growth for each country (external sources). This is in line with management's expectations on the future market growth.

The discount rates were based on different geographical regions, with country-specific differences such as risk-free interest rate and country specific risk. The following table shows the pre-tax discount rate applied in determining the recoverable value and the terminal growth factor used:

	Discount rate		Terminal growth rate	
	2022	2021	**2022**	2021
Portugal	8.6%	6.0%	1.8%	1.8%
Spain	8.6%	5.8%	2.1%	2.0%
France	7.8%	5.2%	2.3%	2.3%
Romania	8.6%	5.8%	0.9%	1.6%
Germany	7.6%	5.0%	1.9%	1.8%
Multiple units: Maximum*	24.4%	66.5%	9.0%	28.4%
Multiple units: Minimum	7.3%	4.7%	0.9%	1.0%

* Drop in maximum rates due to dispsoal of business in Argentina, see note 35

d) Sensitivity to changes in assumptions

The cash-generating unit Germany recognised an impairment loss in 2022. The recoverable amount is equal to the carrying amount and as a consequence management have identified that any adverse movement in a key assumption would lead to further impairment.

For all other group of cash-generating units management estimates that no reasonable changes (similair to the 2022 change) to key assumptions will lead to impairment.

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NOTE 13. OTHER INTANGIBLE ASSETS

a) Reconciliation of carrying amount

	Internally generated intangible assets	Other intangible assets				
EUR thousand	Software	Customer relationship	Software	Licenses	Other	**Total**
Costs						
Balance at 1 January 2021	17,439	27,455	4,698	5,962	5,244	**60,798**
Acquisition through business combinations	-	-	538	-	-	**538**
Other additions	2,433	-	797	17	3,370	**6,617**
Disposals	-39	-13,097	-23	-	-	**-13,159**
Reclassifications	-	-	-	-	1,564	**1,564**
Effect of movement in exchange rates	-	-149	132	-46	-60	**-123**
Balance at 31 December 2021	**19,833**	**14,209**	**6,142**	**5,933**	**10,118**	**56,235**
Balance at 1 January 2022	19,833	14,209	6,142	5,933	10,118	**56,235**
Acquisition through business combinations	-	399	-	-	7	**406**
Other additions	3,245	-	859	195	494	**4,793**
Disposals	-4,599	-	-261	-	-83	**-4,943**
Reclassifications	-	-	-	-	-	**-**
Effect of movement in exchange rates	-7	-21	-73	-73	74	**-100**
Balance at 31 December 2022	**18,472**	**14,587**	**6,667**	**6,055**	**10,610**	**56,391**
Accumulated depreciation and amortisation						
Balance at 1 January 2021	-12,780	-17,026	-3,488	-4,108	-2,452	**-39,854**
Amortisation for the year	-1,477	-974	-836	-108	-442	**-3,837**
Disposals	39	13,097	21	-	-	**13,157**
Reclassification	-	-	-	-	-835	**-835**
Effect of movement in exchange rates	-	132	-82	42	55	**147**
Balance at 31 December 2021	**-14,218**	**-4,771**	**-4,385**	**-4,174**	**-3,674**	**-31,222**
Balance at 1 January 2022	-14,218	-4,771	-4,385	-4,174	-3,674	**-31,222**
Amortisation for the year	-2,069	-982	-792	-91	-1,794	**-5,728**
Impairment loss for the year	-	-	-20	-	-	**-20**
Disposals	4,589	-	210	-	23	**4,822**
Effect of movement in exchange rates	-	53	94	67	-21	**193**
Balance at 31 December 2022	**-11,698**	**-5,700**	**-4,893**	**-4,198**	**-5,466**	**-31,955**
Carrying amounts						
At 31 December 2020	**4,659**	**10,429**	**1,210**	**1,854**	**2,792**	**20,944**
At 31 December 2021	**5,615**	**9,438**	**1,757**	**1,759**	**6,444**	**25,013**
At 31 December 2022	**6,774**	**8,887**	**1,774**	**1,857**	**5,144**	**24,436**

b) Amortisation

Amortisation relating to intangible assets are included in Cost of sales to an amount of EUR 860 thousand (857) and in Administrative and selling expenses to an amount of EUR 4,868 thousand (2,980).

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NOTE 14. PROPERTY, PLANT AND EQUIPMENT

a) Reconciliation of carrying amount

EUR thousand	Buildings, land and leasehold improvements	Machinery and equipment	Under construction	Total
Costs				
Balance at 1 January 2021	178,705	233,617	6,482	**418,804**
Acquisition through business combinations	35,505	11,551	-	**47,056**
Other additions	14,004	27,988	9,387	**51,379**
Disposals	-3,014	-7,412	-	**-10,426**
Reclassification	2,455	2,941	-4,645	**751**
Effect of movements in exchange rates	3,945	3,336	319	**7,600**
Balance at 31 December 2021	**231,600**	**272,021**	**11,543**	**515,164**
Balance at 1 January 2022	231,600	272,021	11,543	**515,164**
Acquisition through business combinations	51	1,215	-	**1,266**
Other additions	13,493	29,298	14,330	**57,121**
Disposals	-9,926	-19,287	-451	**-29,664**
Reclassification	3,374	2,583	-6,627	**-670**
Effect of movements in exchange rates	1,662	1,894	136	**3,692**
Balance at 31 December 2022	**240,254**	**287,724**	**18,931**	**546,909**
Depreciation and impairment losses				
Balance at 1 January 2021	-95,765	-143,616		**-239,381**
Depreciation for the year	-16,320	-25,990		**-42,310**
Impairment loss for the year	-	-17		**-17**
Depreciation disposals	2,926	6,990		**9,916**
Reclassification	-20	-1,465		**-1,485**
Effect of movements in exchange rates	-894	-662		**-1,556**
Balance at 31 December 2021	**-110,073**	**-164,760**		**-274,833**
Balance at 1 January 2022	-110,073	-164,760		**-274,833**
Depreciation for the year	-20,030	-29,700		**-49,730**
Impairment loss for the year	-81	-71		**-152**
Depreciation disposals	6,531	11,425		**17,956**
Reclassification	282	388		**670**
Effect of movements in exchange rates	919	626		**1,545**
Balance at 31 December 2022	**-122,452**	**-182,092**		**-304,544**
Carrying amounts				
At 31 December 2020	**82,940**	**90,001**	**6,482**	**179,423**
At 31 December 2021	**121,527**	**107,261**	**11,543**	**240,331**
At 31 December 2022	**117,802**	**105,632**	**18,931**	**242,365**

b) Depreciation

Depreciation for the year is included in Cost of sales to an amount of EUR 46,732 thousand (39,460) and in Administrative and selling expenses to an amount of EUR 2,998 thousand (2,850).

c) Assets under construction

Increases during the year primarily relates to leasehold improvements in relocation projects and new clinics/ premises in UK, Portugal and Romania. In 2021, additional costs primarily related to Germany, Portugal and Romania. Once completed, these will be classified as buildings, land and leasehold improvements.

d) Reclassification

The reported reclassification is mainly attributable to redirection of leasehold improvements between construction in progress and buildings, land and leasehold improvements.

e) Contractual commitments for the acquisition of property, plant and equipment

The Group has agreements with suppliers that commit Group entities to acquire certain minimum volumes of machinery and equipment. Failure to acquire contracted volumes by end of year 2026 will result in penalties of 30% of the outstanding amount. As per 31 December 2022 there is no indication that contracted volumes will not be acquired.

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NOTE 15. EQUITY INTEREST IN JOINT VENTURES

Summary of financial information for equity interest in joint ventures:

EUR thousand	2022	2021
Interest in joint venture	150	132
Balance at 31 December	**150**	**132**

The Group holds a 40% ownership interest in IMU Dialysis Sdn Bhd. The entity is established in the Federation of Malaya. By agreement with another party with a 60% ownership interest, the Group concludes that IMU Dialysis Sdn Bhd is an entity under joint control and consequently this is classified as a joint venture in the consolidated financial statements of the Group. The Group interest in IMU Dialysis Sdn Bhd is not material.

The Group holds a 35% ownership interest in Diaverum Gulf LLC, a company established in the Sultanate of Oman. By agreement with another party with a 35% ownership interest, the Group concludes that Diaverum Gulf LLC is an entity under joint control and consequently this is classified as a joint venture in the consolidated financial statements of the Group. The Group interest in Diaverum Gulf LLC is not material.

NOTE 16. NON-CURRENT RECEIVABLES

EUR thousand	2022	2021
Deposits for leasing contracts	2,886	2,781
External lending	3,365	3,163
Other non-current receivables	2,980	2,392
Total	**9,231**	**8,336**

NOTE 17. INVENTORIES

EUR thousand	2022	2021
Consumables	29,173	36,991
Total	**29,173**	**36,991**

Inventory comprised mainly of consumables used when providing renal services, meaning that obsolescence connected to inventory is rare. No significant costs for obsolescence arose during 2022 or 2021.

