

## Press release

ORESA ventures s.a. (publ)

## Interim Report january–March 2000

### Highlights

- Net asset value amounted to USD 76.5m (SEK 631m), equivalent to USD 6.51 (SEK 53.72) per share, compared with USD 6.52 (SEK 53.78) per share as at 31 March 1999.
- The loss after tax amounted to USD 427,000, (1,777,000).
- Strong development by Medcover, revenue continues to grow by more than 50 percent on an annual basis.
- Follow-on investments of USD 385,000 in Churchill Media.
- Strategic partnership announced with Swedish Ledstiernan AB to develop TIME investments in Poland.

In line with our policy, we cover existing investments more extensively in our six and twelve month reports, while in the three and nine month reports we focus on new investments together with any major developments in existing holdings. Due to its relative size in our portfolio, we also cover the performance of Medcover in each quarter.

Operating expenses were in line with budget, amounting to USD 682,000. We expensed a further USD 220,000 in the first quarter relating to new healthcare opportunities, specifically emerging e-health opportunities.

### New Investments

During the first quarter of 2000, we made a follow-on investment in Churchill Media of USD 385,000, raising our total investment to USD 1.1m for 29 percent of the company.

### Medcover

Medcover developed well during the quarter. Revenue for the group came in ahead of budget at USD 4,162m (2,666m), an increase of more than 50 percent compared with the previous year. EBITDA was USD 100,000, against a loss of USD 911,000 in 1999, a significant improvement that is higher than forecast and reflects increased capacity utilization and good control of medical costs.

Medcover Poland grew its revenue to USD 3,019m (1,980m), with an EBITDA of USD 352,000 (loss of USD 200,000). We are pleased to see that the efforts to improve premium levels and medical cost controls, in combination with increased membership levels in all locations, are starting to have an impact on the bottom-line contribution. A new clinic was opened in Szczecin during the period.

Medcover Romania grew its revenue by more than 100 percent, to USD 866,000 (428,000), and recorded EBITDA of USD 214,000 (loss of 197,000). The strong performance was driven by significantly increased volumes in the laboratory business and a sound increase in the prepaid business. Additional investments are being made to raise capacity in Bucharest to accommodate this strong growth.

Medcover Hungary's first quarter revenue stood at USD 199,000 (237,000). The lower-than-expected volume was caused by a shift in focus from the fee-for-service business to

developing membership enrollment. EBITDA amounted to USD 6,000 (loss of 134,000), a significant improvement over the previous year.

Medicover Estonia increased its revenue to USD 72,000 (21,000). The higher EBITDA loss of USD 121,000 (20,000) reflects an increase in capacity and staffing levels versus 1999. The full-service Medicover center in Tallinn opened in December 1999. We are encouraged by recent developments, including a national occupational health contract with Hansabank covering more than 2,000 employees.

Medicover Holdings, which employs Group management, recorded an EBITDA loss in line with budget of USD 350,000 (400,000). The decreased expense compared with the corresponding period of 1999 reflected lower staff numbers at the Group level.

#### Partnership with Ledstiernan AB

As announced on 25 April, we have decided to form a jointly owned company with the Swedish investment group Ledstiernan AB to develop investments in the TIME sector in Poland (Technology, Internet, Media & Entertainment). We anticipate very strong growth in this area in Poland over coming years and believe the combination of Ledstiernan's strong track record over the past seven years in the Swedish TIME sector combined with ORESA Ventures' solid position in Poland will give rise to significant investment opportunities.

#### Liquidity

At the end of the first quarter, we had available financial resources of USD 6.4m, including committed credit facilities.

May 2000

Jonas af Jochnick

## Consolidated profit and loss account

	2000	1999
1st QUARTER TO 31 MARCH	\$'000	\$'000
Portfolio income/(loss)	524	2,481
Gain on sale of unlisted investments	—	—
Interest income	1	39
Interest cost	(102)	(89)
Dividend income	111	2
Other revenue	68	14
INCOME	602	2,447
Staff costs	(426)	(374)
Administrative costs	(475)	(280)
Foreign exchange	(83)	20
TOTAL OPERATING EXPENSES	(984)	(634)
OPERATING (LOSS)/PROFIT BEFORE TAX	(382)	1,813
Tax charge	(45)	(36)
OPERATING (LOSS)/PROFIT AFTER TAX	(427)	1,777
(Loss)/Earnings per ordinary share	(\$0.04)	\$0.18

## Statement of recognized gains and losses

	2000	1999
1st QUARTER TO 31 MARCH	\$'000	\$'000
Value adjustments upwards on unlisted Direct investments not recognized in the profit and loss account	—	—
(Loss)/profit	(427)	1,777
TOTAL RECOGNIZED (LOSSES)/GAINS	(427)	1,777
NET ASSET PER SHARE	\$6.51	\$6.52

## Consolidated balance sheet

	31 March 2000 \$'000 (Unaudited)	31 Dec. 1999 \$'000 (Audited)
<b>ASSETS</b>		
Direct investments		
Unlisted equity shares	77,565	77,130
Loan investments	2,492	2,492
	80,057	79,622
Property and equipment	38	43
<b>NON-CURRENT ASSETS</b>	80,095	79,665
Listed equity shares	2,052	2,222
Receivables	1,166	1,192
Bonds and other interest-bearing securities	—	—
Cash	58	756
<b>CURRENT ASSETS</b>	3,276	4,170
<b>TOTAL ASSETS</b>	83,371	83,835
Liabilities and shareholders' equity		
Capital and reserves		
Share capital	58,764	58,764
Share premium	25,648	25,648
Capital profits reserve	16,247	16,247
Unrealized profit reserve	(11,603)	(11,603)
Realized profit reserve	(12,531)	(12,104)
<b>SHAREHOLDERS' equity</b>	76,525	76,952
Trade and other payables	946	983
Loans payable	5,900	5,900
<b>CURRENT LIABILITIES</b>	6,846	6,883
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	83,371	83,835

**Consolidated cash flow statement**

	2000	1999
1st QUARTER TO 31 MARCH	\$'000	\$'000
NET CASH FLOW FROM PROFIT	(954)	210
Investing activities		
Venture capital loans repaid/(advanced)	0	1,391
Investment in unlisted securities	(435)	(5,993)
Sale of unlisted securities	—	—
Investment in bonds and interest-bearing securities	—	1,791
Investment in listed equity investments	(550)	(2,332)
Sale of listed equity investments	1,241	3,258
NET CASH FLOW FROM INVESTING ACTIVITIES	256	(1,885)
Loans received	0	1,720
NET CASH FLOW FROM FINANCING ACTIVITIES	0	1,720
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(698)	45
CASH AND CASH EQUIVALENTS		
Balance at 1 January	756	3,128
Balance at 31 March	58	3,173
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(698)	45

## **BASIS OF PREPARATION**

The accounting policies used in this report are the same as those used in the annual audited financial statements of ORESA Ventures S.A. The above figures, except for comparative full-year figures, are unaudited. This interim statement is in compliance with International Accounting Standard 34, Interim Financial Reporting.

A copy of the Annual Report for 1999 may be obtained from ORESA Ventures N.V., Building O, Drève Richelle 161, BE-1410 Waterloo, Belgium. Alternatively you can request a copy through our web site, [www.oresaventures.com](http://www.oresaventures.com).

### Information Dates

- |                           |                  |
|---------------------------|------------------|
| • 2 Quarter results       | 17 August 2000   |
| • 3 Quarter results       | 16 November 2000 |
| • Preliminary Report 2000 | 25 February 2001 |