

**Interim report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2019 to 30 September 2019

MEDICLIN: Key data on business development

| | 9M 2019 | 9M 2018 |
|--|---------|---------|
| Number of shares in millions | 47.5 | 47.5 |
| Number of cases (inpatient) | 92,357 | 92,460 |
| Number of beds as of 30.09. | 8,361 | 8,321 |
| Occupancy rates in % | 88.8 | 89.7 |
| Number of full-time employees (average number) | 7,383 | 7,199 |

| In millions of € | 9M 2019 | 9M 2018 |
|---|---------|---------|
| Cash flow from operating activities | 56.0 | 22.6 |
| Cash flow from operating activities per share in € | 1.18 | 0.48 |
| Sales | 504.7 | 485.2 |
| EBITDA | 67.9 | 34.1 |
| EBITDA margin in % | 13.5 | 7.0 |
| EBIT (operating result) | 14.9 | 17.8 |
| EBIT margin in % | 2.9 | 3.7 |
| Financial result | -7.5 | -2.5 |
| Total consolidated result | 5.8 | 11.7 |
| Earnings per share in € | 0.12 | 0.25 |
| Gross capital expenditure (without right-of-use assets pursuant to IFRS 16) | 34.9 | 32.2 |
| Thereof subsidies | 5.2 | 5.5 |
| Interest coverage factor (EBITDA/interest result) | 9.0x | 13.4x |

| In millions of € | 30.09.2019 | 31.12.2018 |
|------------------------------------|------------|------------|
| Balance sheet total | 886.6 | 444.7 |
| Equity | 183.6 | 191.4 |
| Equity ratio in % | 20.7 | 43.0 |
| Return on equity in % ¹ | 1.0 | 4.1 |
| Financial liabilities (to banks) | 85.3 | 75.7 |
| Cash and cash equivalents | 29.5 | 33.8 |
| Net debt | 55.8 | 41.9 |
| Net debt/EBITDA ² | 0.8x | 1.1x |

¹ Total consolidated result in the last 12 months / equity

² EBITDA in the last 12 months

Due to arithmetical reasons, calculation differences of +/- one unit (€, % etc.) may occur; percentage rates and changes in % were calculated on the basis of non-rounded € values.

Interim Group management report of MEDICLIN Aktiengesellschaft

for the period from 1 January 2019 to 30 September 2019

Report on the economic position for the first nine months of 2019

General statement on results of operations, financial position and net assets

In the first nine months of the 2019 financial year, MEDICLIN was able to raise Group sales by 4.0% year-on-year or EUR 19.5 mill. to EUR 504.7 mill. The sales increase is mainly attributable to capacity expansions and changes in the mix of services offered compared with the same period of the previous year. The largest share in sales growth, some EUR 12.8 mill. was contributed by the post-acute segment, while the acute segment accounted for EUR 7.2 mill. Sales in the nursing care business area were at the prior-year level.

Despite the increase in sales, the Group operating result dropped by EUR 2.9 mill. from EUR 17.8 mill. to EUR 14.9 mill. compared with the same period of the previous year. The same applies to the post-acute segment. In this segment, the result declined from EUR 19.1 mill. to EUR 18.6 mill., mainly due to an increase of external medical services on the back of the capacity expansions. In the acute segment, the result dropped by EUR 3.1 mill. from EUR 1.6 mill. to EUR –1.5 mill. due to higher staff costs and raw materials and consumables used.

Cash and cash equivalents as of 30 September 2019 amounted to EUR 29.5 mill. (31.12.2018: EUR 33.8 mill.).

Gross investments amounted to EUR 34.9 mill. in the first nine months of the 2019 financial year (9M 2018: EUR 32.2 mill.), pertaining mainly to the reconstruction and expansion of clinics and the acquisition of medical equipment. Capital expenditure is thus in line with the annual budget.

Outlook

As in the previous years, the third quarter was the quarter with the strongest sales and earnings. Therefore, the conditions for meeting the targets are presently given overall. The Management Board assumes that, due to capacity constraints, the Group's sales increase will be limited to about 4% in the 2019 financial year, especially in the post-acute segment. Given the continuously high expenses for external medical services and a slightly negative EBIT expected in the acute segment, Group EBIT will come out at the lower end of the guidance of EUR 22.0 to 28.0 mill.