There are no inventories recognised at their net realisable value. The amount of inventory recognised in cost of sales during 2022 amounted to EUR 168,363 thousand (175,363).

NOTE 18. OTHER CURRENT RECEIVABLES

EUR thousand	2022	2021
VAT and other taxes	2,660	2,817
Advance payments to suppliers	1,812	4,511
Advance payments to employees	1,155	1,210
Other current receivables	2,972	2,481
Total	**8,599**	**11,019**

NOTE 19. PREPAID EXPENSES AND UNBILLED REVENUE

EUR thousand	2022	2021
Rental/leasing	313	-
Licence costs	2,020	1,836
Insurance premiums	2,015	1,532
Unbilled revenue	31,143	7,072
Other prepaid expenses	11,422	13,077
Total	**46,913**	**23,517**

NOTE 20. CASH AND CASH EQUIVALENTS

EUR thousand	2022	2021
Bank balances	104,853	89,557
Call deposits	421	751
Bank deposits pledged as collateral	28,450	14,521
Total	**133,724**	**104,829**

The Group has pledged bank deposits as collateral for an external financing facility used by the Group's subsidiaries in Saudi Arabia from 2021. The pledged deposits can be interchanged with a bank guarantee at the corresponding amount at any time without penalty and is therefore included within cash and cash equivalents.

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NOTE 21. EQUITY

Share capital

At 31 December 2022 the share capital comprised 43,000 (43,000) thousand shares divided into ordinary shares (class A) and non-redeemable preference shares (class B). The redeemable preference shares are classified as liability. All shares have a par value of EUR 1 and all issued shares are fully paid.

	Ordinary shares					
EUR thousand	A1	A2	A3	A4	A5	**Total**
On issue at 1 January	2,000	2,000	2,000	2,000	2,000	**10,000**
On issue at 31 December	2,000	2,000	2,000	2,000	2,000	**10,000**

	Non-redeemable preference shares					
EUR thousand	B1	B2	B3	B4	B5	**Total**
On issue at 1 January	6,600	6,600	6,600	6,600	6,600	**33,000**
On issue at 31 December	6,600	6,600	6,600	6,600	6,600	**33,000**
TOTAL number of shares	**8,600**	**8,600**	**8,600**	**8,600**	**8,600**	**43,000**

Ordinary shares

Holders of ordinary shares class A1-A4 are entitled to receive a cumulative dividend of 0.25% (0.25%) of the shares nominal value, at the Company's discretion, and holders of class A5 ordinary shares are entitled to receive the reminder of all dividend distribution.

Non-redeemable preference shares

Holders of class B1-B5 non-redeemable preference shares are entitled to receive a cumulative dividend of 12% (12%) of the shares nominal value, at the Company's discretion or whenever dividends to ordinary shareholders are declared.

Order of priority to the residual assets

The non-redeemable preference shares have priority in comparison to the ordinary shares with regard to the Group's residual assets. The different classes of shares are ranked in the following order of priority; B1, B2, B3, B4, B5, A1, A2, A3, A4 and A5.Each share, of all classes, entitles its holder to one vote at the general meetings of the shareholders.

Nature and purpose of reserves

Reserves

Included in reserves are registration fees related to the issuance of new shares.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash-flow hedging instruments related to hedged transactions that have not yet occurred.

Retained earnings

Retained earnings include the net result of the year and results brought forward.

Dividends

No dividends have been proposed or declared by the Group.

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NOTE 22. PREFERRED EQUITY CERTIFICATES, LOANS AND BORROWINGS

Historically Diaverum S.à r.l. has issued several tranches of Preferred Equity Certificates and Super Senior Preferred Equity Certificates that differs in ranking and historically has had differences in fixed yields. The fixed yield was reduced across all tranches to 0.5% on 1 January 2020.

Diaverum Holding S.à r.l. (DHS) has entered into a Senior Facilities Agreement (SFA) under which loans and borrowings are provided to the Diaverum AB Group. The SFA held by DHS was established in July 2017, with mandated lead arranger being The Royal Bank of Scotland plc, Credit Agricole Corporate & Investment Bank Sweden Branch, BNP Paribas Fortis SA/NV and Sumitomo Mitsui Banking Corporation Europe Ltd. The credit facilities consists of a Second Lien Facility of EUR 160 million, Senior Term Loan Facilities of EUR 960 million and a Revolving Credit Facility of EUR 175 million. The Second Lien Facility matures in 2025 and both the Senior Term Loan Facilities and the Revolving Credit Facility matures in 2024.

In February 2021 an additional Senior Term Loan Facility of EUR 155 million was established under the SFA, adding up the existing EUR 960 million Senior Term Loan Facility to a total of EUR 1 115 million. The additional funds were used to repay the outstanding drawings made under the Revolving Credit Facility.

Shares in subsidiaries and intercompany receivables for material subsidiaries are pledged as security under the SFA.

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 28.

EUR thousand	2022	2021
Non-current liabilities		
Preferred Equity Certificates (PEC) with capitalised interest	1,453,557	1,446,328
Senior term loan	1,111,476	1,108,925
Revolving credit facility	40,000	15,000
Second lien loan	160,000	160,000
Other non-current loans	307	5,733
Total	**2,765,340**	**2,735,986**
Current liabilities		
Current loans from credit institutions	535	4,449
Bank overdraft	8,274	4,708
Total	**8,809**	**9,157**
Total	**2,774,149**	**2,745,143**

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

31 December 2022

EUR thousand	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Preferred Equity Certificates 1	EUR	0.50%	2037	1,017,638	1,017,638
Preferred Equity Certificates 2	EUR	0.50%	2037	214,770	214,770
Super Senior Pref.Equity Cert.	EUR	0.50%	2040	221,149	221,149
Senior term loan	EUR	EURIBOR+margin	2024	1,115,000	1,111,476
Revolving credit facility	EUR	EURIBOR+margin	2024	40,000	40,000
Second lien loan	EUR	EURIBOR+margin	2025	160,000	160,000
Non-current loan Brazil	BRL	18.90%	2024	232	232
Non-current loan Chile	CLP	6.10%	2025	75	75
Current loan Brazil	BRL	18.90%	2024	310	310
Current loan Chile	CLP	2.47%	2023	35	35
Current loan Uruguay	UYU	5.50%	2023	189	189
Bank OverdraftBrazil	BRL	17.90%	2023	1,010	1,010
Bank overdraft Romania	EUR/RON	2.58%	2024	7,264	7,264
Total				**2,777,673**	**2,774,149**

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31 December 2021

EUR thousand	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Preferred Equity Certificates 1	EUR	0.50%	2037	1,012,575	1,012,575
Preferred Equity Certificates 2	EUR	0.50%	2037	213,702	213,702
Super Senior Pref.Equity Cert.	EUR	0.50%	2040	220,051	220,051
Senior term loan	EUR	EURIBOR+margin	2024	1,115,000	1,108,925
Revolving credit facility	EUR	EURIBOR+margin	2024	15,000	15,000
Second lien loan	EUR	EURIBOR+margin	2025	160,000	160,000
Non-current loan Brazil	BRL	16.27%	2024	522	522
Non-current loan Saudi Arabia	SAR	2.81%	2023	5,211	5,211
Current loan Brazil	BRL	14.94%	2022	376	376
Current loan Portugal	EUR	1.45%	2022	959	959
Current loan Saudi Arabia	SAR	2.81%	2022	2,977	2,977
Current loan Uruguay	UYU	6.35%	2022	137	137
Bank overdraft Argentina	ARS	41.00%	2022	108	108
Bank overdraft Romania	EUR/RON	1.97%	2022	4,600	4,600
Total				**2,751,218**	**2,745,143**

NOTE 23. PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

EUR thousand	2022	2021
Defined benefit plans - Saudi Arabia	14,101	10,743
Defined benefit plans - France	1,996	2,290
Defined benefit plans - Italy	1,098	1,527
Defined benefit plans - Other	191	158
Sub total	**17,386**	**14,718**
Liabilities for long service award/ leave - France	181	120
Long term incentive plan - 2022	735	-
Total employee benefit plans	**18,302**	**14,838**

The Group sponsors defined benefit arrangements in a number of territories. These are:

France
In France, Diaverum provides mandatory retirement arrangement Indemnité de départ a la retraite ("IDR"), whereby a lump sum payment is made to employees on retirement. The lump sum is a service-related proportion of final salary. The arrangement is unfunded. The lump sums paid on retirement are defined by the Collective Bargaining Agreement of the Chemical Industry for one of the French entities and by the Collective Bargaining Agreement of Clinics for the other French entities. A proportion of salary is also paid as a lump sum awards made on completion of periods of long service (on every 5 years anniversary of service completed between ten and forty years) for certain employees, an anniversary payment plan/jubilee. The arrangement is unfunded. At 31 December 2022, the weighted average duration of the defined benefit obligation was 10.0 years (11.5). In 2023, Diaverum expects to pay EUR 330 thousand in contributions to its defined benefit plans in France.

