

**Interim report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2020 to 30 September 2020

MEDICLIN: Key data on business development

	9M 2020	9M 2019
Number of shares in millions	47.5	47.5
Number of cases (inpatient)	77,496	92,185
Number of beds as of 30.09.	8,431	8,361
Occupancy rates in %	73.7	88.8
Number of full-time employees (average number)	7,480	7,383

In millions of €	9M 2020	9M 2019
Cash flow from operating activities	96.2	54.5
Cash flow from operating activities per share in €	2.03	1.15
Sales	498.7	504.7
EBITDA	60.6	67.9
EBITDA margin in %	12.2	13.5
EBIT (operating result)	2.0	14.9
EBIT margin in %	0.4	2.9
Financial result	-7.3	-7.5
Total consolidated result	-4.4	5.8
Earnings per share in €	-0.09	0.12
Gross capital expenditure (without right-of-use assets pursuant to IFRS 16)	20.5	34.9
Thereof subsidies	2.5	5.2
Interest coverage factor (EBITDA/interest result)	8.2x	9.0x

In millions of €	30.09.2020	31.12.2019
Balance sheet total	911.7	897.8
Equity	183.1	190.7
Equity ratio in %	20.1	21.2
Return on equity in % ¹	-0.3	5.1
Financial liabilities (to banks)	98.6	99.7
Cash and cash equivalents	88.6	37.2
Adjusted net financial debt ²	58.9	58.4
Adjusted net financial debt ² /adjusted EBITDA ³	1.7x	1.4x

¹ Total consolidated result in the last 12 months/equity

² Adjusted average net financial debt in the last four quarters

³ Adjusted 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 2020 to 30 September 2020

Report on the economic position for the first nine months of 2020

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

Despite rising occupancy in the third quarter of 2020, the effects of the coronavirus pandemic on the business performance is clearly noticeable

The spread of the coronavirus pandemic and the challenges inherent in our industry have heavily impacted the Group's business performance in the first nine months of the 2020 financial year. In the second quarter, above all, the requirements by the German government to hold capacity available for an increasing number of infected persons weighed on Group sales and the operating result. From mid-March to mid-June MEDICLIN's acute clinics had cancelled all deferrable operations and increased ventilator capacity by 40 %. The post-acute clinics, in turn, kept bed capacity free for coronavirus patients at more than half the facilities as agreed with the respective Land governments to ease the burden on the regional hospitals.

Since mid-June 2020 all facilities have gradually returned to normal operations while implementing the increased hygiene and protective measures. The return to normal operations manifested itself in rising occupancy rates in the third quarter, taking the sales and earnings performance up considerably from the two previous quarters.

The Group occupancy rate in the third quarter was 79.6 %, whereas the occupancy rate in the third quarter of 2019 was 88.8 %.

Return to normal operations is elementary for the future business performance

In the first nine months of the 2020 financial year, MEDICLIN generated Group sales of EUR 498.7 mill., down EUR 6.0 mill. or 1.2 % on the previous year's value. After the first six months of the financial year, MEDICLIN had still recorded a sales decline of EUR 11.9 mill. or 3.5 %, respectively. The sales decline in the post-acute segment amounted to EUR 20.6 mill. or 6.6 % in the period under review. Segment sales include payments of EUR 20.1 mill. from coverage providers to compensate for capacity kept available at the rehabilitation clinics. Sales in the post-acute segment rose by EUR 16.4 mill., or 9.3 %, to EUR 192.8 mill. For kept free capacity and establishing and expanding ventilator capacity, MEDICLIN received a total of EUR 17.6 mill. under the German government's Corona protective shield to manage the coronavirus pandemic. Sales in the nursing care business area of EUR 11.8 mill. were EUR 0.3 mill. higher than in the previous year.

Concerning the two largest expense items, raw materials and consumables used by the Group decreased by a total of EUR 5.7 mill. or 6.3 %, respectively, due to lower sales. The expenditure for protective materials included in this item rose disproportionately strongly compared with the same period of the previous year. Staff costs climbed by EUR 10.6 mill. or 3.4 % in the Group. Staff costs in the post-acute segment rose moderately by EUR 3.2 mill. or 2.0 % as some of the facilities applied for short-time work in some areas. In the acute segment, however, staff costs climbed noticeably by EUR 7.4 mill. or 7.2 % due to recruited nursing staff.