Results of operation, financial position and net assets

Results of operation

SALES AND EARNINGS PERFORMANCE OF THE GROUP

| | 9M 2019 | 9M 2018 |
|---|---------|---------|
| Group sales in millions of € | 504.7 | 485.2 |
| Raw materials and consumables used in millions of € | 91.2 | 85.1 |
| Cost of materials ratio in % | 18.1 | 17.5 |
| Staff costs in millions of € | 308.7 | 292.5 |
| Staff costs ratio in % | 61.2 | 60.3 |
| Depreciation and amortisation in millions of € | 53.0 | 16.3 |
| Other operating expenses in millions of € | 43.7 | 79.2 |
| Group operating result in millions of € | 14.9 | 17.8 |

Group sales in the first nine months were up on the previous year's value, increasing by EUR 19.5 mill. or 4.0 %, respectively. Raw materials and consumables used increased considerably by EUR 6.1 mill. (+ 7.2 %), especially due to continuously high expenses for external medical services. Staff costs rose by EUR 16.2 mill. (+ 5.6 %) on the back of a higher number of staff (+ 184 full-time employees) and a rise in salaries. The development of depreciation and amortisation and other operating expenses was in line with expectations. Compared to the previous year, the Group operating result was reduced by EUR 2.9 mill. The financial result amounted to EUR –7.5 mill. EUR –6.1 mill. thereof refer to interests in connection with right-of-use assets (IFRS 16). The total consolidated result attributable to the shareholders of MEDICLIN Aktiengesellschaft amounts to EUR 5.8 mill., down from EUR 11.7 mill. in the previous year. Earnings per share came out to EUR 0.12, down from EUR 0.25 in the previous year.

The sales and earnings performance at segment level is illustrated in more detail in the segment reporting section.

Financial position and net assets

The main changes in the consolidated balance sheet as of 30 September 2019 compared to the balance sheet as of 31 December 2018 are attributable to the transition to the new IFRS 16 accounting standard. The same applies to the statement of cash flows in comparison with the corresponding prior-year period.

LIQUIDITY

| In millions of € | 9M 2019 | 9M 2018 |
|---|-------------|-------------|
| Cash flow from operating activities | 56.0 | 22.6 |
| Thereof total consolidated result | 5.8 | 11.7 |
| Cash flow from investing activities | –33.0 | –31.2 |
| Cash flow from financing activities | –27.3 | 28.3 |
| Cash flow for the period | –4.3 | 19.7 |
| Cash and cash equivalents at the beginning of the period | 33.8 | 26.9 |
| Cash and cash equivalents at the end of the period | 29.5 | 46.6 |

The cash flow from financing activities for the first nine months of 2019 shows EUR 31.9 mill. for the repayment of financial liabilities from right-of-use assets and EUR 6.1 mill. for interest payments in connection with right-of-use assets. The prior-year period included a new annuity loan in the amount of EUR 20.0 mill. in connection with subsidies for the new clinic to be built at the Lingen site.

BALANCE SHEET STRUCTURE

| In millions of € | 30.09.2019 | In % of balance sheet total | 31.12.2018 | In % of balance sheet total |
|-------------------------------|--------------|-----------------------------|--------------|-----------------------------|
| Assets | | | | |
| Non-current assets | 729.6 | 82.3 | 296.2 | 66.6 |
| Current assets | 157.0 | 17.7 | 148.5 | 33.4 |
| | 886.6 | 100.0 | 444.7 | 100.0 |
| Equity and liabilities | | | | |
| Equity | 183.6 | 20.7 | 191.4 | 43.0 |
| Non-current liabilities | 556.9 | 62.8 | 165.3 | 37.2 |
| Current liabilities | 146.1 | 16.5 | 88.0 | 19.8 |
| | 886.6 | 100.0 | 444.7 | 100.0 |

Compared with 31 December 2018, the balance sheet total has nearly doubled, mainly due to the transition of IFRS 16. EUR 420.0 mill. of this increase refers to non-current assets, EUR 378.9 mill. to non-current liabilities and EUR 43.9 mill. to current liabilities.