Italy
In Italy, Diaverum provides statutory defined benefit leaving service indemnities, Trattamento di Fine Rapporto ("TFR"). Employees receive a lump sum payment on termination of their employment for any reason (including retirement). TFR benefits accrued before 1 January 2007 are unfunded and reported on the balance sheet with payment for these benefits occurring when employees leave. With effect from 1 January 2007, employees were allowed to choose the either divert their TFR accrual to an external pension fund or to the Italian Social Security Institute ("INPS"). Under both options, TFR benefits accrued from 1 January 2007 are paid on a defined contribution basis with no additional liabilities arising for these benefits.

Saudi Arabia
Saudi Arabia employees are eligible for an End of Service Benefit ("EOSB") calculated on the salary when ending the employment. This is payable to them on cessation of employment on all grounds except for misconduct, negligence or incompetence. In the case of the company terminating an employee's service for reasons other than misconduct, negligence or incompetence, their benefit entitlement is half a month's salary for each year of service thereafter. In the case of an employee resigning with more than two years' service, their benefit entitlement under the EOSB is as follows:

- between two and five years' service: one third of the benefit that would otherwise be paid to them on termination;
- between five and ten years' service: two thirds of the benefit that would otherwise be paid to them on termination;
- for service of more than ten years: 100% of the benefit that would otherwise be paid to them on termination.

At 31 December 2022, the weighted average duration of the defined benefit obligation was 5.1 years (4.4). In 2023, Diaverum expects to pay EUR 1,850 thousands in contributions to its defined benefit plans in Saudi Arabia.

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Sweden
For white-collar workers in Sweden, the ITP 2-plan's defined benefit pension commitments for retirement and family pensions are secured through insurance with Alecta. The plan is semi-closed, meaning that only new employees born before 1979 have the possibility to choose the ITP 2 solution. Employees born after 1979 are encompassed by a defined-contribution plan. According to an interpretation from the Swedish Financial Reporting Board (UFR 10), this is a multi-employer defined benefit plan. For the financial year 2022, the Diaverum Group did not have access to information from Alecta that would have enabled this plan to be recognized as a defined benefit plan. Accordingly, the plan has been accounted for as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and is based on such factors as the salary, previously earned pension and expected remaining length of service. For 2023, the expected contribution to Alecta is EUR 384 thousand. The Diaverum Group's share of the total contributions to the pension scheme for ITP 2 in Alecta amounted to 0.0% for 2022 (0.0) and the share of the total number of active members in the scheme was 0.0% (0.0).

The collective consolidation level comprises the apportionable assets in relation to the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. According to Alecta's consolidation policy for defined benefit pension insurance, the collective consolidation level is normally allowed to vary between 125% and 175%. Alecta's preliminary consolidation ratio for 2022 amounts to 172%. If the consolidation level falls short of or exceeds the normal interval, measures must be taken to create the conditions for the consolidation level to return to the normal range. One measure may be to increase the contract price for new subscription or to introduce premium reductions.

The premiums to Alecta are calculated using assumptions about interest rates, life expectancy, operating costs and tax on returns, so that the payment of a consistent amount of premium up to the date of retirement is sufficient to ensure that the entire, targeted benefit, based on the insured's current pensionable salary, is, in fact, earned. There is no agreed framework to guide the process of managing any deficit that may arise. In the first instance, losses will be covered by Alecta's collective consolidation capital and will thus not lead to increased costs through higher contractual premiums. Nor are there guidelines on how any surpluses or deficits should be allocated in the event of dissolution of the scheme or a company's withdrawal from the scheme.

Other countries
Diaverum currently provides unfunded lump sums on leaving and/or retirement in Poland.

Long term incentive plan - 2022
The Diaverum Group has set up a rolling long term cash-based incentive plan for senior executives in the group. Currently there is only one such plan in place, that commenced in 2022. Pay-out is expected in 2025 and are based on medical, financial and strategic targets set on individual level. Pay-outs can vary between 0-100% of an individual's annual salary and pay-outs will be treated as salary with the customary associated social contributions.

Risks
The defined benefit plans expose the Diaverum Group to actuarial risks, currency risk and interest rate risk.

Movement in the present value of the defined benefit liability
The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Defined benefit obligations

EUR thousand	2022	2021
Balance at 1 January	14,718	11,290
Business combination / disposal of business	-16	1,351
Included in profit or loss		
Current service costs	2,833	2,276
Past service costs	-	-67
Interest costs	226	81
Total	**3,059**	**2,290**
Included in OCI		
Remeasurement loss (gain):		
» Actuarial loss (gain) arising from:		
- Demographic assumptions	650	6
- Financial assumptions	-1,298	-28
- Experience adjustment	963	455
» Effect of movement in exchange rates	608	637
Total	**923**	**1,070**
Other		
Benefits paid	-1,298	-1,283
Total	**-1,298**	**-1,283**
Balance at 31 December	**17,386**	**14,718**

As reported prior year, the table above included the liability for the long-term service award in France. As this is not a defined benefit obligation, it has been excluded from the table and prior period restated.

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Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	France		Italy		Saudi Arabia	
EUR thousand	**2022**	2021	**2022**	2021	**2022**	2021
Discount rate at 31 December	3.6%	0.9%	3.5%	0.3%	4.1%	1.8%
Future salary increase	2.5-2.8%	1.1-2.5%	5.9%	2.4%	4.0%	3.0%
Withdrawal rates	10.0-14.0%	-	4.0%	4.0%	15.3%	12.0%

Assumptions regarding future mortality are based on published statistics and mortality tables for each respective country.

Sensitivity analysis

The table below indicates the sensitivity to assumption changes. Holding the other assumptions constant, any change to the listed actuarial assumptions, would have affected the defined benefit obligation with percentages shown.

	Change		Impact on liability	
2022	(+)	(-)		
Discount rate	+1.0%	-1.0%	-5.4%	+6.0%
Salary increase	+1.0%	-1.0%	+6.2%	-5.7%
Withdrawal rates*	+10.0%	-10.0%	-1.5%	+1.5%

* Saudi Arabia and Italy only.

NOTE 24. PROVISIONS

31 December 2022

EUR thousand	Legal	Other	Total
Balance at 1 January 2022	1,611	794	2,405
Provisions made during the period	915	34	949
Provisions used during the period	-531	-31	-562
Provisions reversed during the period	-1,282	-	-1,282
Provisions reclassified during the period	-	-779	-779
Effect of movements in exchange rates	-87	-	-87
Balance at 31 December 2022	**626**	**18**	**644**
Non-current liabilities	431	18	449
Current liabilities	195	-	195
Balance at 31 December 2022	**626**	**18**	**644**

31 December 2021

EUR thousand	*Legal*	*Other*	*Total*
Balance at 1 January 2021	2,369	16	2,385
Provisions made during the period	684	799	1,483
Provisions used during the period	-594	-	-594
Provisions reversed during the period	-674	-21	-695
Provisions reclassified during the period	-	-	-
Effect of movements in exchange rates	-174	-	-174
Balance at 31 December 2021	**1,611**	**794**	**2,405**
Non-current liabilities	1,514	778	2,292
Current liabilities	97	16	113
Balance at 31 December 2021	**1,611**	**794**	**2,405**

Provisions that will be used within one year are classified as current liabilities. The provided amount under legal reflects estimated contingencies in connection with legal cases and relates mainly to former employees. Out of the obligations that existed at 31 December 2022, EUR 544 (1,219) thousand were expected to be paid within 1 to 5 years and EUR 100 (1,186) thousand after five years.

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NOTE 25. OTHER LIABILITIES

EUR thousand	2022	2021
Contingent consideration	11,796	12,741
VAT and other taxes	11,058	9,003
Other liabilities	6,781	12,265
Total	**29,635**	**34,009**
Non-current liabilities	3,396	6,970
Other current liabilities	26,239	27,039
Total	**29,635**	**34,009**

NOTE 26. ACCRUED EXPENSES AND DEFERRED INCOME

EUR thousand	2022	2021
Accrued interest	31,211	30,205
Accrued personnel-related expenses	46,463	46,537
Accrued consultancy expenses	3,652	991
Accrued rent and utilities expenses	1,867	1,396
Accrued goods and services expenses	28,292	22,997
Advance payments contract liabilities	6,538	230
Other accrued expenses and deferred income	1,608	9,925
Total	**119,631**	**112,281**

NOTE 27. RELATED PARTIES

Parent company and ultimate controlling party
The Group's parent company, Diaverum S.à r.l., is indirectly controlled by Bridgepoint Advisers Limited, acting as manager for Bridgepoint Europe III Fund.

