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Ovan intagna resultat- och balansräkning har fastställts vid ordinarie bolagsstämma 2022-06-15 varvid även beslöts, att resultatet enligt den fastställda balansräkningen skulle disponeras i enlighet med i förvaltningsberättelsen framlagt förslag.

Styrelseledamot

Styrelsen för

Diaverum Holding AB

Org nr 556717-6150

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2021

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Förvaltningsberättelse

Allmänt om verksamheten
Företagets verksamhet består av att äga och förvalta, samt samordna de verksamheter som bedrivs i dotter- och koncernbolag. Företaget bedriver dialysvård i sin utländska filial.

Diaverum Holding AB, med säte i Malmö, ägs av Diaverum AB, org nr 559140-5344. Bolaget som upprättar koncernredovisning är Diaverum S.à r.l. , Luxemburg, org nr B129921.

Bolaget ingår i en koncern, Diaverum, inriktad på dialysverksamhet. Koncernen har verksamhet i 24 länder runt om i världen. De mest betydelsefulla länderna är för närvarande, Frankrike, Portugal, Rumänien, Storbritannien, Spanien och Tyskland i Europa. Utanför Europa är de största marknaderna Saudi Arabien och Argentina. Totalt sett ansvarar koncernen för dialysvård av ca 40 300 permanenta patienter via 464 kliniker. En patient behöver vanligtvis besöka Diaverums klinik tre gånger per vecka, vilket ger stabilitet och förutsägbarhet för verksamheten.

Diaverums erbjudande är att leverera en personlig omvårdnad av högsta kvalitet till dialyspatienterna och samtidigt säkerställa en effektiv administration av klinikerna. Detta innebär bland annat att klinikerna inom koncernen aktivt arbetar med att övervaka och jämföra en rad medicinska parametrar i syfte att kontinuerligt utveckla den medicinska kvaliteten på den erbjudna vården.

Bolagets redovisningsvaluta är i svenska kronor.

Utveckling av företagets verksamhet, resultat och ställning

(kkr.)

Ekonomisk översikt	*2021*	*2020*	*2019*	*2018*
Nettoomsättning	1 636 765	1 776 000	1 717 358	1 552 495
Rörelsemarginal %	25,3%	21,0%	1,3%	1,3%
Balansomslutning	4 221 782	3 282 286	1 591 026	2 661 064
Soliditet %	72,1%	82,7%	0,7%	1,7%

Definitioner: se not 25

Väsentliga händelser under och efter räkenskapsåret
Diaverum Holding AB:s filial i Saudi Arabien har totalt 39 kliniker och ca 4 300 patienter vid årets slut.

Diaverum Holding AB innehar en kapitaltäckningsgaranti från moderbolaget, Diaverum AB. Kapitaltäckningsgarantin gäller t.o.m. 2023-06-30.

Påverkan av COVID-19
Sedan utbrottet av Corona pandemin i början av 2020 följer Diaverum dagligen upp dess påverkan på kliniker, medarbetare och verksamhetsprocesser. Kontinuitetsplanerna granskas fortlöpande, processerna optimeras och samtliga aktiviteter utvärderas utifrån ett riskperspektiv för att minska de negativa effekterna hänförliga till spridningen av coronaviruset.

Diaverums verksamhet, som i första hand ger livsuppehållande dialysbehandlingar, har fortlöpt ungefär som vanligt under året. Det har dock ställts krav på att säkra leveranser och att ha lager av skyddsutrustning, för att kunna agera för en minskad spridning av covid-19 på kliniker och under transporter till och från kliniker mm, vilket sammantaget har medfört en ökad kostnadsnivå . Diaverum har också upplevt vissa störningar på marknaden när det gäller remitteringen av patienter och dödlighet som påverkar nettoflödet av patienter, främst på de östeuropeiska och eurasiska marknaderna.

Förvärv under räkenskapsåret
I februari 2021, så förvärvades ett företag i Singapore som via dess dotterföretag bedriver dialysvård i Singapore och Malaysia. Verksamheten omfattar totalt 18 dialysklinker med ca 800 patienter.
Bolaget har även förvärvat ett företag på Cypern i februari 2021.

Se även not 28 - Händelser efter balansdagen.

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Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Den utländska filialens grundbokföring och affärstransaktionerna sker i lokal valuta och därmed finns en valutarisk vid omräkning till svenska kronor.

Företagets ägande av dotterbolag bedöms inte innebära några inneboende risker utöver den eventuella risk som finns i dotterbolagens verksamhet samt risken för makroekonomiska förändringar i länderna där dotterbolagen är verksamma.

Utländska filialer

Sedan 2014 bedriver Diaverum Holding AB dialysvård i Saudi Arabien, genom sin utländska filial i landet. Avtalet med Hälsovårdsmyndigheten i Saudi Arabien, har förnyats i början av 2019, och gäller till och mec hösten 2023.

Förslag till disposition av företaget vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 3 043 014 218, disponeras enligt följande:

Balanseras i ny räkning	3 043 014 218
Summa	3 043 014 218

Se även not 26.
Vad beträffar resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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Resultaträkning

Belopp i kkr.	*Not*	*2021*	*2020*
Nettoomsättning	2	1 636 765	1 776 000
Kostnad för utförda behandlingar		-1 171 481	-1 258 446
Bruttoresultat		465 284	517 554
Administrations- och försäljningskostnader		-99 833	-105 045
Övriga rörelseintäkter	3	48 684	–
Övriga rörelsekostnader	5	-78	-39 502
Rörelseresultat	4,6	414 057	373 007
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	7	–	24 140
Ränteintäkter och liknande resultatposter	8	61	21 795
Räntekostnader och liknande resultatposter	9	-25 622	-42 492
Resultat efter finansiella poster		388 496	376 450
Bokslutsdispositioner			
Koncernbidrag, erhållna		12 392	7 116
Koncernbidrag, lämnade		–	–
Resultat före skatt		400 888	383 566
Skatt på årets resultat	10	-82 628	-89 925
Årets resultat		318 260	293 641

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Balansräkning

Belopp i kkr.	*Not*	*2021-12-31*	*2020-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	3 319 094	2 701 574
Andelar i gemensamt styrda företag	12	–	–
		3 319 094	2 701 574
Summa anläggningstillgångar		3 319 094	2 701 574
Omsättningstillgångar			
Varulager m m	13		
Råvaror och förnödenheter		26 355	31 414
		26 355	31 414
Kortfristiga fordringar			
Kundfordringar		331 875	139 617
Fordringar hos koncernföretag		167 275	7 116
Övriga fordringar		1 303	128 097
Förutbetalda kostnader och upplupna intäkter	14	38 436	41 704
		538 889	316 534
Kassa och bank			
Kassa och bank		337 444	232 764
		337 444	232 764
Summa omsättningstillgångar		902 688	580 712
SUMMA TILLGÅNGAR		4 221 782	3 282 286

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Balansräkning

Belopp i kkr.	*Not*	*2021-12-31*	*2020-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	15	120	120
		120	120
Fritt eget kapital			
Balanserat resultat		2 724 754	2 419 266
Årets resultat		318 260	293 641
		3 043 014	2 712 907
		3 043 134	2 713 027
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser	16	93 794	70 551
		93 794	70 551
Långfristiga skulder	17		
Skulder till koncernföretag	23	580 933	6 489
Övriga skulder		6 524	–
		587 457	6 489
Kortfristiga skulder			
Leverantörsskulder		40 114	47 660
Skulder till moderföretag		12 219	6 246
Skulder till koncernföretag		318 117	311 816
Aktuell skatteskuld		40 179	75 002
Övriga skulder		22 325	83
Upplupna kostnader och förutbetalda intäkter	18	64 443	51 412
		497 397	492 219
SUMMA EGET KAPITAL OCH SKULDER		4 221 782	3 282 286

För upplysningar om eventualförpliktelser och ställda panter se not 19.

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Rapport över förändringar i eget kapital

2020-12-31	Bundet eget kapital				Fritt eget kapital		
	Aktie kapital	*Upp-skrivnings-fond*	*Reserv-fond*	*Överkurs fond*	*Fond för verkligt värde*	*Bal.res inkl årets resultat*	*Summa eget kapital*
Ingående balans	120	–	–	–	–	10 753	10 873
Årets resultat						293 641	293 641
Förändringar direkt mot eget kapital							
Aktuariell vinst/förlust vid omvärdering av pensionsskulden						-5 494	-5 494
Summa	–	–	–	–	–	-5 494	-5 494
Transaktioner med ägare							
Aktieägartillskott erhållna						2 417 577	2 417 577
utdelning						-3 569	-3 569
Summa	–	–	–	–	–	2 414 007	2 414 007
Vid årets utgång	120	–	–	–	–	2 712 907	2 713 027

2021-12-31	Bundet eget kapital				Fritt eget kapital		
	Aktie kapital	*Upp-skrivnings-fond*	*Reserv-fond*	*Överkurs fond*	*Fond för verkligt värde*	*Bal.res inkl årets resultat*	*Summa eget kapital*
Ingående balans	120	–	–	–	–	2 712 907	2 713 027
Årets resultat						318 260	318 260
Förändringar direkt mot eget kapital							
Aktuariell vinst/förlust vid omvärdering av pensionsskulden						-5 144	-5 144
Summa	–	–	–	–	–	-5 144	-5 144
Transaktioner med ägare							
Aktieägartillskott erhållna						16 991	16 991
Summa	–	–	–	–	–	16 991	16 991
Vid årets utgång	120	–	–	–	–	3 043 014	3 043 134

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Kassaflödesanalys

Belopp i kkr.	*Not*	2021	2020
Den löpande verksamheten			
Resultat efter finansiella poster	20	388 496	376 450
Justering för poster som inte ingår i kassaflödet	22	-11 673	49 518
		376 823	425 968
Betald inkomstskatt		-122 671	-8 351
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		254 152	417 617
Förändringar i rörelsekapital			
Ökning(-)/Minskning(+) av varulager		7 702	-17 483
Ökning(-)/Minskning(+) av rörelsefordringar		-178 277	1 654
Ökning(+)/Minskning(-) av rörelseskulder		17 053	-182 373
Kassaflöde från den löpande verksamheten		100 630	219 415
Investeringsverksamheten	23		
Lämnat aktieägartillskott		-1 724	-91
Förvärv av dotterföretag		-269 169	–
Kassaflöde från investeringsverksamheten		-270 893	-91
Finansieringsverksamheten	23		
Upptagna lån		291 777	19 362
Amortering av lån		-45 693	–
Kassaflöde från finansieringsverksamheten		246 084	19 362
Årets kassaflöde		75 821	238 686
Likvida medel vid årets början		232 764	23 180
Kursdifferens i likvida medel		28 859	-29 102
Likvida medel vid årets slut	21	337 444	232 764

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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.