Segment reporting

Sales in the post-acute segment were EUR 12.8 mill. or 4.3 % higher than in the comparable prior-year period. Raw materials and consumables used in the segment rose significantly by 8.6 % or EUR 4.7 mill. This was due primarily to higher expenses for external medical services resulting from capacity expansions. Staff costs also increased by EUR 5.5 % or EUR 8.6 mill., respectively. The segment EBIT decreased by EUR 0.5 mill., down from EUR 19.1 mill. to EUR 18.6 mill. Without the effect from IFRS 16 (EUR 3.1 mill.), the segment result would be EUR 3.6 mill. lower than the previous year's value.

Sales in the acute segment were EUR 7.2 mill. or 4.3 % higher than in the first nine months of 2018. Following the measures initiated in this segment, the performance is stable. The segment's raw materials and consumables used increased by EUR 2.8 mill., while staff costs went up EUR 5.8 mill. The segment EBIT decreased from EUR 1.6 mill. in the previous year's period to EUR – 1.5 mill. The IFRS 16 effect accounted for EUR 0.2 mill.

In the other activities segment, sales of the nursing care business area were at the prior-year level.

SALES

| In millions of € | 9 M 2019 | 9M 2018 | Change in % |
|-------------------------------------|--------------|--------------|-------------|
| Post-acute | 313.3 | 300.5 | +4.3 |
| Acute | 176.4 | 169.2 | +4.3 |
| Other activities and reconciliation | 15.0 | 15.5 | -3.2 |
| Thereof nursing care business area | 11.5 | 11.5 | -0.5 |
| Group | 504.7 | 485.2 | +4.0 |

RAW MATERIALS AND CONSUMABLES USED

| | 9 M 2019 | 9M 2018 | Change in % |
|---|----------|---------|-------------|
| Post-acute | | | |
| Raw materials and consumables used in millions of € | 60.1 | 55.4 | +8.6 |
| Cost of materials ratio in % | 19.2 | 18.4 | |
| Acute | | | |
| Raw materials and consumables used in millions of € | 46.7 | 43.9 | +6.4 |
| Cost of materials ratio in % | 26.5 | 26.0 | |

STAFF COSTS

| | 9 M 2019 | 9M 2018 | Change in % |
|------------------------------|----------|---------|-------------|
| Post-acute | | | |
| Staff costs in millions of € | 165.0 | 156.4 | +5.5 |
| Staff costs ratio in % | 52.7 | 52.1 | |
| Acute | | | |
| Staff costs in millions of € | 103.5 | 97.7 | +5.9 |
| Staff costs ratio in % | 58.6 | 57.8 | |

SEGMENT RESULT

| In millions of € | 9 M 2019 | 9M 2018 |
|-------------------------------------|-------------|-------------|
| Post-acute | 18.6 | 19.1 |
| Acute | -1.5 | 1.6 |
| Other activities and reconciliation | -2.2 | -2.9 |
| Group | 14.9 | 17.8 |

Employees

The number of full-time employees increased by 184 on the previous year's nine-month period. On average, this means that MEDICLIN employs about 296 more persons than in the comparable prior-year period. In total, the Group employed 316 trainees in the first nine months of the 2019 financial year (9M 2018: 293 trainees). Overall, MEDICLIN's headcount was 10,303 in the period under review. (All figures are average figures for the period).

AVERAGE NUMBER OF EMPLOYEES IN THE GROUP AND IN THE SEGMENTS

| Shown in full-time employees | 9 M 2019 | 9 M 2018 | Change |
|--|--------------|--------------|--------------|
| Post-acute | 3,975 | 3,859 | + 116 |
| Acute | 2,126 | 2,094 | + 32 |
| Other activities | 1,282 | 1,246 | + 36 |
| Thereof nursing care business area | 204 | 215 | - 11 |
| Thereof service business area (including administration) | 1,078 | 1,031 | + 47 |
| Group | 7,383 | 7,199 | + 184 |

Forward-looking statements

This report contains forward-looking statements that are based on management's current expectations. Words such as "anticipate", "assume", "believe", "estimate", "expect", "intend", "can/could", "plan", "project", "should" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties that are based on the current assumptions and forecasts of MEDICLIN AG management. Should any of these risks and uncertainties materialise, or if the assumptions underlying any of the forward-looking statements prove incorrect, then the actual results may be materially different from those expressed or implied by such statements. MEDICLIN AG does not intend or assume any obligation to continuously update these forward-looking statements, so as to adapt them to events or developments that occur after the release of this interim report.