Transactions with key management personnel and board members
- Key management personnel compensation
Included in key management personnel are the members of the Group Management together with the Board of Managers in Diaverum S.à r.l.

Key management personnel compensation comprised:

EUR thousand	2022	2021
Short-term employee benefits	4,374	3,966
Post-employment benefits	687	661
Other long-term employee benefits	1,456	3,207
Termination benefits	-	630
Total	**6,516**	**8,464**

- Management incentive program
Key management personnel have, since 2015, purchased securities in Diaverum Holding S.à r.l. at fair value. The company and the holders have the right to buy or sell back the securities, at any time, at the original purchase price plus interest of 0.5%.

Bridgepoint has purchased part of the issued securities during 2021 at the original purchase price plus interest of 0.5% and, per 31 December 2022, Bridgepoint owns 39,120 securities and certain current and former key management personnel own 27,855. An exit of the Group below Diaverum Holding S.à r.l. or an initial public offering of such Group could result in a leverage yield on the security. The securities are presented as liabilities in Diaverum Holding S.à r.l.

- Recognition and retention bonus
Diaverum has issued a recognition and retention bonus to key management personnel and certain other employees of the Group whereby each individual is entitled to a fixed bonus amount as recognition for the commitment shown in connection with Diaverum's development and exit process and to incentivise the relevant employees to remain committed to Diaverum's development. The bonus has been paid out as salary in three instalments in December 2020 / January 2021, December 2021 and December 2022 respectively. For certain employees to receive the full bonus (i.e. all three instalments) he or she would have to remain employed by entities within the Diaverum Group at least until 31 December 2022.

Other related party transactions
- Transactions with joint venture in Saudi Arabia
Diaverum's branch in Saudi Arabia purchases routine supplies, leases equipment and purchase related installation and training services from the Group's joint venture with Nazer Group. See note 4, regarding the acquisition of Diaverum Arabia Ltd during 2021. In addition, Diaverum has performed certain administrative services to the joint venture.

Transactions with shareholders, joint ventures in Saudi Arabia and Oman are classified as transactions with related parties and recognised as follows:

	Transaction values for the year ended 31 December	
EUR thousand	**2022**	**2021**
Transaction with joint venture		
- Purchase of leases including installation and training services	-	-11,761
- Purchase of routine supplies	-	-
- Purchase of administrative services	-	-5
- Sales of administrative services	17	79
- Interest income	-	-
- Interest expenses	-	-
Total	**17**	**-11,687**
Transaction with ultimate controlling party:		
- Administrative services	-70	-60
Total	**-70**	**-60**

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EUR thousand	Balance outstanding as at 31 December 2022	2021
Receivables from related parties		
- Receivables from joint venture	1	-
Total	**1**	**-**
Liabilities to related parties		
- Liabilities to joint venture	-	-
Total	**-**	**-**
- Liabilities to ultimate controlling party	-	3
Total	**-**	**3**

The ultimate controlling party controls PECs amounting to EUR 1,075 million (1,070), including accumulated interest, corresponding to 73.76% (73.77%) of the total issued PECs. See note 22 for additional information on PECs.

NOTE 28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For bank facilities, the difference between the carrying amounts and the fair values relates primarily to transaction costs included in the carrying amounts of the liabilities. The fair values of bank facilities belong to level 2 of the fair value hierarchy.

31 December 2022

	Carrying amount				
EUR thousand	Mandatory at fair value through P&L	Financial assets measured at amortised cost	Other financial liabilities	**Total**	Fair value
Financial receivables measured at fair value					
Contingent consideration	630	-	-	**630**	630
Total	**630**	**-**	**-**	**630**	**630**
Financial assets not measured at fair value					
Non-current receivables	-	2,886	-	**2,886**	
Trade receivables	-	108,405	-	**108,405**	
Receivables from related parties	-	-	-	**-**	
Unbilled revenue	-	31,143	-	**31,143**	
Cash and cash equivalents	-	133,724	-	**133,724**	
Total	**-**	**276,158**	**-**	**276,158**	
Financial liabilities measured at fair value					
Contingent consideration	-11,796	-	-	**-11,796**	-11,796
Total	**-11,796**	**-**	**-**	**-11,796**	**-11,796**
Financial liabilities not measured at fair value					
Preferred Equity Certificates	-	-	-1,453,557	**-1,453,557**	
Senior term loan	-	-	-1,311,476	**-1,311,476**	
Trade payables	-	-	-55,156	**-55,156**	
Liabilities to related parties	-	-	-	**-**	
Liabilities to non-controlling interest	-	-	-	**-**	
Accrued expenses and deferred income	-	-	-119,631	**-119,631**	
Other non-current loans	-	-	-307	**-307**	
Current bank loan	-	-	-535	**-535**	
Bank overdraft	-	-	-8,274	**-8,274**	
Total	**-**	**-**	**-2,948,936**	**-2,948,936**	

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31 December 2021	Carrying amount				
EUR thousand	Mandatory at fair value through P&L	Financial assets measured at amortised cost	Other financial liabilities	**Total**	Fair value
Financial assets not measured at fair value					
Non-current receivables	-	2,781	-	**2,781**	
Trade receivables	-	140,784	-	**140,784**	
Receivables from related parties		-		**-**	
Unbilled revenue	-	7,072	-	**7,072**	
Cash and cash equivalents	-	104,829	-	**104,829**	
Total	**-**	**255,466**	**-**	**255,466**	
Financial liabilities measured at fair value					
Contingent consideration	-12,741	-	-	**-12,741**	-12,741
Total	**-12,741**	**-**	**-**	**-12,741**	**-12,741**
Financial liabilities not measured at fair value					
Preferred Equity Certificates	-	-	-1,446,328	**-1,446,328**	
Senior term loan	-	-	-1,283,925	**-1,283,925**	
Trade payables	-	-	-60,427	**-60,427**	
Liabilities to related parties	-	-	-	**-**	
Liabilities to non-controlling interest	-	-	-5,646	**-5,646**	
Accrued expenses and deferred income	-	-	-112,281	**-112,281**	
Other non-current loans	-	-	-5,733	**-5,733**	
Current bank loan	-	-	-4,449	**-4,449**	
Bank overdraft	-	-	-4,708	**-4,708**	
Total	**-**	**-**	**-2,923,497**	**-2,923,497**	

Fair value hierarchy

Financial instruments carried at fair value are valued according to the following three levels:

» Level 1: quoted prices in active markets for identical assets or liabilities.
» Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
» Level 3: inputs for the asset or liability that are not based on observable market data.

31 December 2022

EUR thousand	Level 1	Level 2	Level 3	**Total**
Contingent consideration Receivables	-	-	630	**630**
Contingent consideration Liability	-	-	-11,796	**-11,796**
	-	**-**	**-11,166**	**-11,166**

31 December 2021

EUR thousand	Level 1	Level 2	Level 3	**Total**
Contingent consideration Receivables	-	-	-	**-**
Contingent consideration Liability	-	-	-12,741	**-12,741**
	-	**-**	**-12,741**	**-12,741**

There have been no transfers between the different levels for 2022 and 2021.

b) Measurement of fair value

The following table shows the valuation techniques used for measuring level 2 and 3 fair values.

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Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Contingent consideration	Discounted cash flow: The valuation model considers the present value of expected payment (+/-), discounted using a risk adjusted discount rate. The excepted payment (+/-) is determined by considering the possible scenarios depending on the dipsosal business/business combination. It can vary between forecasted revenue, EBITDA or other factors, the amount to be paid and the probability of each scenario.	Risk-adjusted discount rates: 6.1% (4.5). EBITDA margin. Annual revenue growth.	The estimated fair value would increase if: – The annual revenue growth rate were higher. – The EBITDA margin were higher. – The risk-adjusted discount rate were lower. Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

Contingent consideration

The table shows a reconciliation from the opening to the closing balance.

	Receivables		Liabilities	
EUR thousand	**2022**	2021	**2022**	2021
Opening balance 1 January	-	-	12,741	13,100
Assumed in business combination / disposal business	630	-	1,981	5,076
Adjustment of prior year provisional acquisition accounting	-	-	-394	-
Settlements	-	-	-3,655	-5,326
Recognised in income statement				
Change in fair value*	-	-	-67	-471
Interest expense	-	-	443	72
Effect of movement in exchange rates	-	-	747	290
Balance at 31 December	**630**	**-**	**11,796**	**12,741**

* Decreases in the fair value of the receivables/liabilities are reported in 'Other income', and increases in 'Other expenses'. Interest expense is reported among financial items.

For contingent consideration the outcome will be minimum EUR 4,134 thousand (6,030) and maximum EUR 12,074 thousand (14,898).

c) Financial risks and risk management

From a financial risk management perspective, the Group is exposed to the following risks:

» credit risks,
» liquidity risks,
» market risks (currency and interest).