It was mainly due to the higher occupancy rate in the third quarter that the Group operating result improved from EUR –8.8 mill. after the first six months of the year to EUR +2.0 mill. Despite all this, Group EBIT is still EUR 12.9 mill. lower than the previous year's value. Group EBIT is additionally burdened by a one-off effect of EUR – 1.5 mill. from the write-down on the book value in connection with the planned sale of MediClin Krankenhaus am Crivitzer See GmbH, Crivitz, on 31 December 2020.

Outlook

The return to normal operations is evident in a rising occupancy rate and the corresponding increase in sales and earnings. The occupancy rate in the first weeks of October is constantly above the level seen in the third quarter of 2020 with a slightly rising tendency.

Provided that the occupancy rate can be held at the present level in the fourth quarter and that normal operations can be maintained under the new hygiene requirements despite the rising number of persons infected with the coronavirus across the entire nation, the Management Board assumes that Group sales will be approximately 2 % below the previous year's value. This figure also takes into account that grants under the Corona protective shield for kept free capacity will no longer be granted. Given the conditions described above, the Group operating result is expected to break even.

Financial position and net assets

In the first nine months of 2020, EUR 20.5 mill. (gross) was invested (9M 2019: EUR 34.9 mill.). Given liquidity considerations and for reasons of precaution capital expenditure is below the annual budget. Cash and cash equivalents as of 30 September 2020 amounted to EUR 88.6 mill. (31.12.2019: EUR 37.2 mill.). At the reporting date, cash and cash equivalents includes subsidies of EUR 17.9 mill. for the new construction of MediClin Hedon Klinik in Lingen as was the case on 31 December 2019. The item contains another EUR 23.1 mill. for expected reimbursement claims from the Corona protective shield, about EUR 15.0 mill. from the shorter payment terms granted by coverage providers and EUR 7.9 mill. from the temporary suspension of rental payments.

The Management Board rates both the results of operations and the Group's financial position and net assets as sound despite the temporary drop in earnings.

Results of operation, financial position and net assets

Results of operation

SALES AND EARNINGS PERFORMANCE OF THE GROUP

	9M 2020	9M 2019
Group sales in millions of €	498.7	504.7
Raw materials and consumables used in millions of €	85.5	91.2
Cost of materials ratio in %	17.1	18.1
Staff costs in millions of €	319.3	308.7
Staff costs ratio in %	64.0	61.2
Depreciation and amortisation in millions of €	58.6	53.0
Other operating expenses in millions of €	41.1	43.7
Group operating result in millions of €	2.0	14.9

Group sales in the first nine months 2020 were down on the previous year's value, decreasing by EUR 6.0 mill. or 1.2 %, respectively.

Compared to the previous year's period, raw materials and consumables used decreased by EUR 5.7 mill. overall (–EUR 6.3 %), but the expenses for medical consumables (hygiene products, protective equipment) increased noticeably. Staff costs rose by EUR 10.6 mill. (+3.4 %). Depreciation and amortisation developed as expected. Other operating expenses decreased due to lower maintenance costs and lower legal and consultancy costs and travel expenses, among other reasons. Compared to the previous year, the Group operating result was reduced by EUR 12.9 mill. to EUR 2.0 mill.

The financial result amounted to EUR –7.3 mill. (9M 2019: EUR –7.5 mill.). EUR –5.7 mill. thereof (9M 2019: EUR –6.1 mill.) refer to interest for lease liabilities.

The total consolidated result attributable to the shareholders of MEDICLIN Aktiengesellschaft amounts to EUR –4.5 mill., down from EUR 5.8 mill. in the previous year. Earnings per share came out to EUR –0.09, down from EUR 0.12 in the previous year.

The sales and earnings performance at segment level is shown in the segment reporting section.