Bolagets säte
Diaverum Holding 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.

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. Om det inte går att beräkna en enskild tillgångs återvinningsvärde beräknas återvinnings-värdet för hela den kassagenererande enhet som tillgången hör till.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och *nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden* som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

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.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas genom tillämpning av en metod som bygger på vägda genomsnittspriser. 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.

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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 anskaffningsvärde 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 effektivräntemetoden.

Ersättningar till anställda

Ersättningar till anställda efter avslutad anställning
Klassificering
Planer för ersättningar efter avslutad anställning klassificeras som förmånsbestämda.Vid förmånsbestämda planer har företaget en förpliktelse att lämna de överenskomna ersättningarna till nuvarande och tidigare anställda. Företaget bär i allt väsentligt dels risken att ersättningarna kommer att bli högre än förväntat (aktuariell risk), dels risken att avkastningen på tillgångarna avviker från förväntningarna (investeringsrisk). Investeringsrisk föreligger även om tillgångarna är överförda till ett annat företag.

Förmånsbestämda planer
Företag har valt att tillämpa de förenklingsregler som finns i BFNAR 2012:1.

Skuld avseende övriga långfristiga ersättningar till anställda redovisas till nuvärdet av förpliktelsen på balansdagen.

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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 nuvärdesberäknats.

Uppskjutna skattefordringar har värderats till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande och framtida skattepliktiga resultat. Värderingen omprövas varje balansdag.

Avsättningar
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.

Avsättningen redovisas till nuvärdet av de framtida betalningar som krävs för att reglera förpliktelsen.

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.
Aktieägartillskott som lämnas utan att emitterade aktier eller andra egetkapitalinstrument erhållits i utbyte redovisas i balansräkningen som en ökning av andelens redovisade värde.

20220622132236

Not 2 Nettoomsättning per rörelsegren och geografisk marknad

	2021	*2020*
Nettoomsättning per rörelsegren		
Ersättning för utförda behandlingar	1 636 765	1 776 000
	1 636 765	1 776 000
Nettoomsättning per geografisk marknad		
Saudi Arabien	1 636 765	1 776 000
	1 636 765	1 776 000

Not 3 Övriga rörelseintäkter

	2021	*2020*
Kursdifferenser vid omräkning av utländsk filial	47 667	–
Kursvinster på fordringar/skulder av rörelsekaraktär	999	–
Övrigt	18	–
	48 684	–

Not 4 Anställda, personalkostnader och arvoden till styrelse och revisorer

Medelantalet anställda

	2021	*varav män*	*2020*	*varav män*
Saudi Arabien	1 037	52%	1 146	51%

Redovisning av könsfördelning i företagsledningar

	2021-12-31 Andel kvinnor	*2020-12-31 Andel kvinnor*
Styrelsen	0%	0%
Övriga ledande befattningshavare	0%	0%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2021		*2020*	
	Styrelse och VD	*Övriga anställda*	*Styrelse och VD*	*Övriga anställda*
Löner och andra ersättningar	–	433 586	–	519 206
Sociala kostnader	–	34 762	–	35 983
(varav pensionskostnad) 1)	*(–)*	*(19 273)*	*(–)*	*(19 669)*

1) Av företagets pensionskostnader avser 1 491 kkr. (f.å. 2 591 kkr.) företagets ledning avseende 3 (3) personer.

Löner och ersättningar avser endast personal i Saudi Arabien.

Arvode och kostnadsersättning till revisorer

	2021	*2020*
KPMG		
Revisionsuppdrag	297	318
Andra uppdrag	-	-

Revisionsarvodet avser bolagets filial i Saudi. Revisionsarvodet avseende den svenska holdingverksamheten faktureras annat koncernbolag (Diaverum AB).

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.

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Not 5 Övriga rörelsekostnader

	2021	2020
Kursförluster på fordringar/skulder av rörelsekaraktär	-78	-502
Kursdifferenser vid omräkning av utländsk filial	–	-39 000
	-78	-39 502

Not 6 Operationell leasing

Leasingavtal där företaget är leasetagare

Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal	2021-12-31	2020-12-31
Inom ett år	22 634	21 863
Mellan ett och fem år	7 954	8 849
Senare än fem år	–	–
	30 588	30 712

	2021	2020
Räkenskapsårets kostnadsförda leasingavgifter	289 027	300 754

Not 7 Resultat från andelar i koncernföretag

	2021	2020
Utdelning	–	4 434
Nedskrivningar	–	-4 625
Återförda nedskrivningar	–	24 331
	–	24 140

Not 8 Ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter, övriga	61	–
Kursdifferenser	–	21 795
	61	21 795

Not 9 Räntekostnader och liknande resultatposter

	2021	2020
Räntekostnader, koncernföretag	-23 635	-40 488
Kursdifferenser	-1 335	-661
Räntekostnader, övriga	-652	-1 343
	-25 622	-42 492

Not 10 Skatt på årets resultat

	2021	2020
Aktuell skattekostnad	-82 628	-89 925
	-82 628	-89 925

Avstämning av effektiv skatt

	2021		2020	
	Procent	*Belopp*	*Procent*	*Belopp*
Resultat före skatt		400 888		383 566
Skatt enligt gällande skattesats för moderföretaget	20,6%	-82 583	21,4%	-82 083
Ej avdragsgilla kostnader	0,0%	-44	0,3%	-1 147
Ej skattepliktiga intäkter	0,0%	52	-1,6%	6 155
Avdragsgilla kostnader som ej ingår i det redovisade resultatet	-0,1%	494	-0,1%	303
Skattepliktiga intäkter som ej ingår i det redovisade resultatet	0,1%	-451	0,0%	–
Räntebidrag	0,0%	–	2,3%	-8 944
Utnyttjande av tidigare ej aktiverade underskottsavdrag	0,0%	–	-0,2%	819
Effekt av skattesatser i utländska jurisdiktioner	0,0%	-96	1,3%	-5 028
Utländska skatter	0,0%	–	0,0%	–
Redovisad effektiv skatt	20,6%	-82 628	23,4%	-89 925

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Not 11 Andelar i koncernföretag

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	2 992 116	1 487 999
Förvärv / aktieägartillskott	617 520	1 504 117
Vid årets slut	3 609 636	2 992 116
Ackumulerade nedskrivningar		
Vid årets början	-290 542	-310 248
Under året återförda nedskrivningar	–	24 331
Årets nedskrivningar	–	-4 625
Vid årets slut	-290 542	-290 542
Redovisat värde vid årets slut	3 319 094	2 701 574

Spec av företagets innehav av andelar i koncernföretag

			2021-12-31	*2020-12-31*
Dotterföretag / Org nr / Säte	*Antal andelar*	*Andel i % i)*	*Redovisat värde*	*Redovisat värde*
Diaverum Sweden AB, 556209-2790, Malmö		100,00	2 540 127	2 208 338
Diaverum Polska sp.z.o.o, KRS 0000275027, Polen		100,00	177 362	177 362
Diaverum Romania S.R.L		0,01	51	51
Cofin S.A, Uruguay		100,00	77 009	77 009
Livenfox S.A, Uruguay		100,00	728	728
Diaverum Middle East DMCC		100,00	605	605
Nefros Asia LLP		98,90	230 884	230 884
Diaverum International AB, 556858-6589, Malmö		1,00	6 886	3 705
Geallium Handels AB, 556209-2790, Malmö		1,00	3 020	2 892
Virtus Vita Ltd, Cypern		100,00	2 029	–
Advance Renal Care (Asia) Pte Ltd, Singapore		100,00	280 393	–
			3 319 094	2 701 574

Not 12 Andelar i gemensamt styrda företag

	2021-12-31	*2020-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	1 168	1 168
Förvärv	–	–
Vid årets slut	1 168	1 168
Ackumulerade nedskrivningar		
Vid årets början	-1 168	-1 168
Årets nedskrivningar	–	–
Vid årets slut	-1 168	-1 168
Redovisat värde vid årets slut	–	–

Bolaget innehar 35% ägande i Diaverum Gulf LLC, ett företag som etablerats i Sultanatet Oman. Genom ett avtal med en annan part, som innehar 35 % ägande i ovan nämnda företag, anser bolaget att innehavet i Diaverum Gulf LLC skall klassificeras som andelar i gemensamt styrda företag. Ägarandelen av kapitalet överensstämmer med andelen av rösterna för totalt antal aktier.

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Not 13 Varulager m m

	2021-12-31	2020-12-31
Råvaror och förnödenheter	26 355	31 414
	26 355	31 414

Not 14 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	2020-12-31
Hyra	10 492	15 323
Tillstånd	10 189	11 239
Försäkringar	7 383	6 291
Ersättningar till personal	2 318	1 425
Råvaro och förnödenheter	2 089	3 831
Övriga poster	5 965	3 595
	38 436	41 704

Not 15 Antal aktier och kvotvärde

	2021-12-31	2020-12-31
Antal aktier	12 045	12 045
Kvotvärde	10 kr	10 kr

Not 16 Avsättningar för pensioner och liknande förpliktelser

Rätten till ersättning efter avslutad anställning omfattar samtliga anställda i Saudi Arabien. Förpliktelsen är baserad på antalet anställningsår och aktuell lönenivå. För personal med anställningstid upp till fem år uppgår förpliktelsen till en halv månadslön per anställningsår. För anställningstid över fem år ökas förpliktelsen med en månadslön för varje anställningsår överstigande 5 års anställning. Ovanstående villkor gäller om företaget säger upp personal. Vid en uppsägning från den anställdes sida så utbetalas ingen ersättning för anställningstid upp till två år. Endast en del av förpliktelsen utgår om anställningstiden är mellan två och tio år. Om arbetstagaren varit anställd mer än tio år utgår ersättning enligt samma villkor som vid en uppsägning från arbetsgivarens sida.

