



GHP signs management contract agreement in Kuwait

GHP Specialty Care AB (publ) (GHP) hereby announces that the GHP Group and the Kuwait Medical Center Holding Company (KMCH) have entered into an agreement whereby GHP will be the operator of Kuwait Hospital in Kuwait City. The agreement runs for five years as from 1 July 2019 and can be extended. After KMCH had thoroughly evaluated several international health care operators, GHP was chosen. The agreement means that GHP is taking a further step towards becoming a leading health care operator in the Middle East.

Kuwait Hospital is a privately owned hospital with approximately 150 beds. Building of the hospital is complete but its business operations have so far been limited. The joint aim is that the hospital will be fully operational 12 months after the start of the agreement. GHP will carry out comprehensive situation analyses and preparation work in the coming months. Within the framework of the management contract, GHP will appoint a number of key persons to manage the hospital. Together with KMCH, GHP will determine Key Performance Indicators (KPIs) that will be continuously measured to follow the development of the hospital. Under the agreement, GHP will be responsible for business operations being managed efficiently and with high quality, so that the medical, operational and financial results meet KMCH's demands. However, GHP will not take over the costs for the day-to-day running of the hospital.

"Swedish health care represents high quality, cost efficiency and continuous development. This assignment will enable us, in conjunction with KMCH, to ensure that more people receive high-quality health care in Kuwait. Given our experience of running health care in the Nordic region, managing health care organisations in the United Arab Emirates and our focus on social benefit, the assignment suits us extremely well", says GHP's CEO, Daniel Öhman.

Revenues from the agreement are based on both a fixed part and variable parts, where the majority of the revenues are tied to the fixed part. GHP anticipates that the agreement will generate annual revenues of approximately SEK 35-45 million, with an operating margin that is in line with GHP's other business operations in the International segment. The agreement contains different phases, which means that revenues will vary over time. The agreement entails some start-up costs but is expected to have a positive impact on GHP's results as from 2019.

Before the signing of the agreement, GHP had an independent party carry out a risk analysis regarding human rights in the country and this particular assignment. The work constitutes part of the Group's ongoing work on human rights, where the next step will be to consult with stakeholders such as human rights organisations regarding how risks are best addressed.

At the end of 2015, GHP entered into an agreement concerning the running of four public hospitals in the United Arab Emirates. It is this management contract that has so far been the foundation of GHP's International segment, which has sales of approximately SEK 70 million per annum. The agreement concerning the running of Kuwait Hospital further strengthens GHP's position in the region.

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About Us

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 and medical staff 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".

This information is information that GHP Specialty Care is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2019-06-17 12:53 CEST.

Image Attachments

[Picture – Kuwait Hospital](#)

Attachments

[GHP signs management contract agreement in Kuwait](#)