Financial position and net assets

LIQUIDITY

In millions of €	9M 2020	9M 2019
Cash flow from operating activities	96.2	54.5
Thereof total consolidated result	-4.4	5.8
Cash flow from investing activities	-11.7	-27.3
Cash flow from financing activities	-33.1	-31.5
Cash flow for the period	51.4	-4.3
Cash and cash equivalents at the beginning of the period	37.2	33.8
Cash and cash equivalents at the end of the period	88.6	29.5

The pronounced increase in cash flow from operating activities is mainly due to saving measures that were initiated and implemented as well as liquidity received in the short term under the protective shield. This refers primarily to a decline in trade receivables by EUR 15,0 mill., caused by the shorter payment term of five days granted by coverage providers. As of 30 September 2020, future burdens will result from the Corona protective shield because EUR 21.3 mill. will presumably have to be repaid within the first quarter of 2021. The return to the usual payment terms granted by coverage providers will also put a strain on the liquidity in January 2021. The decline in capital expenditure by EUR 14.4 mill. had a positive effect on cash and cash equivalents. About EUR 7.9 mill. relieve the cash flow from financing activities resulting from the deferral of rental payments for two months in 2020.

BALANCE SHEET STRUCTURE

In millions of €	30.09.2020	In % of balance sheet total	31.12.2019	In % of balance sheet total
Assets				
Non-current assets	698.6	76.6	731.7	81.5
Current assets	213.1	23.4	166.0	18.5
	911.7	100.0	897.7	100.0
Equity and liabilities				
Equity	183.1	20.1	190.7	21.2
Non-current liabilities	542.3	59.5	561.2	62.5
Current liabilities	186.3	20.4	145.8	16.3
	911.7	100.0	897.7	100.0

The balance sheet total increased by EUR 14.0 mill. since 31 December 2019. While the decline in non-current assets by EUR 33.1 mill. is mainly attributable to a decrease in property, plant and equipment caused by depreciation, the increase in current assets is primarily due to a higher level of cash and cash equivalents as at the reporting date. On the equity and liabilities side of the balance sheet, non-current liabilities decreased by EUR 18.9 mill., mainly due to lower lease liabilities. Current liabilities, in turn, rose considerably by EUR 40.5 mill. or 27.8 %. The increase mainly pertains to payment obligations in connection with the deferral of rental payments (EUR 7.9 mill.) and obligations to repay payments received under the Corona protective shield (EUR 23.1 mill.) and higher liabilities pursuant to hospital financing law (EUR +6.1 mill.).

Segment reporting

Sales in the post-acute segment were EUR 20.6 mill. or 6.6 % below the previous year's figure due to fewer transfers from the acute clinics and due to requirements that rehabilitation clinics hold capacity free for potential patient transfers from acute clinics. Sales include payments of EUR 20.1 mill. from coverage providers to compensate for capacity kept available at the rehabilitation clinics. On the back of lower occupancy, raw materials and consumables used dropped by a total of EUR 7.4 mill., whereas the expenses for protective measures in connection with the coronavirus pandemic rose noticeably. Staff costs climbed by EUR 3.3 mill. or 2.0 %, respectively. The number of full-time employees in the segment was 65 full-time employees higher than the previous year's average. The segment EBIT came out to EUR 0.1 mill. (9M 2019: EUR 18.6 mill.).

Sales in the acute segment increased by EUR 16.4 mill. or 9.3 % compared to the first nine months of the previous year. This includes payments totalling EUR 17.6 mill. under the Coronaprotective shield for kept free capacity and establishing and expanding ventilator capacity. Raw materials and consumables used by the segment decreased moderately by EUR 0.3 mill., while, here too, the expenses for hygiene products and protective measures increased considerably. Staff costs rose by EUR 7.4 mill. or 7.2 % while the number of full-time employees increased by 73 over the previous year's average. The segment EBIT improved considerably from EUR –1.5 mill. in the prior-year period to EUR 5.5 mill. The segment result is burdened by a one-off effect of EUR 1.5 mill. from the write-down on the book value in connection with the planned sale of MediClin Krankenhaus am Crivitzer See GmbH, Crivitz on 31 December 2020.

In the other activities segment, sales of the nursing care business area improved by EUR 0.3 mill. or 2.5 % compared with the same period of the previous year.