Pensionskostnad

	2021	2020
Kostnaden redovisas i följande rader i resultaträkningen:		
Kostnad för utförda behandlingar	16 744	16 337
Administrations- och försäljningskostnader	2 528	3 333
Finansiella kostnader	590	1 305
Total kostnad för ersättningar efter avslutad anställning	19 862	20 975

Aktuariella antaganden

Följande väsentliga aktuariella antaganden har tillämpats vid beräkning av förpliktelserna:
(vägda genomsnittsvärden)

	2021-12-31	2020-12-31
Diskonteringsränta	1,8%	0,8%
Förväntad löneökningstakt	3,0%	0,8%

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Not 17 Långfristiga skulder

	2021-12-31	2020-12-31
Skulder som förfaller senare än fem år från balansdagen		
Skulder till moderföretag	–	–
Skulder till koncernföretag	–	–

Not 18 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Upplupna personalkostnader	27 871	21 102
Upplupna kostnader för förbrukningsmaterial	20 350	14 104
Upplupna kostnader för tjänster utförda i kliniker	13 239	13 742
Upplupna hyror	1 343	960
Revisionsarvode	312	285
Övriga poster	1 328	1 219
	64 443	51 412

Not 19 Eventualförpliktelser och ställda panter

Belopp i kkr.	2021-12-31	2020-12-31
Eventualförpliktelser	Inga	Inga
Ställda panter		
För koncernföretagets skulder		
Andelar i koncernföretag	2 717 489	2 385 700
Fodringar hos koncernföretag	–	–
	2 717 489	2 385 700
För andra skulder		
Bankkonto	3 170	1 752
Kundfordringar	–	–
	3 170	1 752

Not 20 Betalda räntor och erhållen utdelning

	2021	2020
Erhållen utdelning	–	–
Erhållen ränta	–	–
Erlagd ränta	–	–

Not 21 Likvida medel

	2021-12-31	2020-12-31
Följande delkomponenter ingår i likvida medel:		
Kassamedel	1 219	1 145
Banktillgodohavanden	336 225	231 619
	337 444	232 764

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.

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Not 22 Övriga upplysningar till kassaflödesanalysen

Justeringar för poster som inte ingår i kassaflödet m m

	2021	*2020*
Orealiserade kursdifferenser	-46 337	17 750
Kapitaliserade/upplupna räntor	24 164	41 831
Avsättningar/fordringar avseende pensioner	15 643	19 571
Nedskrivning av andelar i koncernföretag	–	4 625
Reversering av nedskrivning av andelar i koncernföretag	–	-24 331
Utdelning	–	-4 434
Övriga ej kassaflödespåverkande poster	-5 143	-5 494
	-11 673	49 518

Not 23 Transaktioner som inte medför betalningar

	2021	*2020*
Aktieägaretillskott som inte medför betalningar, erhållit	16 991	2 417 577
Amortering av lån som inte medför betalningar	–	-2 417 577
Aktieägaretillskott som inte medför betalningar, lämnat	-16 991	–

Ökningen av långfristiga skulder till koncernföretag jämfört med föregående år, förklaras huvudsakligen av upptaget internt lån för finansiering av rörelseförvärv i Singapore samt lösen av interna kortfristiga skulder som uppstod i samband med lämnat kapitaltillskott 2020.

Not 24 Koncernuppgifter

Företaget är helägt dotterföretag till Diaverum AB org nr 559140-5344 med säte i Malmö. Moderföretaget ingår i en koncern där Diaverum S.à r.l. org nr B 129921 med säte i Luxemburg upprättar koncernredovisning. Det utländska moderföretagets koncernredovisning finns att tillgå hos Diaverum S.à r.l. Le Dôme Espace Pétrusse 2, avenue Charles de Gaulle, L - 1653 Luxembourg.

Inköp och försäljning inom koncernen
Av företagets totala inköp avser 145 839 kkr. (f.å. 24 806 kkr.) inköp inom den företagsgrupp som företaget tillhör. Av företagets totala nettoomsättning avser ingen del försäljning till andra koncernföretag.

Not 25 Nyckeltalsdefinitioner

Rörelsemarginal:	Rörelseresultat / Nettoomsättning
Balansomslutning:	Totala tillgångar
Soliditet:	Totalt eget kapital / Totala tillgångar
Justerat eget kapital	Eget kapital + ((1- skattesatsen) x obeskattade reserver

Not 26 Vinstdisposition

Styrelsen föreslår att fritt eget kapital, kronor 3 043 014 218, disponeras enligt följande:

Balanseras i ny räkning	3 043 014 218
Summa	3 043 014 218

Not 27 Hållbarhetsrapport

Bolaget hänvisar till hållbarhetsrapport upprättad för koncernen av moderföretaget, Diaverum AB (org nr 559140-5344) med säte i Malmö.

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Not 28 Händelser efter balansdagen

Diaverumkoncernens verksamhet har tyvärr påverkats av Rysslands invasion av Ukraina i februari 2022. Diaverumkoncernen har ingen verksamhet i Ukraina men en liten verksamhet i Ryssland med 19 kliniker och i nuläget 1 300 patienter. Diaverumkoncernen arbetar därmed för att säkerställa att verksamheten i Ryssland kan fortlöpa utan avbrott i led med relevanta lagar och förordningar. Diaverum Holding AB har via dotterbolag ett indirekt ägande i Diaverums verksamhet i Ryssland.

Malmö 2022-06-13

Dimitrios Moulavasilis
Ordförande

Hans Abrahamsson

Björn Brixer

Vår revisionsberättelse har lämnats 2022-06-15
KPMG AB

Jonas Nihlberg
Auktoriserad revisor

20220622132 43

Revisionsberättelse

Till bolagsstämman i Diaverum Holding AB, org. nr 556717-6150

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Diaverum Holding AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Diaverum Holding ABs finansiella ställning per den 31 december 2021 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 Holding 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 ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den 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 för bedömningen av bolagets förmåga att fortsätta verksamheten. Den 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 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 uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen 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.

Vidimeras
Lars Bovstedt
0766-133005

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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 förvaltning för Diaverum Holding AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter 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 Holding 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 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.

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 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 om förslaget är förenligt med aktiebolagslagen.

Malmö den 15 juni 2022

KPMG AB

Jonas Nihlberg
Auktoriserad revisor



Diaverum S.à r.l.

Consolidated Financial Statements
for the year ended 31 December 2021

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

DIAVERUM

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 464 clinics in 24 markets and had ca 10,200 FTEs (almost same as LY), which served 40,301 HD and PD permanent patients as of 31 December 2021. 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, despite the ongoing pandemic, with acquisitions adding 23 new clinics in Singapore, Malaysia, Morocco, Portugal, Saudi Arabia (the Amar unit), Brazil and Kazakhstan. Moreover, during the year Diaverum opened 17 new clinics, whereof 6 in Spain, 5 in Kazakhstan, 3 in Russia, 2 in the UK and 1 in China, and closed 2 clinics. The net inflow of 1,403 patients derives mainly from new business. Like-for-like units have remained at a stable level with inflow and mortality impacted by the global pandemic.

Impacts from COVID-19 pandemic

Since the outbreak of the coronavirus pandemic in early 2020, Diaverum has been monitoring its impact on patients, employees and business processes on a daily basis. Continuity plans are being regularly reviewed, processes are being optimised, and every activity is evaluated from a risk perspective in order to mitigate the negative effects associated with the outbreak of the COVID-19 in the best possible way.

Diaverum has shared its contingency plan with the global nephrology community and the national healthcare systems as a part of its management of the COVID-19 pandemic. This shared contingency plan includes all policies and procedures implemented in the areas of patient transportation, triage implementation, waiting areas, treatment room, COVID-19 positive patient treatment, human resources capacity, correct use of personal protective equipment, patient and staff education, supply management and cleaning procedures, among other items. It also includes, in a 76-point framework to ensure compliance.

Diaverum's operations, which primarily provide life-sustaining dialysis treatments, have run more or less as normal during the year. However, there has been a requirement to secure deliveries and storage of protective equipment, to act in order to reduce the spread of COVID-19 in clinics and in transport to and from clinics etc., all of which have come at an increased cost level. Diaverum has also seen some disturbance in the market in terms of referrals impacting the net flow of patients and mortality, primarily in the East European and Eurasian markets.

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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.

For the Financial Year 2021, the Group reached revenues of EUR 881.2 million (847.7), an increase of 3.9% versus the previous year. Growth was mainly driven by a net of 38 new clinics, whereof 23 were added through acquisition. Measured at fixed exchange rates, organic growth reached 2%, excluding Argentina (2%), while acquisitions contributed with 2% and currency impacted negatively with -1 percentage points. The number of treatments during the full year increased by 2% (15) and amounted to EUR 6.3 million (5.7) with Singapore, Spain, Kazakhstan and Brazil being the main contributors.

Earnings

Results from operating activities (EBIT) for the financial year reached EUR 96.3 million (-78.6). The result from operating activities in 2020 was impacted by the cost for renegotiation of the agreement in Saudi Arabia, amounting to EUR -190.5 million. Reported operating margin (EBIT) was 10.9% (-9.3%).

Depreciation and amortisation amounted to EUR 76.4 million (65.1). The net profit before tax amounted to EUR 23.4 million (-170.4).

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

Acquisitions with a total consideration transferred of EUR 70.3 million (10.8), related to Brazil, Cyprus, Kazakhstan, Malaysia, Morocco, Portugal, Saudi Arabia and Singapore, were made during 2021. Other capital expenditure amounted to EUR 58.0 million (48.3).

Equity & Preferred Equity Certificates

The equity of the Group, including non-controlling interest and Preferred Equity Certificates (PEC), amounts to EUR -142.7 million (-156.0). The Preferred Equity Certificates, held by the shareholders, amount to EUR 1,446.3 million (1,439.1). 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 104.8 million (98.5).

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 2021, the average number of employees amounted to 10,446 (10,219).

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
In October 2021, Diaverum signed an agreement to acquire the dialysis activity of Hospital do Rim in São Paulo, Brazil. The transaction will be recognised as a business combination and closing is expected in October 2022.
In January 2022, Diaverum announced the acquisition of Sociedad Medica Vitta S.P.A. The entity runs three clinics located in Chile's Valparaiso region, the second most densely populated area in the country. The transaction was completed in January 2022.

Russia's invasion of Ukraine. Diaverum does not have any operations in Ukraine. Diaverum's Russian operations are relatively small with 19 clinics, 1,300 patients, EUR 14 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.