Consolidated interim financial statements of MEDICLIN Aktiengesellschaft

for the period from 1 January 2019 to 30 September 2019

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as of 30 September 2019
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comprehensive income
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Consolidated interim balance sheet as of 30 September 2019

ASSETS

| In thousands of € | 30.09.2019 | 31.12.2018 |
|--|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Goodwill and other intangible assets | | |
| Concessions, licences | 3,174 | 3,797 |
| Goodwill | 49,315 | 48,830 |
| Payments on account | 5,205 | 4,008 |
| | 57,694 | 56,635 |
| Property, plant and equipment | | |
| Land, land rights and buildings including buildings on third-party land | 116,156 | 113,727 |
| Right-of-use assets on land, land rights and buildings including buildings on third-party land | 417,608 | 0 |
| Technical equipment and machines | 13,001 | 13,105 |
| Operating and office equipment | 42,858 | 42,590 |
| Right-of-use assets on operating and office equipment | 2,402 | 0 |
| Payments on account and assets under construction | 32,661 | 25,134 |
| | 624,686 | 194,556 |
| Financial assets | | |
| Investment in stock of subsidiaries | 108 | 65 |
| Reinsurance cover | 830 | 830 |
| Other financial investments | 2 | 2 |
| | 940 | 897 |
| Other financial assets | | |
| Receivables pursuant to hospital financing law | 36,858 | 37,644 |
| | 36,858 | 37,644 |
| Deferred tax assets | 9,360 | 6,476 |
| | 729,538 | 296,208 |
| CURRENT ASSETS | | |
| Inventories | 7,819 | 7,461 |
| Trade receivables | 100,809 | 93,099 |
| Current income tax claims | 1,412 | 1,017 |
| Other financial assets | | |
| Receivables pursuant to hospital financing law | 9,242 | 7,095 |
| Other current financial assets | 4,446 | 4,818 |
| | 13,688 | 11,913 |
| Other assets | 3,781 | 1,207 |
| Cash and cash equivalents | 29,514 | 33,829 |
| | 157,023 | 148,526 |
| | 886,561 | 444,734 |

EQUITY AND LIABILITIES

| In thousands of € | 30.09.2019 | 31.12.2018 |
|---|----------------|----------------|
| EQUITY | | |
| Shares MEDICLIN Group | | |
| Subscribed capital | 47,500 | 47,500 |
| Capital reserve | 129,392 | 129,392 |
| Revenue reserve | –32,737 | –21,667 |
| Consolidated balance sheet result | 39,769 | 36,382 |
| | 183,924 | 191,607 |
| Non-controlling interests | –283 | –203 |
| | 183,641 | 191,404 |
| NON-CURRENT LIABILITIES | | |
| Financial liabilities | | |
| Liabilities to banks | 53,543 | 54,853 |
| | 53,543 | 54,853 |
| Liabilities from finance leases | 55 | 73 |
| Financial liabilities from right-of-use assets | 378,933 | 0 |
| Pensions and similar commitments | 68,758 | 54,707 |
| Other provisions | 22,718 | 22,755 |
| Other financial liabilities | | |
| Liabilities pursuant to hospital financing law | 30,672 | 30,672 |
| Other financial liabilities | 176 | 245 |
| | 30,848 | 30,917 |
| Other payables | 2,028 | 2,051 |
| | 556,883 | 165,356 |
| CURRENT LIABILITIES | | |
| Trade payables | 16,279 | 17,105 |
| Financial liabilities | | |
| Liabilities to banks | 31,767 | 20,831 |
| | 31,767 | 20,831 |
| Liabilities from finance leases | 25 | 24 |
| Financial liabilities from right-of-use assets | 43,872 | 0 |
| Other provisions | 12,160 | 11,968 |
| Other financial liabilities | | |
| Liabilities pursuant to hospital financing law | 8,397 | 9,281 |
| Other financial liabilities | 4,709 | 4,846 |
| | 13,106 | 14,127 |
| Other payables | 28,828 | 23,919 |
| | 146,037 | 87,974 |
| | 886,561 | 444,734 |