SALES

In millions of €	9M 2020	9M 2019	Change in %
Post-acute	292.7	313.3	-6.6
Acute	192.8	176.4	+9.3
Other activities and reconciliation	13.2	15.0	-12.3
Thereof nursing care business area	11.8	11.5	+2.5
Group	498.7	504.7	-1.2

RAW MATERIALS AND CONSUMABLES USED

	9M 2020	9M 2019	Change in %
Post-acute			
Raw materials and consumables used in millions of €	52.7	60.1	-12.3
Cost of materials ratio in %	18.0	19.2	
Acute			
Raw materials and consumables used in millions of €	46.4	46.7	-0.7
Cost of materials ratio in %	24.1	26.5	

STAFF COSTS

	9M 2020	9M 2019	Change in %
Post-acute			
Staff costs in millions of €	168.3	165.0	+2.0
Staff costs ratio in %	57.5	52.7	
Acute			
Staff costs in millions of €	110.9	103.5	+7.2
Staff costs ratio in %	57.5	58.6	

SEGMENT RESULT

In millions of €	9M 2020	9M 2019
Post-acute	0.1	18.6
Acute	5.5	-1.5
Other activities and reconciliation	-3.6	-2.2
Group	2.0	14.9

Employees

The number of employees working for MEDICLIN rose by 142 employees on average over the previous year. On average, MEDICLIN had a total of 10,445 employees in the first nine months of the 2020 financial year (9M 2019: 10,303 employees).

On average, the Group employed 349 trainees in the first nine months of the 2020 financial year (9M 2019: 316 trainees).

AVERAGE NUMBER OF EMPLOYEES IN THE GROUP AND IN THE SEGMENTS

Shown in full-time employees	9M 2020	9M 2019	Change
Post-acute	4,040	3,975	+ 65
Acute	2,199	2,126	+ 73
Other activities	1,241	1,282	- 41
Thereof nursing care business area	193	204	- 11
Thereof service business area (including administration)	1,048	1,078	- 30
Group	7,480	7,383	+ 97

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 2020 to 30 September 2020

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Consolidated interim balance sheet as of 30 September 2020

ASSETS

In thousands of €	30.09.2020	31.12.2019
NON-CURRENT ASSETS		
Goodwill and other intangible assets		
Concessions, licences	7,666	3,354
Goodwill	49,254	49,254
Payments on account	1,738	5,466
	58,658	58,074
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	125,456	126,354
Right-of-use assets on land, land rights and buildings including buildings on third-party land	382,389	406,406
Technical equipment and machines	13,027	13,129
Operating and office equipment	38,591	42,989
Right-of-use assets on operating and office equipment	2,603	2,327
Payments on account and assets under construction	24,180	26,285
	586,246	617,490
Financial assets		
Investment in stock of subsidiaries	90	108
Reinsurance cover	760	760
Other financial investments	2	2
	852	870
Other financial assets		
Receivables pursuant to hospital financing law	41,910	46,596
	41,910	46,596
Deferred tax assets	10,984	8,724
	698,650	731,754
CURRENT ASSETS		
Inventories	8,340	8,081
Trade receivables	85,826	101,138
Current income tax claims	1,859	1,736
Other financial assets		
Other current financial assets	6,128	9,354
	6,128	9,354
Other assets		
Prepaid expenses	3,877	1,341
Receivables pursuant to hospital financial law	9,645	7,099
	13,522	8,440
Cash and cash equivalents	88,596	37,250
Assets held for sale	8,812	0
	213,083	165,999
	911,733	897,753

EQUITY AND LIABILITIES

In thousands of €

EQUITY

Shares MEDICLIN Group

Subscribed capital	47,500	47,500
Capital reserve	129,392	129,392
Revenue reserve	18,464	-29,569
Consolidated balance sheet result	-11,950	43,669

183,406 **190,992**

Non-controlling interests

-260 **-246**

183,146 **190,746**

NON-CURRENT LIABILITIES

Financial liabilities

Liabilities to banks	71,650	72,994
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71,650 **72,994**

Liabilities from finance leases

28 **48**

Lease liabilities

345,620 **368,319**

Pensions and similar commitments

67,830 **63,660**

Other provisions

23,823 **23,342**

Other financial liabilities

Other financial liabilities	36	106
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36 **106**

Other payables

Liabilities pursuant to hospital financing law	30,672	30,672
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Other payables	2,600	2,069
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33,272 **32,741**