Board of Managers and Group Management
The board of managers consisted, at closing date, of Christopher Bley, Davy Beauce, David Antoine, Priya Tognoli, Rémy Cornet and Akiza Aramazani.
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 2021, 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 2022
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 into new markets and expanding its service offering. One of its cornerstones is structured sharing of best practice between different clinics and countries. One of the tools used for best practice sharing is the Constant Quality Improvement (CQI) programme implemented across the Group, as well as the e-learning training university, d.ACADEMY.
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 on its path as one of the world's leading providers of renal care services.
Diaverum makes financial forecasts on a regular basis for all of 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. With the exceptions of the long-term impact of COVID-19, no key risks have been identified.

Luxembourg, 5 April 2022

Christopher Bley



Davy Beauce

Priya Tognoli

Rémy Cornet

David Antoine



Akiza Aramazani

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Luxembourg, 5 April 2022

Christopher Bley

Davy Beauce

Priya Tognoli

Rémy Cornet

David Antoine

Akiza Aramazani

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Consolidated statement of profit or loss

1 January–31 December

EUR thousand	Note	2021	2020
Revenue	3	881,182	847,701
Costs of sales	9	-672,926	-645,743
Gross profit		**208,256**	**201,958**
Other income	5	9,374	12,000
Administrative and selling expenses	9	-119,712	-99,103
Renegotiation of agreements in Saudi Arabia	15	-	-190,537
Other expenses	6	-1,986	-3,335
Share of profit of joint ventures, net of tax	15	379	447
Operating profit		**96,311**	**-78,570**
Finance income		304	567
Finance costs		-73,219	-92,380
Net finance costs	10	**-72,915**	**-91,813**
Profit (loss) before tax		**23,396**	**-170,383**
Income tax expense	11	-24,601	-28,142
Profit (loss) for the period		**-1,205**	**-198,525**
Profit (loss) attributable to:			
Owners of the parent company		-1,652	-198,447
Non-controlling interests	33	447	-78
		-1,205	**-198,525**

Consolidated statement of profit or loss and other comprehensive income

1 January–31 December

EUR thousand	Note	2021	2020
Profit (loss) for the period		**-1,205**	**-198,525**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plans	23	-416	-430
Equity interest in joint venture - share of other comprehensive income		-	-69
Related tax	11	79	88
		-337	**-411**
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on foreign operations		7,835	-15,873
		7,835	**-15,873**
Other comprehensive income (loss) for the period, net of tax		**7,498**	**-16,284**
Total comprehensive income (loss) for the period		**6,293**	**-214,809**
Total comprehensive income (loss) attributable to:			
Owners of the parent company		5,939	-214,499
Non-controlling interests	33	354	-310
Total comprehensive income (loss) for the period		**6,293**	**-214,809**

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Consolidated statement of financial position

EUR thousand	Note	31 Dec. 2021	31 Dec. 2020
Assets			
Goodwill	12	805,399	790,684
Other intangible assets	13	25,013	20,944
Property, plant and equipment	14	240,331	179,423
Right-of-use assets	29	164,116	148,321
Equity interest in joint ventures	15	132	12,918
Non-current receivables	16	8,336	7,830
Deferred tax assets	11	17,457	11,943
Non-current assets		**1,260,784**	**1,172,063**
Inventories	17	36,991	31,956
Current tax assets	11	15,714	13,005
Trade receivables	28	140,784	114,754
Receivables from related parties	27	-	12,221
Other current receivables	18	11,019	40,410
Prepaid expenses and unbilled revenue	19	23,517	20,845
Cash and cash equivalents	20	104,829	98,535
Current assets		**332,854**	**331,726**
Total assets		**1,593,638**	**1,503,789**
Equity			
Share capital		43,000	43,000
Reserves		-48,141	-56,208
Retained earnings		-1,589,725	-1,588,197
Equity attributable to owners of the parent company	21	**-1,594,866**	**-1,601,405**
Non-controlling interests	33	5,806	6,258
Total equity		**-1,589,060**	**-1,595,147**
Liabilities			
Preferred Equity Certificates to equity holders	22	1,446,328	1,439,128
Loans and borrowings	22	1,289,658	1,244,295
Leasing liabilities	29	141,387	130,863
Other non-current liabilities	25	6,970	13,324
Pensions and other long-term employee benefits	23	14,838	11,410
Provisions	24	2,292	2,231
Deferred tax liabilities	11	28,076	24,360
Non-current liabilities		**2,929,549**	**2,865,611**
Loans and borrowings	22	9,157	16,980
Leasing liabilities	29	29,287	25,643
Current tax liabilities	11	14,845	19,627
Trade payables	28	60,427	74,419
Other current liabilities	25	27,039	20,588
Accrued expense and deferred income	26	112,281	75,914
Provisions	24	113	154
Current liabilities		**253,149**	**233,325**
Total liabilities		**3,182,698**	**3,098,936**
Total equity and liabilities		**1,593,638**	**1,503,789**

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 equtiy
Balance at 31 December 2019	43,000	-459	-40,108	-1,391,022	-1,388,589	6,592	-1,381,997
Total comprehensive income for the period							
Profit (loss) for the period	-	-	-	-198,447	-198,447	-78	-198,525
Other comprehensive income for the period	-	-	-15,641	-411	-16,052	-232	-16,284
Total comprehensive income for the period	**-**	**-**	**-15,641**	**-198,858**	**-214,499**	**-310**	**-214,809**
Capital contribution from holders of NCI	-	-	-	3,140	3,140	-	3,140
Remeasurement of liability to NCI	-	-	-	-1,471	-1,471	-	-1,471
Acquisition of NCI without change of control	-	-	-	14	14	-24	-10
Balance at 31 December 2020	**43,000**	**-459**	**-55,749**	**-1,588,197**	**-1,601,405**	**6,258**	**-1,595,147**
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**

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Consolidated statement of cash flow

1 January–31 December

EUR thousand	Note	2021	2020
Cash flows from operating activities			
Profit (loss) for the period		-1,205	-198,525
Adjustments for:			
- Depreciation and impairment	14, 29	72,597	61,270
- Amortisation of intangible assets	13	3,837	3,813
- Impairment losses related to goodwill	12	22,854	-
- Share of profit of joint venture, net of tax	15	-379	-447
- Net finance costs	10	72,915	91,813
- Income tax expense	11	24,600	28,142
- Other non-cash items		-4,388	-5,097
		190,831	**-19,031**
Changes in:			
- Inventories		-2,969	-13,691
- Trade receivables and other receivables		-17,535	-37,437
- Trade payables and other payables		-11,088	13,329
- Provisions and pension		1,217	2,957
Cash generated from operating activities		**160,456**	**-53,873**
Dividends received from joint venture		9,013	11,783
Income tax paid		-29,404	-17,385
Net cash from operating activities		**140,065**	**-59,475**
Cash flows from investing activities			
Interest received		211	568
Acquisition of intangible assets	13	-6,617	-3,391
Acquisition of property, plant and equipment	14	-51,379	-44,864
Proceeds from sale of property, plant and equipment	14	767	1,474
Acquisition of subsidiaries, net of cash acquired	4	-22,040	-16,220
Acquisition of financial assets		-5,276	-13,071
Proceeds from sales of financial assets		-	-
Net cash used in investing activities		**-84,334**	**-75,504**
Cash flow from financing activities			
Dividend to holders of non-controlling interests		-189	-
Capital contribution from holders of non-controlling interests		-	3,140
Payment of liabilities to holder of non-controlling interests		-2,409	-1,333
Interest paid		-42,794	-82,613
Proceeds from loans and borrowings		210,706	274,126
Repayment of loans and borrowings		-191,725	-24,089
Change in bank overdraft		4,721	-77
Payment of lease liabilities		-30,340	-26,887
Net cash from (+) / used in (-) financing activities		**-52,030**	**142,267**
Net increase/decrease in cash and cash equivalents		**3,701**	**7,288**
Cash and cash equivalents at 1 January		**98,535**	**94,602**
Effect of exchange rate fluctuations on cash held		2,593	-3,355
Cash and cash equivalents at 31 December	20	**104,829**	**98,535**

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 2, avenue Charles de Gaulle, L - 1653 Luxembourg. The consolidated financial statements of the Company, which reflects the Group's financial year as from 1 January 2021 up and until 31 December 2021 , 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 35).

When preparing the financial statements, management has considered events up to the date of authorisation 5 April 2022 of the financial year as of and for the year ended 31 December 2021.

(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 5 April 2022.

(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 that 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.

(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 2021 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 2021, 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 2022 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 it is exposed to, or has rights to, variable returns from its

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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

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 2021, 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.

(viii) Renegotiated agreement Saudi Arabia

During 2020, the Group renegotiated the purchase agreements with its joint venture in the Kingdom of Saudi Arabia, which resulted in a change in the pricing of the transactions. The Group also renegotiated its agreement with Nazer Group to remove the requirement for the Group to cooperate with Nazer Group when conducting business in Saudi Arabia and other parts of the Middle East. For more information on the transaction, see note 15. The Group compensated Nazer Group for these changes through a cash payment. The payment has been recognised as an expense as it did not qualify for recognition as an asset.

(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 has operations in Argentina. Argentina has been declared a hyperinflationary economy under the criteria in IAS 29 Financial Reporting in Hyperinflationary Economies. The Group applies IAS 29 for its operations in Argentina. The financial statements of the Group's Argentinian entities are first restated to compensate for the loss of purchasing power of the Argentine Peso (ARS) during the period. Restatement is 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 are stated at the current purchasing power at the reporting date under the so-called "current

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purchasing power concept". Assets (including goodwill) and liabilities as well as income and expenses in the inflation-adjusted financial statements of the Argentinian entities are then as a second step translated from ARS into Euro (EUR) by using the closing rate at the reporting date.

Per 1 January 2020, CPI in Argentina (as measured by INDEC) was 283.4. On 31 December 2020, CPI had increased to 385.9 and to an estimated 575.0 on 31 December 2021.

(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).

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 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

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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 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, Italy 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.

(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 de-recognised 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 is begun 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.

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

(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.

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 is 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 interest 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 will be 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 is recognised as an expense over the service period, i.e. from 2020 to 2022.

(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.

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 2021 the Group's right-of-use assets amounted to EUR 164,116 thousand and its leasing liabilities to EUR 170,674 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 2021 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 2021, the Group recognised an impairment loss on goodwill in Russia. At 31 December 2021, 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 Russia would therefore lead to further impairment, see note 35. At 31 December 2021, the goodwill in the cash-generating unit had a carrying amount of EUR 25,880 thousand. During 2021, the Group also recognized an impairment loss on goodwill in China after which goodwill allocated to the cash-generating unit in China 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 China during the next financial year. For further information on the impairment testing of goodwill, see note 12.