(i) Risk management framework

The Group is continuously exposed to various financial risks through its international operations. Financial risks refer to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rate levels, refinancing and credit risks. The Group's treasury policy for managing financial risks is prepared by the Board and creates a framework of guidelines and regulations in the form of risk mandates and limits on the financial operations. The Board decides on the treasury policy annually. The Group's Treasury function centrally manages the responsibility for the Group's financial transactions and risks. The overall goal of the treasury department is to provide cost efficient financing, to map out financial risks that affect the Group, and to minimize negative impacts on the Group's earnings that stem from market risks. The Board's Audit Committee prepares, on behalf of the Board, the practical application of the policy in consultation with the Group's CFO. The Group's Treasury function regularly reports to the Board's Audit Committee via the Group CFO.

(ii) Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

- Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was (carrying amount):

EUR thousand	Note	**2022**	2021
Trade receivables		108,405	140,784
Other receivables		8,599	11,019
Unbilled revenue	19	31,143	7,072
Cash and cash equivalents	20	133,724	104,829
Total		**281,871**	**263,704**

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- Cash and cash equivalent

Any cash within the Group is, to the extent possible, pooled to a master bank account in Sweden. Any excess cash holdings are being used to repay borrowings under the revolving credit facility.

- Trade receivable and unbilled revenue

The Group's exposure to credit risks is impacted mainly by the individual characteristics of each customer or, i.e. the reimbursement system in each respective country. Customer are, in this respect, usually publicly owned insurance systems or sometimes privately held insurance companies.

Timely payment of due invoices is monitored very closely in the countries and is supported by lobbying activities, non-recourse transactions and, in case of delayed payments, through the involvement of lawyers and other external advisors. Due to the nature of the payer, the risk in trade receivables is mainly a timing risk. However due to changes in political and economic environment in the last years this topic has been given highest priority by management and is discussed in management and board meetings on a regular basis.

Based on the fact that the Group's customers are insurance providers, in most cases ultimately financed through government funding, the risk connected to losses on trade receivables are considered low. The gross value of trade receivables are written off only when an impairment loss is definitive. The group has non-recourse factoring agreements in Spain and Portugal, which is used to improve the working capital performance.

The maximum exposure to credit risk for trade receivables, unbilled revenue and receivables on related parties at the reporting date by geographic region was (carrying amount):

EUR thousand	**2022**	2021
Eurozone countries	51,825	49,320
Argentina	-	17,608
Saudi Arabia	34,456	32,609
Other European countries	26,715	21,772
Other regions	26,552	26,547
Total	**139,548**	**147,856**

The maximum possible exposures for credit risks for trade receivables, unbilled revenue and claims from associated parties on the balance sheet day were, by due date (recognised value):

EUR thousand	**2022**	2021
Not past due	126,805	131,324
Past due 0-30 days	2,037	5,697
Past due 31-120 days	4,444	4,298
More than 120 days	16,367	16,445
Trade receivable and unbilled revenue, gross	**149,653**	**157,764**
Loss reserve	-10,105	-9,908
Trade receivable and unbilled revenue, net	**139,548**	**147,856**

Outstanding trade receivables more than 120 days relates primarily to the markets in Italy and North Macedonia (Italy and Argentina).

The following table provides information on exposure to credit risks and expected credit losses for trade receivables and unbilled revenue at 31 December. The below classes summarise the credit ratings in the countries where the Group operates.

31 December 2022

Category (sovereign credit rating - Moody's) / **EUR thousand**	Weighted average loss level, percentage	Gross carrying amount	Impairment loss allowance
Aaa	0.5%	12,933	-71
Aa	0.9%	13,285	-124
A	0.3%	43,954	-112
Baa	14.3%	62,035	-8,841
Ba	6.0%	15,841	-951
B	0.5%	1,087	-5
Caa-C	0.2%	518	-1
Total		**149,653**	**-10,105**

31 December 2021

Category (sovereign credit rating - Moody's) / **EUR thousand**	Weighted average loss level, percentage	Gross carrying amount	Impairment loss allowance
Aaa	0.4%	14,140	-50
Aa	1.5%	9,105	-141
A	0.1%	46,670	-54
Baa	14.0%	57,530	-8,032
Ba	3.9%	11,371	-444
B	0.2%	537	-1
Caa-C	6.4%	18,411	-1,185
Total		**157,764**	**-9,908**

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- Movements in the allowance for impairment in respect of trade receivables and unbilled revenue

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue during the year was as follows:

EUR thousand	2022	2021
Balance at 1 January	9,908	9,567
Amounts written off	-2,125	-206
Net remeasurement of loss allowance	2,322	547
Balance at 31 December	**10,105**	**9,908**

(iii) Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group works with planning processes to ensure that it will always have sufficient liquidity on a short- and long-term base. As per 31 December 2022 the Group had unused revolving credit facilities of EUR 133.9 million (149.8).

- Exposure to liquidity risks

The following are the contractual maturities of financial liabilities, including estimated interest payments.

31 December 2022

		Contractual cash flow				
EUR thousand	Carrying amount	Total	6 months or less	6–12 months	1–2 years	>2 years
Preferred Equity Certificates	1,453,557	1,565,659	-	-	-	1,565,659
Senior term loan	1,111,476	1,176,693	20,339	20,339	1,136,016	-
Revolving credit facility	40,000	42,068	1,022	1,022	40,023	-
Second Lien Loan	160,000	193,103	6,584	6,584	179,935	0
Contingent consideration	11,796	12,141	6,810	1,634	3,095	602
Leasing liability	150,875	183,683	20,877	15,655	27,396	119,755
Trade payables	55,156	55,156	55,156	-	-	-
Liabilities to non-controlling interest	-	-	-	-	-	-
Accrued expenses and deferred income	119,631	119,631	119,631	-	-	-
Current bank loans	535	600	565	35	-	-
Other non-current loans	307	391	24	24	343	-
Bank overdraft	8,274	8,619	1,119	142	7,358	-
Total	**3,111,607**	**3,357,745**	**232,127**	**45,436**	**1,394,166**	**1,686,016**

31 December 2021

		Contractual cash flow				
EUR thousand	Carrying amount	Total	6 months or less	6–12 months	1–2 years	>2 years
Preferred Equity Certificates	1,446,328	1,565,659	-	-	-	1,565,659
Senior term loan	1,108,925	1,210,705	19,056	19,056	1,172,592	-
Revolving credit facility	15,000	15,981	244	244	15,493	-
Second Lien Loan	160,000	204,942	6,400	6,400	12,800	179,342
Contingent consideration	12,741	12,897	3,851	2,097	6,602	347
Leasing liability	170,674	205,917	19,293	17,649	33,793	135,182
Trade payables	60,427	60,427	60,427	-	-	-
Liabilities to non-controlling interest	5,646	5,646	-	5,646	-	-
Accrued expenses and deferred income	112,281	112,281	112,281	-	-	-
Current bank loans	4,449	5,886	2,867	3,019	-	-
Other non-current loans	5,733	6,046	207	200	5,639	-
Bank overdraft	4,708	4,840	4,840	-	-	-
Total	**3,106,912**	**3,411,227**	**229,466**	**54,311**	**1,246,919**	**1,880,530**

- Preferred Equity Certificates (PEC)

The mandatory redemption date of the Preferred Equity Certificates (PEC) occur year 2037 for PEC issued 2007, 2010 and year 2040 for PEC issued 2013. No contractual cash flow is connected to the PEC before these dates.

(iv) Markets risks

Market risks are risks that arise due to currency fluctuations (currency risks) and/or changes in interest rates (interest risks).

- Currency risks

Currency risks can be divided into translational risk and transactional risk.

- Translation risk

This risk is defined as the exposure that arises when consolidating foreign operations that do not have Euro as their functional currencies. The Group's policy regarding investment in its subsidiaries is that these investments are not hedged.

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The following significant exchange rates have been used for the year:

	Average rate		Reporting date spot rate	
Euro 1	**2022**	2021	**2022**	2021
ARS	136.9581	112.4259	189.0255	116.7810
BRL	5.4432	6.3813	5.6386	6.3101
CLP	917.8853	898.0022	909.2437	968.8945
GBP	0.8526	0.8600	0.8869	0.8403
HUF	390.9439	358.4635	400.8700	369.1900
KZT	485.6652	504.8052	493.8381	494.4603
MKD	61.5654	61.5755	61.5537	61.8694
MYR	4.6292	4.9026	4.6984	4.7184
PLN	4.6845	4.5640	4.6808	4.5969
RON	4.9317	4.9209	4.9490	4.9490
RUB	71.5570	87.2321	77.9094	85.3004
SAR	3.9566	4.4380	4.0226	4.2688
SEK	10.6274	10.1448	11.1218	10.2503
SGD	1.4520	1.5896	1.4300	1.5279
UYU	43.4545	51.5375	42.4392	50.8329

- Sensitivity analysis

A movement of the Euro as indicated below, against the BRL, PLN, RON, SAR, SGD and GBP at 31 December would have increased (decreased) the net investment by the amounts shown below. This analysis is based on foreign currency exchange rate variances against euro of +/- 5%. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis as for 2021.