Consolidated interim profit and loss account

| In thousands of € | Jan. – Sept. 2019 | Jan. – Sept. 2018 |
|--|-------------------|-------------------|
| Sales | 504,723 | 485,165 |
| Other operating income | 6,786 | 5,726 |
| Total operating performance | 511,509 | 490,891 |
| Raw materials and consumables used | | |
| a) Cost of raw materials and supplies | –55,613 | –52,540 |
| b) Cost of purchased services | –35,609 | –32,587 |
| | –91,222 | –85,127 |
| Staff costs | | |
| a) Wages and salaries | –261,674 | –249,402 |
| b) Social security, pension and retirement | –47,056 | –43,058 |
| | –308,730 | –292,460 |
| Other operating expenses | –43,661 | –79,205 |
| Result before interest, taxes, depreciation and amortisation / EBITDA | 67,896 | 34,099 |
| Depreciation and amortisation | –53,039 | –16,340 |
| Operating result / EBIT | 14,857 | 17,759 |
| Financial result | | |
| a) Income from participations | 51 | 38 |
| b) Interest and similar income | 71 | 214 |
| c) Interest and similar expenses | –7,625 | –2,756 |
| | –7,503 | –2,504 |
| Result before tax | 7,354 | 15,255 |
| Taxes on income | –1,592 | –3,577 |
| Total consolidated result | 5,762 | 11,678 |
| Thereof attributable to shareholders of MEDICLIN AG | 5,762 | 11,661 |
| Thereof attributable to non-controlling interests | 0 | 17 |
| Total consolidated result attributable to shareholders of MEDICLIN AG per share | | |
| Undiluted in € | 0.12 | 0.25 |
| Diluted in € | 0.12 | 0.25 |

Consolidated interim statement of comprehensive income

| In thousands of € | Jan. – Sept. 2019 | Jan. – Sept. 2018 |
|--|-------------------|-------------------|
| Total consolidated result | 5,762 | 11,678 |
| Other comprehensive income | | |
| Revaluation from defined benefit plans and similar obligations | – 13,247 | 0 |
| Taxes on income | 2,097 | 0 |
| Additions to value adjustments that are not reconciled to the total consolidated result | – 11,150 | 0 |
| Thereof attributable to shareholders of MEDICLIN AG | – 11,070 | 0 |
| Thereof attributable to non-controlling interests | – 80 | 0 |
| Additions to value adjustments that are reconciled to the total consolidated result | 0 | 0 |
| Group comprehensive income | – 5,388 | 11,678 |
| Thereof attributable to shareholders of MEDICLIN AG | – 5,308 | 11,661 |
| Thereof attributable to non-controlling interests | – 80 | 17 |

Consolidated cash flow statement

| In thousands of € | Jan. – Sept. 2019 | Jan. – Sept. 2018 |
|--|-------------------|-------------------|
| Total consolidated result | 5,762 | 11,678 |
| Result of finance activities | 7,503 | 2,504 |
| Result of income taxes | 1,592 | 3,577 |
| Operating result (EBIT) | 14,857 | 17,759 |
| Depreciation on fixed asset items | 53,039 | 16,340 |
| Result before interest, taxes, depreciation and amortisation (EBITDA) | 67,896 | 34,099 |
| Change in non-current provisions | 13,244 | 17 |
| Change in current provisions | 192 | 546 |
| Result from the disposal of fixed asset items | -31 | -8 |
| Result from other non-cash items | -14,429 | -697 |
| Change in other current assets | -11,358 | -9,194 |
| Change in other non-current liabilities | -46 | -591 |
| Change in other current liabilities | 3,179 | 2,149 |
| Payments received from interest | 69 | 213 |
| Income taxes paid | -2,717 | -3,885 |
| Cash flow from operating activities | 55,999 | 22,649 |
| Payments received from the disposal of fixed assets | 176 | 135 |
| From the disposal of property, plant and equipment | 176 | 135 |
| Income from participations | 51 | 38 |
| Cash used for investments | -33,195 | -31,418 |
| For intangible assets | -2,748 | -2,529 |
| For property, plant and equipment | -30,401 | -28,889 |
| For financial assets | -46 | 0 |
| Cash flow from investing activities | -32,968 | -31,245 |
| Dividend payout to shareholders of MEDICLIN AG | -2,375 | -2,375 |
| Changes in non-controlling interests | 0 | -7 |
| Cash used for/received from dual hospital financing | 4,174 | 4,055 |
| Repayment of financial liabilities from right-of-use assets | -31,917 | 0 |
| New financial liabilities | 11,000 | 30,000 |
| Repayment of financial liabilities | -1,443 | -1,437 |
| Interest paid from right-of-use assets | -6,073 | 0 |
| Interest paid | -712 | -1,934 |
| Cash flow from financing activities | -27,346 | 28,302 |
| Cash flow for the period | -4,315 | 19,706 |
| Cash and cash equivalents at the beginning of the period | 33,829 | 26,907 |
| Cash and cash equivalents at the end of the period | 29,514 | 46,613 |