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 2021, financial liabilities for contingent considerations had a total fair value of EUR 12,741 thousand. The minimum amount payable for the contingent considerations that existed at 31 December 2021 was EUR 6,030 thousand and the maximum amount payable was EUR 14,898 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 24 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	2021	2020
Europe		
Spain	103,540	94,835
Portugal	83,436	80,871
France	74,816	71,203
Romania	65,184	69,996
Germany	50,381	49,036
UK	48,463	42,940
Other countries [1]	110,746	120,395
Segment revenue	**536,565**	**529,276**
International		
Saudi Arabia	161,704	169,326
Argentina	56,779	43,956
Kazakhstan	32,728	23,511
Brazil	24,356	26,545
Other countries [2]	69,049	55,087
Segment revenue	**344,617**	**318,425**
Total	**881,182**	**847,701**

1) Other countries within Europe includes 2021 following countries: Italy, Poland, Hungary, North Macedonia, Albania, Sweden and Lithuania.

2) Other countries within International includes 2021 following countries: Russia, Chile, Uruguay, China, Morocco, Singapore and Malaysia.

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. 2021	31 Dec. 2020
Contract liabilities	230	1,339

The amounts presented as contract liabilities per 31 December 2020 were recognised as revenue during 2021. The amount presented as contract liability per 31 December 2021 will be recognised as revenue during 2022.

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 2021 and 31 December 2020.

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. 2021	31 Dec. 2020
Lab services and clinical studies	1,115	1,361
Total	**1,115**	**1,361**

NOTE 4. BUSINESS COMBINATIONS

Acquisitions during 2021 - Saudi Arabia

In 2021, the acquisitions of Diaverum Arabia Ltd and Diaverum for Dialysis and Advanced Health Services Co. Ltd were closed. The beneficial ownership was transferred on 12 December 2020, subject to regulatory approval. For Diaverum Arabia Ltd the approval was granted in July 2021 and for Diaverum 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.

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.

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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.

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	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.

Acquisitions during 2020
In 2020, businesses were acquired in Brazil, Spain, Germany and Chile. The total consideration transferred for these acquisitions were EUR 10,818 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.

Thousand	
Cash	8,249
Contingent consideration	2,569
Total consideration transferred	**10,818**

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

Thousand	
Consideration paid, satisfied in cash	8,249
Cash and cash equivalents acquired	-382
Net cash outflows	**7,867**

(b) Contingent consideration
The contingent consideration, dependent on future performance of the acquired entities, relates to the acquisitions in Brazil, Spain, Germany and Chile. Out of the initially recognised contingent consideration, EUR 187 thousand was paid out before year-end. For prior years' acquisitions, contingent consideration of EUR 7,910 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 199 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		
Tangible assets	14	789
Right-of-use assets		1,019
Other intangible assets	13	448
Non-current receivables		22
Current assets		554
Cash and cash equivalents		382
Non-interest-bearing liabilities		-553
Deferred tax liabilities		-98
Leasing liability		-1,019
Total identifiable net assets acquired		**1,544**
Goodwill		9,274
Total consideration transferred		**10,818**

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 320 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 2020, the acquisitions have contributed to the Group's revenue with EUR 1,731 thousand and to the Group's profit before tax with EUR 273 thousand for the period. If the acquisitions had occurred on 1 January 2020, management estimates that consolidated revenue would have been impacted with EUR 5,742 thousand and the consolidated profit before tax for the period with EUR 1,088 thousand.

f) Goodwill

Goodwill arose in the acquisitions in 2020 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 2019 was updated during 2020. Future mergers of entities could potentially lead to deductibility in the tax jurisdiction of Brazil.

NOTE 5. OTHER INCOME

EUR thousand	2021	2020
Clinic-related other income	2,041	1,485
Exchange rate gains	280	261
Gain on sale of fixed assets	382	714
Change in fair value contingent consideration	1,032	4,903
Bargain purchase	3,209	-
Other	2,430	4,637
Total	**9,374**	**12,000**

NOTE 6. OTHER EXPENSES

EUR thousand	2021	2020
Clinic-related other expenses	456	98
Loss on sales of fixed assets	129	211
Exchange rate losses	-	2,685
Change in fair value contingent consideration	561	1
Other	840	340
Total	**1,986**	**3,335**

NOTE 7. EMPLOYEES & PERSONNEL COSTS

EUR thousand	2021	2020
Salaries and other remuneration	260,515	258,366
Severance pay	1,726	990
Pension costs, defined benefit plans	2,509	2,303
Pension costs, defined contribution plans	1,730	2,263
	266,480	**263,922**
Social security contributions	46,124	44,814
Total	**312,604**	**308,736**

Personnel costs of EUR 254,917 thousand (251,965) are included in Costs for sales and EUR 57,687 thousand (55,961) in Administrative and selling expenses.

Average number of employees for the year is 10,446 (10,219).

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NOTE 8. AUDIT FEES AND EXPENSES

EUR thousand	2021	2020
Audit services		
KPMG	1,170	896
Other	141	65
Subtotal	**1,311**	**961**
Audit services in excess of the audit engagement		
KPMG	32	5,316
Other	-	-
Subtotal	**32**	**5,316**
Tax consultancy		
KPMG	391	601
Other	33	20
Subtotal	**424**	**621**
Other services		
KPMG	302	1,597
Other	142	154
Subtotal	**444**	**1,751**
Total	**2,211**	**8,649**

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. Other services mainly includes work relating to the company's potential IPO.

NOTE 9. EXPENSES BY NATURE

EUR thousand	Note	2021	2020
Consumables and utilities		244,311	232,537
Employee benefits	7	311,810	307,926
Consultancy, advertising, audit etc.		124,723	114,645
Depreciation and amortisation	13, 14, 29	76,417	64,958
Impairment losses on goodwill and property, plant and equipment	12, 14	22,871	125
Lease and contingent rent	29	12,506	24,655
Total		**792,638**	**744,846**

NOTE 10. FINANCE INCOME AND EXPENSES

Amounts recognised in profit or loss

EUR thousand	2021	2020
Interest income	304	567
Finance income	**304**	**567**
Interest expenses loans and borrowings	-61,681	-60,640
Interest expenses leasing	-8,612	-8,165
Net foreign exchange loss	-2,925	-23,575
Finance cost	**-73,219**	**-92,380**
Net finance expense recognised in profit or loss	**-72,915**	**-91,813**

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

The fixed yield was reduced to 0.5% across all tranches of the Preferred Equity Certificates and Super Senior Preferred Equity Certificates on 1 January 2020.

Interest expense relating to financial instruments measured at amortised cost amounts to EUR -70,222 thousand (-67,079). The remaining part is carried at fair value and includes interest coupon of derivatives EUR 0 (-2) and interest cost on contingent consideration EUR -72 thousand (-1,725).

NOTE 11. INCOME TAXES

a) Amounts recognised in profit or loss

EUR thousand	2021	2020
Current tax expense		
Current period	23,414	26,115
	23,414	**26,115**
Deferred tax revenue and tax expense		
Change in temporary differences	1,187	2,027
Tax expenses	**24,601**	**28,142**

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

	2021			2020		
EUR thousand	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurement of defined benefit liability (asset)	-416	79	-337	-430	88	-342
Foreign currency translations differences	7,835	-	7,835	-15,873	-	-15,873
Total	**7,419**	**79**	**7,498**	**-16,303**	**88**	**-16,215**

c) Reconciliation of effective tax rate

EUR thousand		2021		2020
Profit (loss) for the period		-1,205		-198,525
Income tax expenses		-24,601		-28,142
Profit (loss) before tax		**23,396**		**-170,383**
Tax using the parent company's domestic tax rate	24.9%	-5,835	24.9%	42,494
Effect of tax rates in foreign jurisdictions	-2.9%	674	0.1%	224
Changes in tax rates	4.6%	-1,068	-	-
Non-deductible expenses	59.0%	-13,797	-31.9%	-54,399
Effect of result in equity-accounted investee	-4.7%	1,089	0.1%	90
Tax-exempt income	-9.5%	2,232	0.9%	1,595
Changes in estimates related to prior year	10.6%	-2,470	1.1%	1,829
Losses for which no deferred tax asset was recognised	23.2%	-5,426	-11.7%	-19,975
	105.2%	**-24,601**	**-16.5%**	**-28,142**

The non-deductible expenses primarily relates to non-tax deductible expenses linked to impairment losses on goodwill EUR 4,708 thousand (-), limitation on the deductibility of interest expenses EUR 2,530 thousand (4,265) and in 2020 expenses linked to renegotiated contract in Saudi Arabia of EUR 47,520 thousand.

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d) Recognised deferred tax assets and liabilities

2021

EUR thousand	Net balance 1 January	Recognised in profit or loss	Business combi-nation	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**

2020

EUR thousand	Net balance 1 January[1]	Recognised in profit or loss	Business combi-nation	Recognised in OCI	Balance at 31 December: Net	Def. tax assets	Def. tax liabilities
Property, plant and equipment	1,048	-128	23	-18	925	1,189	-264
Intangible assets	-21,394	-3,052	-98	91	-24,453	124	-24,577
Lease liabilities	3,639	-40	-	-	3,599	3,599	-
Employee benefits	1,982	745	-	-38	2,689	2,689	-
Provisions	651	-349	-	-166	136	1,604	-1,468
Other items	3,245	953	-	-299	3,899	4,281	-382
Carry forward losses	942	-156	-	3	789	789	-
Deferred tax assets/liabilities (-)	**-9,887**	**-2,027**	**-75**	**-427**	**-12,416**	**14,275**	**-26,691**
Set-off tax						**-2,332**	**2,332**
Net deferred tax assets/liabilities (-)						**11,943**	**-24,359**

e) Unrecognised deferred tax assets

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

EUR thousand	2021 Gross	2020 Gross
Tax losses	847,173	814,633
Deductible temporary differences	6,286	7,960
	853,459	**822,593**

f) Tax losses carried forward

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

	2021		2020	
EUR thousand	Amount	Expiry date	Amount	Expiry date
Expire	11,469	2022	2,109	2021
Expire	11,350	2023-2026	11,417	2022-2025
Expire	15,633	2027-2031	-	2026-2030
Expire	189,883	2032-2038	195,731	2031-2037
Indefinite	618,838	-	605,376	-
	847,173	**-**	**814,633**	**-**

NOTE 12. GOODWILL

a) Reconciliation of carrying amount

EUR thousand	2021	2020
Costs		
Balance at 1 January	872,971	884,490
Acquisitions through business combinations	36,890	9,274
Adjustment of prior year provisional acquisition accounting	112	2,526
Effect of movement in exchange rate	333	-23,319
Balance at 31 December	**910,306**	**872,971**
Impairment losses		
Balance at 1 January	-82,287	-85,326
Impairment losses for the period	-22,854	-
Effect of movement in exchange rate	234	3,039
Balance at 31 December	**-104,907**	**-82,287**
Carrying amounts		
At 31 December	**805,399**	**790,684**

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	2021	2020
Portugal	174,925	166,523
Spain	150,008	150,008
France	142,011	142,011
Romania	83,666	85,053
Germany	74,942	74,942
China	-	13,197
Russia	25,880	35,605
Multiple units without, in comparison with total, significant goodwill	153,967	123,345
Total	**805,399**	**790,684**

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 2021 was determined in a similar manner as in 2020.