31 December 2022

Impact in EUR thousand	Net investment	Impact on equity of an exchange rate fluctuation of 5%
SAR	137,894	6,895
RON	97,355	4,868
BRL	55,791	2,790
PLN	36,373	1,819
SGD	33,667	1,683
GBP	29,581	1,479
Other	70,639	3,532

31 December 2021

Impact in EUR thousand	Net investment	Impact on equity of an exchange rate fluctuation of 5%
SAR	96,941	4,847
RON	95,595	4,780
BRL	41,547	2,077
PLN	35,471	1,774
GBP	30,975	1,549
SGD	30,654	1,533
Other	122,116	6,106

- Transaction risks

The Group's significant transaction exposure relates to loans between group entities, denominated in euro and borrowed by entities with another functional currency. These loans create foreign exchange gains and losses that impact the Group's profit or loss. The impact of the transaction exposure is for 2022 negative and totals EUR -4,232 thousand (-2,925) before taxes, mainly related to internal loans. This amount is recognised in the income statement as financial expenses. Based on the outstanding amount at the end of 2022, a strengthening of the euro by 5% unit against other functional currencies would result in a currency loss of EUR 23,711 thousand (SEK: 13,183, HKD: 2,683, GBP: 2,005, CLP: 1,476, RON: 1,198, PLN: 1,168 and other currencies 1,998)

- Interest rate risk

Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group's borrowing costs. Interest rate risk can lead to a change in fair values and changes in cash flows. This interest rate risk is managed by the Group's Treasury function.

The Group have historically used IRS and caps for managing the interest rate risk. The Group do currently not hold any IRS or caps, and has its senior debt set on interest rate fixings on EURIBOR 6M.

An increase of the interest rate of 100 points rate during 2022 would have affected the result before tax with EUR 13.2 million (6.6).

- Financial covenants

Diaverum Holding S.à r.l. (DHS) has entered into a Senior Facilities Agreement (SFA) under which loans and borrowings are provided to the Group (see note 22). The SFA held by DHS was established in July 2017, with mandated lead arranger being The Royal Bank of Scotland plc, Credit Agricole Corporate & Investment Bank Sweden Branch, BNP Paribas Fortis SA/NV and Sumitomo Mitsui Banking Corporation Europe Ltd. The credit facilities consists of a Second Lien Facility of EUR 160 million, Senior Term Loan Facilities of EUR 1,115 million and a Revolving Credit Facility of EUR 175 million. The second Lien Facility matures in 2025, and the Senior Term Loan Facilities and the Revolving Credit Facility both matures in 2024. Following the refinancing in

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July 2017, the Group is, provided the Revolving Facility is utilised above a certain level (Test Condition), subject to a financial covenant measured quarterly as the ratio of its senior indebtedness to its financial performance.

- Capital management

The Board's policy is to maintain the capital base to maintain investor, creditor and market confidence and to sustain future development and growth of the business. Capital consists of share reserves less accumulated losses of the business.

The management of the Group has, together with the shareholder, discussions on an ongoing basis to ensure the future financing of the Group taking the maturity of the Syndicated Facilities Agreement into account. The weighted average margin on interest bearing borrowings was approximately 3.97% (3.88) at the end of 2022.

- Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. These agreements stipulates that when a credit event such as a default occurs - all outstanding transactions under the agreement are terminated. The termination value is assessed and only a single net amount is payable in settlement of all transactions.The ISDA agreements do not meet the criteria for offsetting in the statement of financial position, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other events.

- Cash flow hedges

The amounts relating to items designated as hedging instruments were as follows:

	2022						
EUR thousand	Nominal amount	Carrying amount: Assets	Carrying amount: Liabilities	Line item in the statem. of financial position where instrument is included	Changes in the value recognised in OCI	Amount reclassified from hedging reserve to P&L	Line item in P&L affected by the reclass.
Interest rate swaps	–	–	–	–	–	0	Finance expenses

	2021						
EUR thousand	Nominal amount	Carrying amount: Assets	Carrying amount: Liabilities	Line item in the statem. of financial position where instrument is included	Changes in the value recognised in OCI	Amount reclassified from hedging reserve to P&L	Line item in P&L affected by the reclass.
Interest rate swaps	–	–	–	–	–	0	Finance expenses

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NOTE 29. LEASES

The Group leases many assets, including buildings, vehicles, machines and equipment. Information on leasing agreements where the Group is the leasee are presented below.

Right-of-use assets

	Depreciation for the year		Balance at 31 December	
EUR thousand	**2022**	2021	**2022**	2021
Buildings	-31,166	-29,136	139,107	161,879
Vehicles & Equipments	-1,098	-1,134	1,352	2,238
Total	**-32,264**	**-30,270**	**140,459**	**164,117**

Additions to the right-of-use assets during 2022 totalled EUR 20.2 million (36.0). Most of the increases in right-of-use assets pertain to facilities for clinical operations. The Group recognises new leasing and increases in leasing liabilities due to revaluation of the leasing period as additions to the right-of-use assets.

Lease liabilities included in the statement of financial position at 31 December

EUR thousand	**2022**	2021
Current	29,650	29,287
Non-current	121,225	141,387
Total lease liabilities as at 31 December	**150,875**	**170,674**

A maturity analysis for the leasing liabilities is provided in note 28.

Amounts recognised in profit or loss

EUR thousand	**2022**	2021
Depreciation	-32,264	-30,270
Interest on lease liabilities	-8,104	-8,612
Variable lease payments not included in the measurement of lease liabilities	-384	-11,942
Expenses relating to short-term leases	-1,027	-519
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-102	-45

Variable lease payments not included in the measurement of lease liabilities relate to equipment leased by the Group from its former joint venture in Saudi Arabia. The lease payments were based on the number of treatments performed by the Group's branch in Saudi Arabia (which was the lessee), see also note 27. There were no minimum lease payments. Since the number of treatments was not a variable that depends on an index or rate, the leasing payments were not included in a leasing liability. Instead, these payments were recognised in profit or loss in the period in which the treatments were performed.

Amounts recognised in statement of cash flows

EUR thousand	**2022**	2021
Total cash outflow for leases	**-43,007**	**-51,458**

Options to extend or terminate a lease

The majority of the Group's leases relate to leases of clinic facilities. It is common for such leases to contain an option for Diaverum to extend the lease for additional periods or for the contracts to renew on a continuous basis if the Group does not exercise its right under the contract to terminate the lease at certain dates. The Group assesses whether it is reasonably certain to exercise an option to extend the lease or not to exercise an option to cancel the lease when determining the lease term at the inception of the lease. The assessment of the lease term has significant impact on the size of the lease liability and the corresponding right-of-use asset, in particular for property leases. When assessing the lease term, the Group in particular considers factors such as the length of the reimbursement contract covering the dialysis treatments that are performed at the leased clinic and the existence of any significant leasehold improvements.

As per 31 December 2022, the average remaining lease term was 4 (4) years including periods covered by extension options reasonably certain to be exercised and termination options not reasonably certain to be exercised.

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NOTE 30. PLEDGED ASSETS

The group has entered into a Senior Facilities Agreement under which assets are pledged in the form of pledged bank accounts and shares in a number of subsidiaries in the Group. The value of the pledged bank accounts amounts to EUR 28.7 million (3.4). The aggregated net assets relating to the pledged shares in subsidiaries amount to EUR 809.1 million (1,124.1). In addition to the pledged assets for the Senior Facilities Agreement, assets are pledged in some jurisdictions for local credit facilities. These pledges are bank deposits of EUR 0.0 million (14.5) and other assets of EUR 0.0 million (0.0).

NOTE 31. CONTINGENT LIABILITIES

As at 31 December 2022 the Group has issued guarantees for clinics leases and for local bank overdraft facilities totalling EUR 1.2 million (10.2).