The cash and cash equivalents at the end of the period correspond to the balance sheet item "cash and cash equivalents" and encompass primarily cash in hand and current bank credit balances.

Statement of changes in equity

| In thousands of € | Subscribed capital | Capital reserve | Revenue reserve | Consolidated balance sheet result | Shares MEDICLIN Group | Non-controlling interests | Total equity |
|--------------------------------------|--------------------|-----------------|-----------------|-----------------------------------|-----------------------|---------------------------|----------------|
| As of 01.01.2018 | 47,500 | 129,392 | -22,440 | 31,079 | 185,531 | -271 | 185,260 |
| Total consolidated result | - | - | - | 11,661 | 11,661 | 17 | 11,678 |
| Other comprehensive income | - | - | 0 | - | 0 | 0 | 0 |
| Group comprehensive income | - | - | 0 | 11,661 | 11,661 | 17 | 11,678 |
| Dividend payout | - | - | - | -2,375 | -2,375 | - | -2,375 |
| Changes in non-controlling interests | - | - | 16 | -39 | -23 | 16 | -7 |
| As of 30.09.2018 | 47,500 | 129,392 | -22,424 | 40,326 | 194,794 | -238 | 194,556 |

| In thousands of € | Subscribed capital | Capital reserve | Revenue reserve | Consolidated balance sheet result | Shares MEDICLIN Group | Non-controlling interests | Total equity |
|-----------------------------------|--------------------|-----------------|-----------------|-----------------------------------|-----------------------|---------------------------|----------------|
| As of 01.01.2019 | 47,500 | 129,392 | -21,667 | 36,382 | 191,607 | -203 | 191,404 |
| Total consolidated result | - | - | - | 5,762 | 5,762 | 0 | 5,762 |
| Other comprehensive income | - | - | -11,070 | - | -11,070 | -80 | -11,150 |
| Group comprehensive income | - | - | -11,070 | 5,762 | -5,308 | -80 | -5,388 |
| Dividend payout | - | - | - | -2,375 | -2,375 | - | -2,375 |
| As of 30.09.2019 | 47,500 | 129,392 | -32,737 | 39,769 | 183,924 | -283 | 183,641 |

Other information

General information

The unaudited consolidated interim financial statements of MEDICLIN for the first nine months of the 2019 financial year were prepared in accordance with International Accounting Standard 34. In the interim report, the Group principally applied the same accounting policies as in the consolidated financial statements for the 2018 financial year. It should thus be read in conjunction with the Annual Report published by the Group for the 2018 financial year and the interim reports for the first quarter and the first half-year of 2019. The 2019 first-time adoption of the IFRS 16 "Leases" accounting standard, however, forms an exception which leads to significant changes compared to the previous year's financial statements.

The discount rate for pension obligations pursuant to IAS 19 amounts to 0.6 % as of 30 September 2019 (30.06.2019: 1.0 %; 31.03.2019: 1.4 %; 31.12.2018: 1.9 %).

OIK-Immobilienfonds

In mid-2016 MEDICLIN filed a suit with the District Court of Offenburg claiming repayment of rental payments above the usual market rate. The Company assumes that the rents paid for the period 2005 to 2015 were higher than the usual market rents.

The suit was filed against current and former shareholders of the Company, who hold shares of the real estate fund into which the hospitals acquired and rented back between 1999 and 2001 were incorporated. The first oral hearing took place on 16 November 2018 at the District Court (Landgericht) of Offenburg.