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	Segment	Item	2021	2020
China (Impairment loss due to uncertain organic growth prospects)	International	Impairment loss:	13,762	-
		Recoverable amount:	11,685	-
		Discount rate:	9.2%	-
Russia (Impairment loss due to country macroeconomics)	International	Impairment loss:	9,092	-
		Recoverable amount:	26,822	-
		Discount rate:	15.0%	-
		Impairment loss:	**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 23 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	
	2021	2020	2021	2020
Portugal	6.0%	7.3%	1.8%	1.8%
Spain	5.8%	6.8%	2.0%	2.7%
France	5.2%	5.9%	2.3%	2.4%
Romania	5.8%	7.1%	1.6%	1.6%
Germany	5.0%	5.3%	1.8%	1.8%
Multiple units: Maximum	66.5%	78.0%	28.4%	26.4%
Multiple units: Minimum	4.7%	5.0%	1.0%	0.9%

d) Sensitivity to changes in assumptions

The cash-generating unit Russia recognised an impairment loss in 2021. 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 the cash-generating unit Germany an increase of WACC above 1.0 % point will lead to impairment, all other group of cash-generating units management estimates that no reasonable changes to key assumptions will lead to impairment.

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 2020	14,976	27,737	4,343	6,207	5,245	**58,508**
Acquisition through business combinations	-	447	1	-	-	**448**
Other additions	2,474	-	460	-	457	**3,391**
Disposals	-11	-524	-103	-	-	**-638**
Reclassifications	-	-	177	74	-251	**-**
Effect of movement in exchange rates	-	-205	-180	-319	-207	**-911**
Balance at 31 December 2020	**17,439**	**27,455**	**4,698**	**5,962**	**5,244**	**60,798**
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**
Accumulated depreciation and amortisation						
Balance at 1 January 2020	-11,202	-16,750	-2,789	-4,282	-2,238	**-37,261**
Amortisation for the year	-1,585	-935	-874	-110	-309	**-3,813**
Disposals	7	524	85	-	-	**616**
Reclassification	-	-	-	-	-	**-**
Effect of movement in exchange rates	-	135	90	284	95	**604**
Balance at 31 December 2020	**-12,780**	**-17,026**	**-3,488**	**-4,108**	**-2,452**	**-39,854**
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**
Carrying amounts						
At 31 December 2019	**3,774**	**10,987**	**1,554**	**1,925**	**3,007**	**21,247**
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**

b) Amortisation

Amortisation relating to intangible assets are included in Cost of sales to an amount of EUR 857 thousand (1,871) and in Administrative and selling expenses to an amount of EUR 2,980 thousand (1,942).

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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 2020	162,290	219,283	12,617	**394,190**
Acquisition through business combinations	268	521	-	**789**
Adjustment of prior year provisional acquisition accounting	-	82	-	**82**
Other additions	11,121	22,454	11,289	44,864
Disposals	-816	-4,124	-1	**-4,941**
Reclassification	10,865	4,252	-16,994	**-1,877**
Effect of movements in exchange rates	-5,023	-8,851	-429	**-14,303**
Balance at 31 December 2020	**178,705**	**233,617**	**6,482**	**418,804**
Balance at 1 January 2021	178,705	233,617	6,482	**418,804**
Acquisition through business combinations	35,505	11,551	-	**47,056**
Adjustment of prior year provisional acquisition accounting	-	-	-	**-**
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**
Depreciation and impairment losses				
Balance at 1 January 2020	-86,508	-132,113		**-218,621**
Depreciation for the year	-11,651	-21,230		**-32,881**
Impairment loss for the year	-77	-48		**-125**
Depreciation disposals	193	3,797		**3,990**
Reclassification	-	1,877		**1,877**
Effect of movements in exchange rates	2,278	4,101		**6,379**
Balance at 31 December 2020	**-95,765**	**-143,616**		**-239,381**
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**
Carrying amounts				
At 31 December 2019	**75,782**	**87,170**	**12,617**	**175,569**
At 31 December 2020	**82,940**	**90,001**	**6,482**	**179,423**
At 31 December 2021	**121,527**	**107,261**	**11,543**	**240,331**

b) Depreciation

Depreciation for the year is included in Cost of sales to an amount of EUR 39,460 thousand (31,197) and in Administrative and selling expenses to an amount of EUR 2,850 thousand (1,684).

c) Assets under construction

Increases during the year primarily relates to leasehold improvements in relocation projects and new clinics/ premises in Germany, Portugal and Romania. In 2020, additional costs primarily related to United Kingdom, Portugal and China. 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 amounts of machinery and equipment. As per 31 December 2021, those commitments amounted to EUR 20.2 million (25.5).

NOTE 15. EQUITY INTEREST IN JOINT VENTURES

Summary of financial information for equity interest in joint ventures:

EUR thousand	2021	2020
a. Interest in joint venture – Saudi Arabia	-	12,885
b. Interest in joint venture – Other	132	33
Balance at 31 December	**132**	**12,918**

a) In July 2021, Diaverum acquired the outstanding shares of Diaverum Arabia Company Ltd, previously recognised as an interest in joint venture. As a consequence, the interest in joint venture was derecognized. For further information, see note 4 -Business combination.

b) Other: In connection with the purchase of shares in the Singapore & Malaysia transaction, see note 4 - Business combination, 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.

Renegotiation of agreements in Saudi Arabia
During 2020 the Group renegotiated the agreements between Diaverum's branch in Saudi Arabia and its joint venture in that country. Diaverum's joint venture partner - Nazer Group - was compensated for this change in the agreements through a cash payment made by the Group. The payment was recognised as an expense as it did not qualify for recognition as an asset. For further information see note 17 of the Diaverum S.à r.l. consolidated financial statement 2020.

NOTE 16. NON-CURRENT RECEIVABLES

EUR thousand	2021	2020
Deposits for leasing contracts	2,781	2,616
External lending	3,163	2,949
Other non-current receivables	2,392	2,265
Total	**8,336**	**7,830**

NOTE 17. INVENTORIES

EUR thousand	2021	2020
Consumables	36,991	31,956
Total	**36,991**	**31,956**

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 2021 or 2020.

There are no inventories recognised at their net realisable value. The amount of inventory recognised in cost of sales during 2021 amounted to EUR 175,363 thousand (165,084).

NOTE 18. OTHER CURRENT RECEIVABLES

EUR thousand	2021	2020
VAT and other taxes	2,817	4,142
Advance payments to suppliers	4,511	9,888
Advance payments to employees	1,210	603
Receivable JV-partner	-	24,055
Other current receivables	2,481	1,722
Total	**11,019**	**40,410**

NOTE 19. PREPAID EXPENSES AND UNBILLED REVENUE

EUR thousand	2021	2020
Rental/leasing	-	25
Licence costs	1,836	1,749
Insurance premiums	1,532	1,093
Unbilled revenue	7,072	10,771
Other prepaid expenses	13,077	7,207
Total	**23,517**	**20,845**

NOTE 20. CASH AND CASH EQUIVALENTS

EUR thousand	2021	2020
Bank balances	89,557	81,209
Call deposits	751	408
Bank deposits pledged as collateral	14,521	16,918
Total	**104,829**	**98,535**

The Group has pledged bank deposits as collateral for an external credit facility used by the Group's subsidiaries in Saudi Arabia from 2021. The pledged bank deposits as collateral for 2020, an external credit facility used by the Group's subsidiaries in Argentina, has been repaid during 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 2021 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.

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	2021	2020
Non-current liabilities		
Preferred Equity Certificates (PEC) with capitalised interest	1,446,328	1,439,128
Senior term loan	1,108,925	953,116
Revolving credit facility	15,000	130,000
Second lien loan	160,000	160,000
Other non-current loans	5,733	1,179
Total	**2,735,986**	**2,683,423**
Current liabilities		
Current loans from credit institutions	4,449	16,980
Bank overdraft	4,708	-
Total	**9,157**	**16,980**
Total	**2,745,143**	**2,700,403**

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

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	RON	5.07%	2022	4,600	4,600
Total				**2,751,218**	**2,745,143**

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31 December 2020

EUR thousand	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Preferred Equity Certificates 1	EUR	0.50%	2037	1,007,538	1,007,538
Preferred Equity Certificates 2	EUR	0.50%	2037	212,639	212,639
Super Senior Pref.Equity Cert.	EUR	0.50%	2040	218,951	218,951
Senior term loan	EUR	EURIBOR+margin	2024	960,000	953,116
Revolving credit facility	EUR	EURIBOR+margin	2024	130,000	130,000
Second lien loan	EUR	EURIBOR+margin	2025	160,000	160,000
Non-current loan Brazil	BRL	8.70%	2024	807	807
Non-current loan Uruguay	UYU	6.35%	2022	372	372
Current loan Argentina	USD	2.36%	2021	16,925	16,925
Current loan Brazil	BRL	14.16%	2021	14	14
Current loan Argentina	ARS	30.95%	2021	41	41
Total				**2,707,287**	**2,700,403**

NOTE 23. PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

EUR thousand	2021	2020
Defined benefit plans - Saudi Arabia	10,743	7,031
Defined benefit plans - France	2,290	2,359
Defined benefit plans - Italy	1,527	1,768
Defined benefit plans - Other	158	163
Liabilities for long service award/ leave - France	120	89
Total employee benefit plans	**14,838**	**11,410**

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 2021, the weighted average duration of the defined benefit obligation was 11.5 years (11.9). In 2022, Diaverum expects to pay EUR 268 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 2021, the weighted average duration of the defined benefit obligation was 4.4 years (4.7). In 2022, Diaverum expects to pay EUR 2,500 thousands in contributions to its defined benefit plans in Saudi Arabia.