NOTE 32. GROUP ENTITIES

Specification of all holdings of participations in Group companies

		Ownership interest, %	
Name/Corp. Id. No.	Country of incorporation	**31 Dec. 2022**	31 Dec. 2021
. Diaverum Holding S.à r.l. /B128894/ Luxembourg, Luxembourg	Luxembourg	100	100
. . Diaverum AB / 559140-5344 / Malmö, Sweden	Sweden	100	100
. . . Diaverum Treasury AB	Sweden	100	100
. . . d.VENTURES International AB	Sweden	100	-
. . . Diaverum Holding AB / 556717-6150 / Malmö, Sweden	Sweden	100	100
. . . . Diaverum Sweden AB	Sweden	100	100
. . . . . Diaverum International AB	Sweden	100	100
. . . . . . Diaverum Russ LLC	Russia	100	100
. . . . . . DiaVita Shpk	Albania	100	100
. . . . . . Diaverum Kazakhstan Distribution LLC	Kazakhstan	100	100
. . . . Diaverum Distribution KG LLC	Kyrgyzstan	100	100
. . . . . Geallium Handels AB	Sweden	100	100
. . . . . . Ural Medical Centre LLC	Russia	100	100
. . . . . . Diasan LLC	Russia	100	100
. . . . . . Nephromed Albania Shpk	Albania	100	100
. . . . . . Sphera Estate LLC	Russia	100	100
. . . . . Diaverum Ufa AB	Sweden	-	100
. . . . . Diaverum Deutschland GmbH	Germany	100	100
. . . . . . MVZ Diaverum Erkelenz GmbH	Germany	100	100
. . . . . . MVZ Diaverum Kleve GmbH	Germany	100	100
. . . . . . Diaverum MVZ Am Neuen Garten GmbH	Germany	100	100
. . . . . . Diaverum Betriebsgesellschaft Nordost GmbH	Germany	100	100
. . . . . . MVZ Diaverum Remscheid GmbH	Germany	100	100
. . . . . . MVZ Diaverum Prignitz GmbH	Germany	100	100
. . . . . . MVZ Diaverum V GmbH	Germany	100	100
. . . . . . Diaverum Betriebsgesellschaft Hamburg GmbH	Germany	100	100
. . . . . Diaverum (Hong Kong) Ltd	Hong Kong	100	100
. . . . . . Diaverum Trading (Hong Kong) Limited	Hong Kong	100	100
. . . . Nanjing Daqian Medical Products Co., Ltd	China	-	70
. . . . Nanjing Jinzun Medical Products Co., Ltd	China	-	70
. . . . Zhenjiang Diaverum Hemodialysis Centre Company Ltd	China	-	70
. . . . . . Diaverum Guangzhou Medical Services Investment Ltd Co.	China	100	100
. . . . . . Integrated Dialysis Facility (HK) Limited	Hong Kong	100	100
. . . . Guangzhou Huangpu Diaverum Dialysis Center Limited	China	100	100
. . . . Wuhu Diaverum Hemodialysis Centre Company Ltd	China	100	70

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Name/Corp. Id. No.	Country of incorporation	Ownership interest, % 31 Dec. 2022	31 Dec. 2021
..... Ningguo Diaverum Hemodialysis Company Ltd	China	100	70
..... Wuxi Liangxi Diaverum Hemodialysis Centre Co Ltd	China	100	70
..... Wuxi Xishan Diaverum Hemodialysis Centre Co Ltd	China	100	70
..... Guangzhou Zengcheng Diaverum Dialysis Center Ltd	China	100	100
..... Shenzhen Kangdawei Medical management Ltd, Co.	China	-	100
..... Metropoliten D.O.O.E.L	North Macedonia	100	100
..... PZU Diamed Makedonija	North Macedonia	100	100
.... Livenfox S.A	Uruguay	100	100
.... Cofin S.A	Uruguay	100	100
..... Crani SRL	Uruguay	100	100
..... Intir SRL	Uruguay	100	100
..... Ceter Ltda	Uruguay	100	100
..... Centro de Nefrología Renis Ltda	Uruguay	100	100
..... Seine SRL	Uruguay	100	100
..... Senniad SRL	Uruguay	100	100
..... Unedi SRL	Uruguay	100	100
.... Diaverum Polska Sp. z o.o	Poland	100	100
.... Nefros Asia LLP	Kazakhstan	100	100
..... ID Senim	Kazakhstan	100	100
..... Nephro Life Qaz LLP	Kazakhstan	100	100
..... Prime Clinic LLP	Kazakhstan	100	100
..... Nefro Care LLP	Kazakhstan	100	100
.... Diaverum Middle East DMCC	United Arab Emirates	100	100
.... Virtus Vita Limited	Cyprus	100	100
.... Diaverum Holding SEA Pte Ltd	Singapore	100	100
..... Advance Renal Care (S) Pte Ltd	Singapore	-	100
..... Advance Renal Care (Novena) Pte Ltd	Singapore	-	100
..... Advance Renal Care (Kovan) Pte Ltd	Singapore	-	100
..... Econ Advance Renal Care Pte Ltd	Singapore	-	100
..... Advance Dialysis Services Pte Ltd	Singapore	-	100
..... Asia Kidney Dialysis (TP) Pte Ltd	Singapore	-	100
..... Asia Kidney Dialysis (TPY) Pte Ltd	Singapore	-	100
..... ARCA (Farrer Park) Dialysis Pte Ltd	Singapore	-	100
..... Diaverum Singapore Pte Ltd	Singapore	100	100
..... Pacific Advance Renal Care (Seng Kong) Pte Ltd	Singapore	-	100
..... Tropicana Renal Services Sdn Bhd	Malaysia	100	100
..... IMU Dialysis Sdn Bhd	Malaysia	40	40
..... Advance Renal Care (M) Sdn Bhd	Malaysia	49	49
..... Asia Renal Networks Sdn Bhd	Malaysia	49	49
..... Ara Damansara Dialysis Sdn Bhd	Malaysia	25.48	25.48
... Diaverum Holding France S.A.S / FR00 498 723 873 00036 / Lyon, France	France	100	100
.... Diaverum Paris S.A.S	France	-	100
.... Diaverum Montereau S.A.S	France	100	100
.... Diaverum Angers S.A.S	France	100	100
.... Diaverum Mulhouse S.A.S	France	100	100
.... Diaverum Provence S.A.S	France	100	100
.... Diaverum Draguignan S.A.S	France	100	100
.... Diaverum Saint Denis	France	100	100
.... Diaverum France GIE	France	100	100
.... Diaverum Kft	Hungary	100	100
.... Diaverum Hungary Kft	Hungary	100	100
.... Diaverum Business Services Kft	Hungary	100	100
.... UAB Diaverum Lietuva	Lithuania	100	100
..... UAB Diaverum klinikos	Lithuania	100	100
.... Centre d'Hémodialyse de Marrakech SARLAU	Morocco	100	100
.... Centre d'Hémodialyse d'Agadir SARLAU	Morocco	100	100
.... Centre d'Hémodialyse El Basma SARLAU	Morocco	100	-
.... Centre de Néphrologie Hémodialyse de Meknès SARLAU	Morocco	100	-

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Name/Corp. Id. No.	Country of incorporation	Ownership interest, % 31 Dec. 2022	31 Dec. 2021
.... Diaverum Arabia Company Ltd	Saudi Arabia	100	100
..... Diaverum for Dialysis and Advanced Health services Company Ltd	Saudi Arabia	100	100
... Diaverum Investimentos e Servicos L.D.A / 511154097 / Sintra, Portugal	Portugal	100	100
.... DV-Diálises do Vouga LDA	Portugal	95	95
.... CMDR-Centro Medico de Doencas Renias, S.A	Portugal	66.67	66.67
.... SDP-Sociedade Portuguesa De Diálise S.A.	Portugal	82.25	82.25
.... Hemo-atlântico- Centro de Hemodiálise do Atlântico S.A.	Portugal	100	100
.... Pombaldial- Clínica de Diálise S.A	Portugal	100	100
... Diaverum Servicios Renales S.L / B84991736 / Madrid, Spain	Spain	100	100
.... Ponfedial, S.L	Spain	-	100
.... Centro de Hemodiálises del Sur S.A.	Argentina	100	100
.... Instituto de Nefrolgía S.A.	Argentina	100	100
.... Servicio de Nefrologia General Sarmiento S.A.	Argentina	100	100
.... Diaverum Argentina S.A.	Argentina	-	99.9985
..... Ceter S.A. (Temperley)	Argentina	-	80
..... Instituto Privado de Nefrología S.A.	Argentina	-	75
..... Nephrology S.A.	Argentina	-	80
.... Diaverum Assistência Médica e Nefrológica Ltda	Brazil	100	100
..... Nefroclinica Ltda	Brazil	100	100
..... Instituto de Nefrologia de Mogi das Cruzes Ltda	Brazil	100	100
..... Instituto de Nefrologia de Suzano Ltda	Brazil	100	100
..... CNTT - Clinica de Nefrologia e Transplante Renal do Tatuapé	Brazil	100	100
..... CNH - Centro de Nefrologia e Hipertensão Ltda	Brazil	100	100
..... INEDI Instituto de Nefrologia e Diálise Ltda	Brazil	100	100
..... CTN Clínica de Nefrologia Ltda	Brazil	100	100
..... ACS Brasil Cirúrgica Ltda	Brazil	100	100
..... GS Nefrologia SS	Brazil	100	-
... Diaverum Italia S.r.l / BA-336586 / Bari, Italy	Italy	100	100
... Diaverum Holding UK Ltd / 01372902 / St. Albans, UK	UK	100	100
.... Diaverum UK Ltd	UK	100	100
.... Diaverum Facilities Management Ltd	UK	100	100
.... Diaverum Holding Chile S.A	Chile	100	100
..... Diaverum Servicios Renales Chile Limitada	Chile	100	100
..... Servicios Medicos Cidial Limitada	Chile	100	100
..... Servicios Medicos Medinefro Limitada	Chile	100	100
..... Centro De Diálisis Villarrica Limitada	Chile	100	100
..... Sociedad Medica Limitada (Lawen)	Chile	100	100
..... Centro Médico de Diálisis Diaseal Limitada	Chile	100	100
..... Diálisis Norte S.A.	Chile	100	100
..... Diálisis Colina S.A.	Chile	100	100
..... Centro de Diálisis San Antonio Limitada	Chile	100	100
..... Servicios Medicos Horizonte S.A.	Chile	100	100
..... Centro de Dialisis Apumanque Limitada	Chile	100	100
..... Dialisis del Valle Limitada	Chile	100	100
..... Sociedad Medica Vitta SpA	Chile	100	-
... SC Diaverum Romania S.R.L / 25934329 / Bucharest, Romania	Romania	100	100
... Diaverum Hellas SA / 161253801000 / Maursi, Greece	Greece	100	100