542,259 **561,210**

CURRENT LIABILITIES

Trade payables

18,634 **17,599**

Financial liabilities

Liabilities to banks	26,979	26,707
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26,979 **26,707**

Liabilities from finance leases

25 **25**

Lease liabilities

45,300 **44,051**

Other provisions

12,483 **12,589**

Other financial liabilities

Other financial liabilities	6,599	5,628
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6,599 **5,628**

Other payables

Liabilities pursuant to hospital financing law	21,931	15,859
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Other payables	51,649	23,339
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73,580 **39,198**

Liabilities associated with assets held for sale

2,728 **0**

186,328 **145,797**

911,733 **897,753**

Consolidated interim profit and loss account

In thousands of €	Jan. – Sept. 2020	Jan. – Sept. 2019
Sales	498,706	504,723
Other operating income	7,835	6,786
Total operating performance	506,541	511,509
Raw materials and consumables used		
a) Cost of raw materials and supplies	–53,980	–55,613
b) Cost of purchased services	–31,522	–35,609
	–85,502	–91,222
Staff costs		
a) Wages and salaries	–269,371	–261,674
b) Social security, pension and retirement	–49,903	–47,056
	–319,274	–308,730
Other operating expenses	–41,124	–43,661
Result before interest, taxes, depreciation and amortisation / EBITDA	60,641	67,896
Depreciation and amortisation	–58,634	–53,039
Operating result / EBIT	2,007	14,857
Financial result		
a) Income from participations	51	51
b) Interest and similar income	29	71
c) Interest and similar expenses	–7,425	–7,625
	–7,345	–7,503
Result before tax	–5,338	7,354
Taxes on income	892	–1,592
Total consolidated result	–4,446	5,762
Thereof attributable to shareholders of MEDICLIN AG	–4,454	5,762
Thereof attributable to non-controlling interests	8	0
Total consolidated result attributable to shareholders of MEDICLIN AG per share		
Undiluted in €	–0.09	0.12
Diluted in €	–0.09	0.12

Consolidated interim statement of comprehensive income

In thousands of €	Jan. – Sept. 2020	Jan. – Sept. 2019
Total consolidated result	-4,446	5,762
Other comprehensive income		
Revaluation from defined benefit plans and similar obligations	-3,747	-13,247
Taxes on income	593	2,097
Additions to value adjustments that are not reconciled to the total consolidated result	-3,154	-11,150
Thereof attributable to shareholders of MEDICLIN AG	-3,132	-11,070
Thereof attributable to non-controlling interests	-22	-80
Additions to value adjustments that are reconciled to the total consolidated result	0	0
Group comprehensive income	-7,600	-5,388
Thereof attributable to shareholders of MEDICLIN AG	-7,586	-5,308
Thereof attributable to non-controlling interests	-14	-80

Consolidated cash flow statement

In thousands of €

	Jan. – Sept. 2020	Jan. – Sept. 2019
Total consolidated result	–4,446	5,762
Result of finance activities	7,345	7,503
Result of income taxes	–892	1,592
Operating result (EBIT)	2,007	14,857
Depreciation on fixed asset items	58,634	53,039
Result before interest, taxes, depreciation and amortisation (EBITDA)	60,641	67,896
Change in non-current provisions	4,350	13,244
Change in current provisions	347	192
Result from the disposal of fixed asset items	–163	–31
Result from other non-cash items	–6,958	–15,959
Change in other current assets	9,953	–11,358
Change in other non-current liabilities	530	–46
Change in other current liabilities	28,396	3,179
Payments received from interest	32	69
Income taxes paid	–890	–2,717
Cash flow from operating activities	96,238	54,469
Payments received from the disposal of fixed assets	445	176
From the disposal of property, plant and equipment	445	176
Payments received from investment subsidies	7,981	5,704
Income from participations	51	51
Cash used for investments	–20,243	–33,195
For intangible assets	–3,050	–2,748
For property, plant and equipment	–17,193	–30,401
For financial assets	0	–46
Cash flow from investing activities	–11,766	–27,264
Dividend payout to shareholders of MEDICLIN Aktiengesellschaft	0	–2,375
Repayment of lease liabilities	–25,364	–31,917
New financial liabilities	0	11,000
Repayment of financial liabilities	–1,390	–1,443
Interest payments for lease liabilities	–5,655	–6,073
Other interest payments	–693	–712
Cash flow from financing activities	–33,102	–31,520
Change in financial resources fund	–24	0
Cash flow for the period	51,346	–4,315
Cash and cash equivalents at the beginning of the period	37,250	33,829
Cash and cash equivalents at the end of the period	88,596	29,514