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 2021, 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 2022, the expected contribution to Alecta is EUR 492 thousand (647). The Diaverum Group's share of the total contributions to the pension scheme for ITP 2 in Alecta amounted to 0.0% for 2021 (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 2021 amounts to 172% (148). 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.

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	2021	2020
Balance at 1 January	11,410	10,162
Business combination	1,351	-
Included in profit or loss		
Current service costs	2,276	2,102
Past service costs	-67	12
Interest costs	81	149
Curtailment/Settlement	-	-
Total	**2,290**	**2,263**
Included in OCI		
Remeasurement loss (gain):		
» Actuarial loss (gain) arising from:		
- Demographic assumptions	6	-181
- Financial assumptions	-28	55
- Experience adjustment	455	581
» Effect of movement in exchange rates	637	-598
Total	**1,070**	**-143**
Other		
Benefits paid	-1,283	-872
Total	**-1,283**	**-872**
Balance at 31 December	**14,838**	**11,410**

Actuarial assumptions
Principal actuarial assumptions at the reporting date:

	France		Italy		Saudi Arabia	
EUR thousand	2021	2020	2021	2020	2021	2020
Discount rate at 31 December	0.9%	0.8%	0.3%	neg.	1.8%	0.8%
Future salary increase	1.1-2.5%	1.1-2.5%	2.4%	2.3%	3.0%	0.8%
Inflation rate	1.7%	0.5%	1.2%	1.0%	3.1%	neg.
Withdrawal rates	-	-	4.0%	4.0%	12.0%	12.0%

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

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Sensitivity analysis

For the defined benefit plan in Saudi Arabia 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	
2021	(+)	(–)		
Discount rate	+1.0%	-1.0%	-4.2%	+4.5%
Salary increase	+1.0%	-1.0%	+4.9%	-4.6%
Withdrawal rates	+10.0%	-10.0%	-0.02%	+0.02%

NOTE 24. PROVISIONS

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
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**

31 December 2020

EUR thousand	Legal	Other	Total
Balance at 1 January 2020	1,292	44	1,336
Provisions made during the period	1,842	-	1,842
Provisions used during the period	-194	-	-194
Provisions reversed during the period	-19	-21	-40
Effect of movements in exchange rates	-552	-7	-559
Balance at 31 December 2020	**2,369**	**16**	**2,385**
Non-current liabilities	2,231	-	2,231
Current liabilities	138	16	154
Balance at 31 December 2020	**2,369**	**16**	**2,385**

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 2021, EUR 1,219 (878) thousand were expected to be paid within 1 to 5 years and EUR 1,186 (1,352) thousand after five years.

NOTE 25. OTHER LIABILITIES

EUR thousand	2021	2020
Contingent consideration	12,741	13,100
VAT and other taxes	9,003	7,590
Other liabilities	12,265	13,222
Total	**34,009**	**33,912**
Non-current liabilities	*6,970*	13,324
Other current liabilities	27,039	20,588
Total	**34,009**	**33,912**

NOTE 26. ACCRUED EXPENSES AND DEFERRED INCOME

EUR thousand	2021	2020
Accrued interest	30,205	7,702
Accrued personnel-related expenses	46,537	42,261
Accrued consultancy expenses	991	1,731
Accrued rent and utilities expenses	1,396	1,202
Accrued goods and services expenses	22,997	15,916
Other accrued expenses and deferred income	10,155	7,102
Total	**112,281**	**75,914**

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	2021	2020
Short-term employee benefits	3,966	3,984
Post-employment benefits	661	577
Other long-term employee benefits	3,207	6,756
Termination benefits	630	-
Total	**8,464**	**11,316**

- 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 2021, 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 will be 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 December 31, 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. 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	2021	2020
Transaction with joint venture		
- Purchase of leases including installation and training services	-11,761	-23,632
- Purchase of routine supplies	-	-3,803
- Purchase of administrative services	-5	-
- Sales of administrative services	79	112
- Interest income	-	-
- Interest expenses	-	-
Total	**-11,687**	**-27,323**
Transaction with ultimate controlling party:		
- Administrative services	-60	-93
Total	**-60**	**-93**

	Balance outstanding as at 31 December	
EUR thousand	2021	2020
Receivables from related parties		
- Receivables from joint venture	-	12,221
Total	**-**	**12,221**
Liabilities to related parties		
- Liabilities to joint venture	-	-
Total	**-**	**-**
- Liabilities to ultimate controlling party	3	3
Total	**3**	**3**

The ultimate controlling party controls PECs amounting to EUR 1,070 million (1,064), including accumulated interest, corresponding to 73.77% (73.76%) of the total issued PECs. See note 22 for additional information on PECs.

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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 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 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**	

31 December 2020	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	-	2,616	-	**2,616**	
Trade receivables	-	114,754	-	**114,754**	
Receivables from related parties		12,221		**12,221**	
Unbilled revenue	-	10,771	-	**10,771**	
Cash and cash equivalents	-	98,535	-	**98,535**	
Total	**-**	**238,897**	**-**	**238,897**	
Financial liabilities measured at fair value					
Contingent consideration	-13,100	-	-	**-13,100**	-13,100
Total	**-13,100**	**-**	**-**	**-13,100**	**-13,100**
Financial liabilities not measured at fair value					
Preferred Equity Certificates	-	-	-1,439,128	**-1,439,128**	
Senior term loan	-	-	-1,243,116	**-1,243,116**	
Trade payables	-	-	-74,419	**-74,419**	
Liabilities to related parties	-	-	-	**-**	
Liabilities to non-controlling interest	-	-	-5,063	**-5,063**	
Accrued expenses and deferred income	-	-	-75,914	**-75,914**	
Other non-current loans	-	-	-1,179	**-1,179**	
Current bank loan	-	-	-16,980	**-16,980**	
Bank overdraft	-	-	-	**-**	
Total	**-**	**-**	**-2,855,799**	**-2,855,799**	

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 2021

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

31 December 2020

EUR thousand	Level 1	Level 2	Level 3	**Total**
Contingent consideration	-	-	-13,100	**-13,100**
	-	**-**	**-13,100**	**-13,100**

There have been no transfers between the different levels for 2021 and 2020.

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 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: 4.5% (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.

EUR thousand	2021	2020
Opening balance 1 January	13,100	24,563
Assumed in business combination	5,076	2,569
Adjustment of prior year provisional acquisition accounting	-	406
Settlements	-5,326	-8,097
Recognised in income statement		
Change in fair value*	-471	-4,902
Interest expense	72	1,725
Effect of movement in exchange rates	290	-3,164
Balance at 31 December	**12,741**	**13,100**

* Decreases in the fair value of the 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 6,030 thousand (7,045) and maximum EUR 14,898 thousand (14,960).

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	2021	2020
Trade receivables		140,784	114,754
Other receivables		11,019	40,410
Unbilled revenue	19	7,072	10,771
Cash and cash equivalents	20	104,829	98,535
Total		**263,704**	**264,470**

- 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	2021	2020
Eurozone countries	49,320	47,426
Argentina	17,608	15,528
Saudi Arabia	32,609	26,135
Other European countries	21,772	26,620
Other regions	26,547	22,037
Total	**147,856**	**137,746**

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	2021	2020
Not past due	131,324	120,258
Past due 0-30 days	5,697	6,546
Past due 31-120 days	4,298	3,617
More than 120 days	16,445	16,892
Trade receivable and unbilled revenue, gross	**157,764**	**147,313**
Loss reserve	-9,908	-9,567
Trade receivable and unbilled revenue, net	**147,856**	**137,746**

Outstanding trade receivables more than 120 days relates primarily to the markets in Italy and Argentina (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 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**

31 December 2020

Category (sovereign credit rating - Moody's) **EUR thousand**	Weighted average loss level, percentage	Gross carrying amount	Impairment loss allowance
Aaa	0.0%	15,630.0	0.0
Aa	0.3%	10,315.0	-29.0
A	0.2%	29,343.0	-61.0
Baa	15.2%	53,556.0	-8,124.0
Ba	4.3%	9,664.0	-416.0
B	0.1%	503.0	-1.0
Caa-C	5.8%	16,082.0	-936.0
Total		**135,093.00**	**-9,567**

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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	2021	2020
Balance at 1 January	9,567	9,414
Amounts written off	-206	-508
Net remeasurement of loss allowance	547	661
Balance at 31 December	**9,908**	**9,567**

(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 2021 the Group had unused revolving credit facilities of EUR 149.8 million (33.4).

- Exposure to liquidity risks

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

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**

31 December 2020		Contractual cash flow				
EUR thousand	Carrying amount	Total	6 months or less	6–12 months	1–2 years	>2 years
Preferred Equity Certificates	1,439,128	1,565,729	-	-	-	1,565,729
Senior term loan	953,116	1,073,409	16,150	16,150	32,300	1,008,809
Revolving credit facility	130,000	142,722	2,113	2,113	4,225	134,272
Second Lien Loan	160,000	217,742	6,400	6,400	12,800	192,142
Contingent consideration	13,100	14,131	4,748	1,060	4,894	3,429
Leasing liability	156,506	197,915	17,980	15,925	29,920	134,089
Trade payables	74,419	74,419	74,419	-	-	-
Liabilities to non-controlling interest	5,063	5,860	-	-	-	5,860
Accrued expenses and deferred income	75,914	75,914	75,914	-	-	-
Current bank loans	16,980	17,147	17,119	28	-	-
Other non-current loans	1,179	1,336	114	261	582	379
Total	**3,025,405**	**3,386,323**	**214,957**	**41,937**	**84,721**	**3,044,709**

- 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.