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NOTE 33. NON-CONTROLLING INTEREST

The following subsidiaries/subgroups have material NCI.

	Location	Note	Ownership interest held by NCI 2022	2021
Argentina subgroup	Argentina	35	-	20-25%
Portugal subgroup	Portugal		5-33%	5-33%
Malaysia subgroup	Malaysia		25%	25%

The following is a summarised financial information on the Group's non-controlling interest. It is prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before intercompany eliminations in the group.

2022

EUR thousand	Portugal sub-group	Malaysia sub-group	Argentina sub-group	Elim	Total
Non-current assets	6,004	3	-		
Current assets	34,829	51	-		
Non-current liabilities	1,819	0	-		
Current liabilities	3,746	100	-		
Net assets	35,268	-46	-		
Carrying amount of NCI	**5,571**	**-22**	**-**	**-**	**5,549**
Net sales	8,391	213	16,623		
Profit	2,148	-50	1,627		
OCI	-	1	-566		
Total comprehensive income	**2,148**	**-49**	**1,061**		
Profit allocated to NCI	353	-24	339	-	**668**
OCI allocated to NCI	-	0	-724		**-724**
Dividends to NCI	201	-	-	-	**201**

2021

EUR thousand	Portugal sub-group	Malaysia sub-group	Argentina sub-group	Russia sub-group	Elim	Total
Non-current assets	6,873	66	4,070	-		
Current assets	32,548	59	9,742	-		
Non-current liabilities	2,246	2	3,827	-		
Current liabilities	2,925	120	8,464	-		
Net assets	34,250	3	1,521	-		
Carrying amount of NCI	**5,419**	**2**	**385**	**-**	**-**	**5,806**
Net sales	8,594	151	17,739	96		
Profit	2,182	-36	604	-53		
OCI	-	0	-150	-20		
Total comprehensive income	**2,182**	**-36**	**454**	**-73**		
Profit allocated to NCI	348	-17	130	-14	-	**447**
OCI allocated to NCI	-	0	-88	-5		**-93**
Dividends to NCI	225	-	-	-	-	**225**

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NOTE 34. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

EUR thousand	PEC	Other loans and borrowings	Leasing liabilities	Bank overdraft	Total
Opening balance 1 January 2021	1,439,128	1,261,275	156,506	0	**2,856,909**
Changes from cash flows from financing activities					
Proceeds	-	210,706	-	-	**210,706**
Repayments	-	-191,725	-	-	**-191,725**
Change in bank overdraft	-	-	-	4,721	**4,721**
Payment of leasing liabilities	-	-	-30,341	-	**-30,341**
Total changes from financing cash flows	-	18,981	-30,341	4,721	**-6,639**
Changes from acquisitions	-	10,303	5,349	-	**15,652**
Exchange rate differences		2,287	1,888	-13	**4,162**
Changes in fair value	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Other changes					
New/Remeasured leases	-	-	37,273	-	**37,273**
Capitalised borrowing cost	7,200	521	-	-	**7,721**
Amortised prepaid borrowing cost	-	739	-	-	**739**
Total liabilities related to other changes	7,200	1,260	37,273	-	**45,733**
Balance at 31 December 2021	**1,446,328**	**1,294,106**	**170,675**	**4,708**	**2,915,817**

EUR thousand	PEC	Other loans and borrowings	Leasing liabilities	Bank overdraft	Total
Opening balance 1 January 2022	1,446,328	1,294,106	170,675	4,708	**2,915,817**
Changes from cash flows from financing activities					
Proceeds	-	69,905	-	-	**69,905**
Repayments	-	-55,734	-	-	**-55,734**
Change in bank overdraft	-	-	-	3,603	**3,603**
Payment of leasing liabilities	-	-	-32,361	-	**-32,361**
Total changes from financing cash flows	-	14,171	-32,361	3,603	**-14,587**
Changes from acquisitions	-	-321	1,769	-	**1,448**
Changes from disposals	-	-	-4,221	-	**-4,221**
Exchange rate differences	-	1,975	-218	-37	**1,720**
Changes in fair value	-	-	-	-	**-**
Other changes					
New/Remeasured leases	-	-	15,231	-	**15,231**
Capitalised borrowing cost	7,229	-	-	-	**7,229**
Amortised/paid prepaid borrowing cost	-	2,387	-	-	**2,387**
Total liabilities related to other changes	7,229	2,387	15,231	-	**24,847**
Balance at 31 December 2022	**1,453,557**	**1,312,318**	**150,875**	**8,274**	**2,925,024**

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NOTE 35. DISPOSAL OF BUSINESSES

Argentina

In 2022 the entities Diaverum Argentina S.A. (June 2022) and Instituto de Trasplantes y Alta Complejdad (September 2022) were sold to two different buyers. The deal includes 31 dialysis clinics and one transplant facility.

The transaction marks the end of Diaverum presence in Argentina.

China

In January 2022 Diaverum got full control of the clinics in Ningguo, Wuhu, Liangxi and Xishan in return for the shares in the entities Nanjing Daqian Medical Products Co., Ltd and Nanjing Jinzun Medical Products Co., Ltd. All entities were previously fully consolidated in the Group according to the anticipated acquisition method, see note 1.

None of the the transactions were previously classified as held-for-sale or as discontinued operation.

(A) Result of disposal business

EUR thousand	2022
Consideration received, satisfied in cash	1,935
Deferred and contingent consideration	1,027
Net assets disposed of	-32,998
Exchange difference recycled to P&L	-39,244
Result of disposal business	**-69,280**

Prior to the disposal of Nanjing Daqian Medical Products Co., Ltd and Nanjing Jinzun Medical Products Co., Ltd, the NCI in the Group's operations in China had an option to sell their holdings to Diaverum (an NCI put). That option gave rise to a liability for the present value of the redemption amount in the Group's statement of financial position. As part of the agreement to dispose of Nanjing Daqian Medical Products Co., Ltd and Nanjing Jinzun Medical Products Co., Ltd in return for the Group gaining 100% ownership of clinics in Ningguo, Wuhu, Liangxi and Xishan, the NCI put option was cancelled. The Group therefore derecognized the NCI put liability with a corresponding credit in equity. Furthermore, the actual exchange of Nanjing Daqian Medical Products Co., Ltd and Nanjing Jinzun Medical Products Co., Ltd for 100% ownership of the clinics constitute a transaction with NCI and has therefore been reported within equity. The net effect on equity was -8,787 KEUR (before reclassification of foreign exchange differences.

(B) Cash flows from disposal business.

EUR thousand	Note	2022
Net cash used in operating activities		5,871
Net cash from investing activities	(C)	-5,174
Net cash outflows		**697**

(C) Effect on the disposal on the financial position of the group

EUR thousand	Note	2022
Tangible assets		-11,012
Right-of-use assets		-9,172
Other intangible assets		-44
Non-current receivables		-9,009
Current assets		-45,972
Cash and cash equivalents		-7,109
Employee benefits		16
Leasing liability		4,221
Non-interest-bearing liabilities		30,571
Net assets and liabilities		**-47,510**
Consideration received, satisfied in cash		1,935
Cash and cash equivalents disposed of		-7,109
Net cash inflows	(B)	**-5,174**

For comparison purposes, there was no disposal of businesses to disclose during 2021.

NOTE 36. SUBSEQUENT EVENTS

No significant events occurred subsequent to 31 December 2022.

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To the Partners of
Diaverum S.à r.l.
6B, Rue du Fort Niedergrünewald
L-2226 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Diaverum S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

— Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 24 March 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

Jean-Manuel Séris

Vidimus