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 01.01.2019	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

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MEDICLIN Group	Non-controlling interests	Total equity
As of 01.01.2020	47,500	129,392	-29,569	43,669	190,992	-246	190,746
Total consolidated result	-	-	-	-4,454	-4,454	8	-4,446
Other comprehensive income	-	-	-3,132	-	-3,132	-22	-3,154
Group comprehensive income	-	-	-3,132	-4,454	-7,586	-14	-7,600
Transfer to revenue reserves	-	-	51,165	-51,165	0	-	0
As of 30.09.2020	47,500	129,392	18,464	-11,950	183,406	-260	183,146

Other information

General information

The unaudited consolidated interim financial statements of MEDICLIN for the first nine months of the 2020 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 2019 financial year. It should thus be read in conjunction with the Annual Report published by the Group for the 2019 financial year and the interim reports for the first quarter and first half-year of 2020. One exception is the application of the amendment to IFRS 16 "Leases – COVID-19-Related Rent Concessions", which allows for practical relief in accounting for rent concessions arising as a result of the COVID-19 pandemic without having to apply the provisions for a lease modification prescribed by IFRS 16.

The discount rate for pension obligations pursuant to IAS 19 amounts to 0.6 % as of 30 September 2020 (30.06.2020: 0.8 %; 31.03.2020: 1.1 %; 31.12.2019: 0.9 %).

Assets and liabilities held for sale

MEDICLIN Aktiengesellschaft and the district of Ludwigslust-Parchim signed a letter of intent in June 2020 according to which the district Ludwigslust-Parchim will purchase shares in MediClin Krankenhaus am Crivitzer See GmbH, Crivitz, from MEDICLIN Aktiengesellschaft. The sale also includes the 69.231 % shareholding of MediClin Krankenhaus am Crivitzer See GmbH in KDC-Krankenhaus-Dienstleistungsgesellschaft Crivitz mbH.

In the scope of the amendment to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" the assets and liabilities held for sale (disposal group) that are attributable to the company that is to be sold are reclassified in the balance sheet and shown in separate items on the assets and liabilities sides of the balance sheet. In this context the items were written down to the fair value. The write-down amounts to EUR 1.5 mill. and is shown in the depreciation and amortisation item in the Group's interim profit and loss account. A lump-sum of EUR 200 thou. was posted as costs of disposal.

ASSETS HELD FOR SALE AS OF 30 SEPTEMBER 2020

In thousands of €	Carrying amount	Depreciation	Fair value
Non-current assets			
Intangible assets	36	– 36	0
Property, plant and equipment including right-of-use-assets	3,729	– 1,429	2,300
Financial assets	18		18
	3,783	– 1,465	2,318
Current assets			
Inventories	193		193
Trade receivables	1,590		1,590
Other financial assets	4,577		4,577
Other Assets	110		110
Cash and cash equivalents	24		24
	6,494		6,494
Total assets held for sale			8,812

LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE AS OF 30 SEPTEMBER 2020

In thousands of €	Carrying amount	Depreciation	Fair value
Non-current liabilities			
Lease liabilities	658		658
Pensions and similar commitments	55		55
Other provisions	228		228
Other payables	8		8
	949		949
Current liabilities			
Trade payables	370		370
Lease liabilities	38		38
Other provisions	453		453
Other financial liabilities	300		300
Other payables	618		618
	1,779		1,779
Total liabilities associated with assets held for sale			2,728

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 before 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 to 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.