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

	Average rate		Reporting date spot rate	
Euro 1	2021	2020	2021	2020
ARS	112.4259	80.8771	116.7810	102.8641
BRL	6.3813	5.8881	6.3101	6.3735
CLP	898.0022	902.5495	968.8945	869.3324
GBP	0.8600	0.8891	0.8403	0.8990
HUF	358.4635	351.2044	369.1900	363.8900
KZT	504.8052	472.7491	494.4603	515.2860
MKD	61.5755	61.5826	61.8694	61.5752
MYR	4.9026	4.7959	4.7184	4.9340
PLN	4.5640	4.4433	4.5969	4.5597
RON	4.9209	4.8380	4.9490	4.8683
RUB	87.2321	82.6439	85.3004	91.4671
SAR	4.4380	4.2841	4.2688	4.5822
SEK	10.1448	10.4886	10.2503	10.0343
SGD	1.5896	1.5742	1.5279	1.6218
UYU	51.5375	47.9823	50.8329	51.9703

- Sensitivity analysis

A movement of the Euro as indicated below, against the BRL, PLN, RON, RUB, SAR 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 2020.

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
RUB	36,663	1,833
PLN	35,471	1,774
GBP	30,975	1,549
Other	116,107	5,805

31 December 2020

Impact in EUR thousand	Net investment	Impact on equity of an exchange rate fluctuation of 5%
RON	103,975	5,199
RUB	46,209	2,310
BRL	44,425	2,221
PLN	36,368	1,818
SAR	35,932	1,797
GBP	29,788	1,489
Other	93,435	4,672

- 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 2021 negative and totals EUR -2,925 thousand (-23,575) 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 2021, a strengthening of the euro by 5% unit against other functional currencies would result in a currency loss of EUR 24,029 thousand (SEK: 13,050, HKD: 2,213, GBP: 1,807, RON: 1,372, CLP: 1,353, PLN: 1,168 and other currencies 3,066).

- 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. According to the treasury policy, the objective of the long-term liability portfolio is protected against large rate hikes for a period of up until 24 months on a rolling basis.

The Group has floating interest rates on its loans and borrowings. The Group has purchased interest rate caps that covers EUR 600 million that the Group will benefit from if the 6M Euribor rate level increase above 1.5%, these caps expires January 2022.

An increase of the interest rate of 100 points rate during 2021 would have affected the result before tax with EUR 6.6 million (6.1)

- 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

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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 Loand Facilities and the Revolving Credit Faclility both matures in 2024. Following the refinancing in 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 of the Syndicated Facilities Agreement into account. The weighted average margin on interest bearing borrowings was approximately 3.88% (3.84) at the end of 2021.

- 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:

	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

	2020						
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

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	2021	2020	2021	2020
Buildings	-29,136	-27,299	161,879	145,487
Vehicles & Equipments	-1,134	-966	2,238	2,834
Total	**-30,270**	**-28,264**	**164,116**	**148,321**

Additions to the right-of-use assets during 2021 totalled EUR 36.0 million (29.0). 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	2021	2020
Current	29,287	25,643
Non-current	141,387	130,863
Total lease liabilities as at 31 December	**170,674**	**156,506**

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

Amounts recognised in profit or loss

EUR thousand	2021	2020
Depreciation	-30,270	-28,264
Interest on lease liabilities	-8,612	-8,165
Variable lease payments not included in the measurement of lease liabilities	-11,942	-23,832
Expenses relating to short-term leases	-519	-750
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-45	-72

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

Amounts recognised in statement of cash flows

EUR thousand	2021	2020
Total cash outflow for leases	**-51,458**	**-75,677**

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 2021, 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 3.4 million (0.3). The aggregated net assets relating to the pledged shares in subsidiaries amount to EUR 1,124.1 million (714.7). As per 31 December 2020 the shares in subsidiary Diaverum AB were not pledged, but were pledged again during 2021. 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 14.5 million (16.9) and primarily pledged trade receivable of EUR 0.0 million (0.0).

NOTE 31. CONTINGENT LIABILITIES

As at 31 December 2021 the Group has issued guarantees for clinics leases and for local bank overdraft facilities totalling EUR 10.2 million (9.4).

NOTE 32. GROUP ENTITIES

Specification of all holdings of participations in Group companies

		Ownership interest, %	
Name/Corp. Id. No.	Country of incorporation	**31 Dec. 2021**	31 Dec. 2020
. 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
... Diaverum d.Ventures 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	75
..... *Diaverum Ufa AB*	Sweden	100	75
..... 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	70
..... Nanjing Jinzun Medical Products Co., Ltd	China	70	70
..... Wuhu Diaverum Hemodialysis Centre Company Ltd	China	70	70
..... Zhenjiang Diaverum Hemodialysis Centre Company Ltd	China	70	70
..... Ningguo Diaverum Hemodialysis Company Ltd	China	70	70
..... Wuxi Liangxi Diaverum Hemodialysis Centre Co Ltd	China	70	70
..... Wuxi Xishan Diaverum Hemodialysis Centre Co Ltd	China	70	70

Name/Corp. Id. No.	Country of incorporation	Ownership interest, % 31 Dec. 2021	31 Dec. 2020
..... 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
..... Guangzhou Zengcheng Diaverum Dialysis Center Ltd	China	100	100
..... Shenzhen Kangdawei Medical management Ltd, Co.	China	100	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	-
..... 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	-
.... Advance Renal Care (Asia) Pte Ltd	Singapore	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	-
..... Pacific Advance Renal Care Pte Ltd	Singapore	100	-
..... Pacific Advance Renal Care (Seng Kong) Pte Ltd	Singapore	100	-
..... Tropicana Renal Services Sdn Bhd	Malaysia	100	-
..... IMU Dialysis Sdn Bhd	Malaysia	40	-
..... Advance Renal Care (M) Sdn Bhd	Malaysia	49	-
..... Asia Renal Networks Sdn Bhd	Malaysia	49	-
..... Ara Damansara Dialysis Sdn Bhd	Malaysia	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	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	-
.... Diaverum Arabia Company Ltd	Saudi Arabia	100	-
..... Diaverum for Dialysis and Advanced Health services Company Ltd	Saudi Arabia	100	-

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Name/Corp. Id. No.	Country of incorporation	Ownership interest, % 31 Dec. 2021	31 Dec. 2020
... 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	-
... Diaverum Servicios Renales S.L / B84991736 / Madrid, Spain	Spain	100	100
.... Ponfedial, S.L	Spain	100	100
.... Diaverum Argentina S.A.	Argentina	99.9985	99.9985
..... Centro de Hemodiálises del Sur S.A.	Argentina	100	100
..... Ceter S.A. (Temperley)	Argentina	80	80
..... Instituto de Nefrolgía S.A.	Argentina	100	100
..... Instituto Privado de Nefrología S.A.	Argentina	75	75
..... Nephrology S.A.	Argentina	80	80
..... Servicio de Nefrologia General Sarmiento S.A.	Argentina	100	100
.... 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 Clinica de Nefrologia Ltda	Brazil	100	100
..... ACS Brasil Cirúrgica Ltda	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
... SC Diaverum Romania S.R.L / 25934329 / Bucharest, Romania	Romania	100	100
... Diaverum Hellas SA / 161253801000 / Maursi, Greece	Greece	100	-

NOTE 33. NON-CONTROLLING INTEREST

The following subsidiaries/subgroups have material NCI.

		Ownership interest held by NCI	
	Location	2021	2020
Argentina subgroup	Argentina	20-25%	20-25%
Portugal subgroup	Portugal	5-33%	5-33%
Malaysia subgroup	Malaysia	25%	-
Russia subgroup	Russia	-	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.

2021

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

2020

EUR thousand	Argentina sub-group	Portugal sub-group	Russia sub-group	Elim	**Total**
Non-current assets	3,953	5,761	2,322		
Current assets	7,106	33,628	480		
Non-current liabilities	3,967	2,647	15		
Current liabilities	6,020	3,371	394		
Net assets	1,072	33,371	2,393		
Carrying amount of NCI	**281**	**5,358**	**619**	**-**	**6,258**
Net sales	15,448	8,609	722		
Profit	-1,463	1,868	-367		
OCI	-867	-	-51		
Total comprehensive income	**-2,330**	**1,868**	**-418**		
Profit allocated to NCI	-277	291	-92	-	**-78**
OCI allocated to NCI	-206	-	-26		**-232**
Dividends to NCI	-	-	-	-	**-**

The Group has issued put options to NCI that could require the Group to purchase the shares held by NCI. The put options give rise to a financial liability for the present value of the redemption amount. Put options was issued to NCI in Singapore in 2021. As the Group applies the so-called "anticipated acquisition method" for NCI put options, the NCI that hold the issued put option are derecognised when the liability for the put option is recognised, see note 1 (k). The put option in Singapore was recognized in 2021. In 2021 payment of liabilities to holders of non-controlling interest amounted to EUR 2,409.

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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 2020	1,323,017	1,013,032	162,711	93	**2,498,853**
Changes from cash flows from financing activities					
Proceeds	-	274,126	-	-	**274,126**
Repayments	-	-24,089	-	-	**-24,089**
Change in bank overdraft	-	-	-	-77	**-77**
Payment of leasing liabilities	-	-	-26,887	-	**-26,887**
Total changes from financing cash flows	-	250,037	-26,887	-77	**223,073**
Changes from acquisitions	-	-	1,019	-	**1,019**
Exchange rate differences		107	-6,296	-16	**-6,205**
Changes in fair value	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Other changes					
New/Remeasured leases	-	-	25,959	-	**25,959**
Capitalised borrowing cost	116,111	-	-	-	**116,111**
Amortised prepaid borrowing cost	-	-1,901	-	-	**-1,901**
Total liabilities related to other changes	116,111	-1,901	25,959	-	**140,169**
Balance at 31 December 2020	**1,439,128**	**1,261,275**	**156,506**	**0**	**2,856,909**

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	-	-	-	-	**-**
Other changes					
New/Remeasured leases	-	-	37,273	-	**37,273**
Capitalised borrowing cost	7,200	521	-	-	**7,721**
Amortised/paid 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**	**170,674**	**4,708**	**2,915,816**

NOTE 35. SUBSEQUENT EVENTS

In October 2021, Diaverum signed an agreement to acquire the dialysis activity of Hospital do Rim in Brazil. The transaction will be recognized as a business combination and closing is expected in June 2022.

In January 2022, Diaverum announced the acquisition of Sociedad Medica Vitta S.P.A. The entity run three clinics located in Chile's Valparaiso region, the second most densely populated area in the country. The transaction was completed in January 2022.

Russia's invasion of Ukraine. Diaverum does not have any operations in Ukraine. Diaverum's Russian operations are relatively small with 19 clinics, 1,300 patients, EUR 14 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.

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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 2021, 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 2021 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, 21 April 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Jean-Manuel Séris