MEDICLIN carefully weighed up the opportunities and risks of the suit in view of the fact that the subject matter of the legal dispute is highly complex, especially with regard to the evaluation whether rents conform usual market rates, and that some of the very difficult questions of law involved have not yet been decided by the highest courts.

Therefore the Management Board is of the opinion that no changes to the balance sheet are required in this respect.

Subsequent events

Since 30 September 2019 there have been no occurrences or events of particular significance which MEDICLIN believes could have material impact on the Group's net assets, financial position and results of operations.

Offenburg, 5 November 2019

Quarterly development in the Group

| In millions of € | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Sales | 169.3 | 167.8 | 167.6 | 160.0 | 163.7 | 163.5 | 157.9 |
| EBITDA | 26.6 | 22.2 | 19.1 | 3.2 | 17.0 | 11.0 | 6.1 |
| EBITDA margin in % | 15.7 | 13.2 | 11.4 | 2.0 | 10.4 | 6.8 | 3.9 |
| EBIT (operating result) | 8.8 | 4.5 | 1.6 | -2.7 | 11.5 | 5.6 | 0.7 |
| EBIT margin in % | 5.1 | 2.7 | 1.0 | -1.7 | 7.0 | 3.4 | 0.4 |
| Financial result | -2.5 | -2.5 | -2.5 | -0.7 | -1.2 | -0.7 | -0.6 |
| Total consolidated result | 5.1 | 1.6 | -0.9 | -3.9 | 7.6 | 3.8 | 0.3 |
| Earnings per share in € | 0.10 | 0.04 | -0.02 | -0.08 | 0.16 | 0.08 | 0.00 |
| Cash flow from operating activities | 30.0 | 16.1 | 9.9 | 7.1 | 17.2 | -0.1 | 5.5 |
| Cash flow from operating activities per share in € | 0.63 | 0.34 | 0.21 | 0.15 | 0.36 | -0.01 | 0.12 |
| Equity ratio in % | 20.7 | 20.6 | 20.9 | 43.0 | 44.8 | 44.8 | 44.2 |
| Gross capital expenditure (without right-of-use assets pursuant to IFRS 16) | 13.2 | 10.5 | 11.2 | 17.1 | 12.5 | 10.2 | 9.5 |
| Net financial debt | 55.8 | 62.7 | 53.7 | 41.9 | 29.7 | 35.3 | 23.9 |
| Number of cases (inpatient) | 31,201 | 30,853 | 30,303 | 30,494 | 30,887 | 30,790 | 30,783 |
| Number of beds (end of quarter) | 8,361 | 8,346 | 8,336 | 8,324 | 8,321 | 8,290 | 8,281 |
| Occupancy rates in % | 88.9 | 89.1 | 88.5 | 87.2 | 89.7 | 90.8 | 88.4 |
| Number of full-time employees (quarterly average) | 7,455 | 7,368 | 7,325 | 7,306 | 7,267 | 7,193 | 7,138 |

Key data on the MEDICLIN share

ISIN: DE 000659 5101; WKN: 659 510; TICKER: MED

| In € per share | 9M 2019 | 9M 2018 |
|---|---------|---------|
| Earnings, undiluted/diluted | 0.12 | 0.25 |
| Cash flow from operating activities | 1.18 | 0.48 |
| Book value ¹ as of 30.09. | 3.87 | 4.10 |
| Share price as of 30.09. | 5.500 | 5.750 |
| 52-weeks high | 5.900 | - |
| 52-weeks low | 4.920 | - |
| Market capitalisation as of 30.09. in millions of € | 261.3 | 273.1 |
| Number of shares in millions | 47.50 | 47.50 |

¹ Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/as of: 07.10.2019

Financial calendar

22 February 2019

Disclosure of the preliminary figures for the 2018 financial year

29 March 2019

Annual press and analysts' conference for the 2018 financial year

6 May 2019

Publication of the interim report from 1 January 2019 to 31 March 2019

29 May 2019

Annual General Meeting

1 August 2019

Publication of the interim report from 1 January 2019 to 30 June 2019

5 November 2019

Publication of the interim report from 1 January 2019 to 30 September 2019

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This Interim Report is also available in German.

This is a translation of the German Interim Report.

In case of divergence from the German version, the German version shall prevail.

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