Annual General Meeting resolutions from 24 September 2020:

The ordinary Annual General Meeting of MEDICLIN Aktiengesellschaft was held on 24 September 2020 as a virtual Annual General Meeting without the shareholders or their representatives being physically present. The Annual General Meeting was broadcast by video and audio to the duly registered shareholders. The shareholders exclusively exercised their voting rights by online absentee voting or by granting proxy to the voting rights representatives appointed by the Company. The following resolutions were passed at the Annual General Meeting:

- Transfer of net profit 2019 in the amount of EUR 51,165,466.01 to revenue reserves.
- Approval of the acts of the members of the Management Board and Supervisory Board for the 2019 financial year.
- Appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditor and Group auditor for the 2020 financial year.
- Confirmative election of Dr. Jan Liersch and first election of Marco Walker as members of the Supervisory Board
- Creation of authorised capital 2020 in the amount of up to EUR 23,750,000.00 by issuing new non-par-value shares for cash and/or contributions in kind with the option of excluding subscription rights and the corresponding amendment of the Articles of Incorporation.
- The amendment of Section 15 (2) of the Articles of Incorporation, according to which a special document evidencing shareholdings issued by the custodian bank or a written document evidencing shareholdings issued by the most recent intermediary is required to participate in the Annual General Meeting pursuant to Section 67 c (3) German Stock Corporation Act (AktG).

Subsequent events

Since 30 September 2020 there have been no occurrences or events of particular significance which MEDICLIN believes could have a material impact on the Group's net assets, financial position and results of operations.

MEDICLIN Aktiengesellschaft

Offenburg, 3 November 2020

The Management Board

Quarterly development in the Group

In millions of €	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Sales	175.2	156.1	167.4	168.4	169.3	167.8	167.6
EBITDA	31.2	15.2	14.2	25.7	26.6	22.2	19.1
EBITDA margin in %	17.8	9.7	8.5	15.3	15.7	13.2	11.4
EBIT (operating result)	10.8	-4.9	-3.9	7.6	8.7	4.5	1.6
EBIT margin in %	6.1	-3.1	-2.3	4.5	5.1	2.7	1.0
Financial result	-2.6	-2.3	-2.4	-3.3	-2.5	-2.5	-2.5
Total consolidated result	6.6	-5.9	-5.2	3.9	5.1	1.6	-0.9
Earnings per share in €	0.14	-0.12	-0.11	0.08	0.11	0.03	-0.02
Cash flow from operating activities	32.9	50.8	12.5	15.1	29.3	15.7	9.5
Cash flow from operating activities per share in €	0.70	1.07	0.26	0.32	0.62	0.33	0.20
Equity ratio in %	20.1	19.8	21.0	21.2	20.7	20.6	20.9
Gross capital expenditure (without right-of-use assets pursuant to IFRS 16)	4.7	6.3	9.5	13.3	13.3	10.4	11.2
Net financial debt	41.1	61.9	70.7	62.1	55.3	62.6	53.6
Number of cases (inpatient)	27,850	20,913	28,733	29,868	31,063	30,829	30,293
Number of beds (end of quarter)	8,431	8,423	8,423	8,403	8,361	8,346	8,336
Occupancy rates in %	79.6	59.8	81.7	84.5	88.8	89.0	88.5
Number of full-time employees (quarterly average)	7,427	7,457	7,558	7,576	7,455	7,368	7,325

Key data on the MEDICLIN share

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

In € per share	9M 2020	9M 2019
Earnings, undiluted/diluted	-0.09	0.12
Cash flow from operating activities	2.03	1.15
Book value ¹ as of 30.09.	3.86	3.87
Share price as of 30.09.	3.90	5.50
52-weeks high	5.70	-
52-weeks low	3.76	-
Market capitalisation as of 30.09. in millions of €	185.3	261.3
Number of shares in millions	47.50	47.50

¹ Equity less non-controlling interests
Source: Deutsche Börse AG; Xetra/as of: 05.10.2019

Financial calendar

26 February 2021

Disclosure of the preliminary figures for the 2020 financial year

26 March 2021

Annual press and analysts' conference for the 2020 financial year

3 May 2021

Publication of the interim report from 1 January 2021 to 31 March 2021

27 May 2021

Annual General Meeting

30 July 2021

Publication of the interim report from 1 January 2021 to 30 June 2021

2 November 2021

Publication of the interim report from 1 January 2021 to 30 September 2021

Adresses and imprint

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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.

www.mediclin.de