

GHP wins procurement process to run public health care in United Arab Emirates (UAE)

GHP Specialty Care AB (publ) (GHP) today announced that the Group has won an extensive procurement process to run public health care in the United Arab Emirates (UAE). The agreement runs for five years and was officially signed today by H.E. Ahmad Juma Al Zaabi, Chairman of the Board of Directors of the Medical Office, Ministry of Presidential Affairs, in Abu Dhabi in the United Arab Emirates.

The agreement will run for five years, with a possible extension of at least a further five years and comprises the managing and operating of two hospitals (which include general, emergency, women's and children's divisions) and a diabetes centre (currently operated by GHP). When fully operational, these will take care of more than 200,000 patients per year, of whom half are estimated to be accident and emergency cases (on a par with Sweden's major Accident and Emergency hospitals).

Pursuant to the agreement, GHP is responsible for the hospitals being run in a way that ensures quality and efficiency, so that the hospitals' medical, operational and financial results meet the demands of the Medical Office/Ministry of Presidential Affairs. However, GHP is not taking over the costs for the day-to-day running of the hospitals. Instead, GHP will receive a management fee based on the outcome of a number of given parameters (KPIs) and delivery of a number of predefined deliverables. The agreement further stipulates that a number of the recruitments to be made will have experience of Swedish health care.

"The fact that we have been chosen in this tough process is important recognition not only of GHP's way of running quality-based health care but also of Swedish health care in general. We have been in competition with some of the most well-known and well-reputed health care organizations in the world for this prestigious contract," says GHP's CEO, Daniel Öhman.

"The Medical Office of the Ministry of Presidential Affairs has chosen GHP in the light of their excellent high-quality management of Rashid Centre for Diabetes and Research and their good reputation and high-quality care in Sweden. We look forward to many years of successful collaboration with GHP," says Dr Abdul Hadi Al-Ahbabi, Deputy General Manager of the Medical Office of the Ministry of Presidential Affairs.

The procurement process has been rigorous and surrounded by strict confidentiality. GHP was invited last spring to take part in the procurement process due to the good results obtained at the specialist clinic RCDR, Rashid Centre for Diabetes and Research, which has been run by GHP since 2010 together with the Ministry of Health in the United Arab Emirates. During 2015 approximately 30,000 patients have been treated at RCDR, whose diabetes laboratory is ranked as one of the world leaders. The continued running of this centre is included in the new agreement.

During the autumn, a delegation from the Medical Office of the Ministry of Presidential Affairs visited GHP's clinics in Sweden and their collaboration partners. Today's signing of the agreement concludes the procurement process.



During the spring and summer in 2016, GHP will carry out comprehensive situation analyses and preparatory work to be able to take over the running of the hospitals in the third quarter of 2016.

“Without giving any forecasts at present, we still want to clearly indicate that this agreement is expected to have a considerable positive impact on GHP. Revenue is decided each quarter on the basis of how well we have delivered and GHP expects to have a good operating margin from these operations,” says GHP’s Deputy CEO and CFO, Tobias Linebäck, who will be responsible for the agreement on GHP’s side.

“GHP will be positively impacted by this as early as a few months into 2016, at the same time as we have had somewhat higher costs than normal during the second half of 2015 due to the procurement process and the work of winning the contract. The first half of 2016 will be affected by certain start-up costs. We will communicate more specific information shortly and in conjunction with our year-end report for 2015,” says Mr Linebäck.

“GHP’s business model in the UAE differs from business operations in the Nordic region. The UAE wants to obtain leading international competence in order to deliver world-class health care services in their hospitals, and GHP’s focus is therefore on running business operations there through management contracts. In the Nordic region we see how considerable gains can be created for society by transferring selective care out of the Accident and Emergency hospitals to high-quality specialist centres. We want to own these centres ourselves so that we can invest in the development of the business operations over time and not risk losing these operations in the next procurement process. What is common to both markets is our focus on developing, together with the profession, leading-edge care while thinking along value-based lines,” says Mr Öhman.

About the United Arab Emirates (UAE):

The United Arab Emirates is a federation consisting of the seven emirates Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah and Umm al-Quwain. Abu Dhabi is the capital of the United Arab Emirates. The total population of the United Arab Emirates in 2013 was 9.2 million, with 1.4 million Emirati and 7.8 million foreigners. Public health care has been greatly expanded over the past decades and today the United Arab Emirates has a large number of highly competent specialist clinics and hospitals. Sheikh Khalifa Hospital in Ajman and Masfout and the Rashid Centre for Diabetes and Research represent a considerable part of health care in Ajman.

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GHP is an internationally active health care provider that operates specialist clinics in a select number of diagnostic areas through the application of a business model that is unique in the health care industry, where leading doctors become partners and shareholders. Each clinic specialises in a particular patient group, and this leads to increased efficiency and higher quality. This is the cornerstone of GHP’s business philosophy – “Quality through specialisation”. GHP shares are traded on the Small Cap list of Nasdaq Stockholm under the ticker symbol “GHP”.

GHP Specialty Care AB (publ) is required to publish the information herein according to the Swedish Securities Market Act. This information was published on 23 December 2015 at 08:55 am CET.

This is a translation of the Swedish version of the press release. When in doubt, the Swedish wording prevails.