

**Interim report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2022 to 30 June 2022

MEDICLIN: Key data on business development

	H1 2022	H1 2021
Number of shares in millions	47.5	47.5
Number of cases (inpatient)	51,891	46,385
Number of beds as of 30.06.	8,325	8,342
Occupancy rates in %	78.1	71.5
Number of full-time employees (average number)	6,995	7,138

In thousands of €	H1 2022	H1 2021
Cash flow from operating activities	8,947	26,540
Cash flow from operating activities per share in €	0.19	0.56
Sales	355,348	323,117
EBITDA	42,640	23,205
EBITDA margin in %	12.0	7.2
EBIT (operating result)	6,571	-13,417
EBIT margin in %	1.8	-4.2
Financial result	-4,064	-5,139
Total consolidated result	2,331	-15,688
Earnings per share in €	0.05	-0.33
Gross capital expenditure	9,493	8,558
Thereof subsidies	2,374	1,140
Interest coverage factor (EBITDA/interest result)	10.5x	4.5x

In thousands of €	30.06.2022	31.12.2021
Balance sheet total	848,579	881,239
Equity	201,364	183,023
Equity ratio in %	23.7	20.8
Return on equity in % ¹	9.7	0.8
Financial liabilities (to banks)	95,269	96,181
Cash and cash equivalents	102,229	119,516
Net financial debt ²	33,199	40,276
Net financial debt ² /EBITDA ³	0.6x	1.2x

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 2022 to 30 June 2022

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Report on the economic position for the first six months of 2022

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

More inpatients – number of cases up 11.9 % on previous year

Rising demand for the medical, therapeutic and nursing care services of MEDICLIN raised sales and earnings within the Group year-on-year in the first six months of 2022. The number of inpatients rose by 11.9 % to 51,891 patients while the occupancy rate increased by 6.6 percentage points to 78.1 %.

Business performance covers only part of the cost increases

In the first six months of 2022, Group sales of EUR 355.3 mill. were up EUR 32.2 mill. or 10.0 % on the first six months of 2021. These sales include EUR 14.2 mill. in benefits under the protective shield to manage the COVID-19 pandemic (H1 2021: EUR 13.0 mill.). The Group operating result of EUR 6.6 mill. was EUR 20.0 mill. above the first six months of 2021.

The rise in raw materials and consumables used, which exceeded the prior-year value by EUR 6.5 mill. or 11.1 %, weighed particularly strongly on Group EBIT. The cost of energy experienced the largest increase at EUR +4.4 mill. Due to the lower headcount, staff costs rose only moderately by EUR 0.9 mill. or 0.4 %.

Financial position and net assets

Gross capital expenditure amounted to EUR 9.5 mill. in the first six months of 2022 (H1 2021: EUR 8.6 mill.). Cash and cash equivalents as of 30 June 2022 amounted to EUR 102.2 mill. (31.12.2021: EUR 119.5 mill.). This item contains a total of about EUR 35.4 mill. in expected repayments to be made in the course of 2022 for benefits under the protective shield and deferred rent payments. Furthermore, the cash and cash equivalents item includes about EUR 17.9 mill. in subsidies for the planned construction of a new clinic.

The Management Board intends to dispose of Dr. Hoefer-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH by way of a share deal. The assets and liabilities held for sale were reclassified accordingly in the balance sheet. There was no need to recognise impairments of the fair value.

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

No more benefits under the protective shield to manage the COVID-19 pandemic in the second half of 2022

The state benefits under the protective shield expired on 30 June 2022 and it is currently questionable whether benefit payments will be resumed.

It is expected that energy costs will remain high in the second half of 2022 while the general costs of materials will rise. MEDICLIN has already introduced energy savings measures that are implemented without compromising the quality and hygiene standards or the medical, therapeutic or nursing care efficiency.

Given the current situation, it is therefore all the more crucial that demand continue to rise in order to at least partially compensate for the cost hike through better capacity utilisation and the corresponding higher sales.

Outlook – no changes to forecast for the 2022 financial year

The Management Board still assumes, as in its previous forecast for the 2022 financial year, that the pandemic will have no significant detrimental effect on capacity utilisation in the second half of 2022. The expected considerable rise in energy costs will weigh on earnings, especially as there are no indications that the Russian war against Ukraine might end in the near future. As MEDICLIN belongs to a system-relevant sector, the delivery and supply of gas is currently secure.

The forecast, however, is subject to the proviso that the economic performance in Germany is not massively and sustainably impacted by the current overall conditions.

The macroeconomic and sector-related environment

Weak growth and high inflation – labour market remains stable

The war in Ukraine and its various effects are currently weighing on companies and consumers and are shadowing the current course of the pandemic and its consequences.

At first, Germany received a shock on the outbreak of the war, but the situation has normalised slightly since then. Moderate economic recovery and normalising spending in the consumer segments have given the economy a slight boost. The high inflation, the war in Ukraine and lasting supply bottlenecks, however, are slowing the economic recovery down in nearly all areas of business.

The labour market, in turn, is stable with a rising number of persons in employment. The increasing shortage of skilled professionals is driving up salaries in many areas and might further fuel the inflation as well.

As domestic economic activity and, in particular, a stable labour market are essential for the health market, MEDICLIN assumes that the demand for medical, therapeutic and nursing care services will remain high, but that the public is currently reluctant to avail itself of these services under the current circumstances.

MEDICLIN has no influence on the legislature or the budget policy of coverage providers. According to drafts that are already available, MEDICLIN assumes that remuneration will be more restrictive from 2023 onwards.

In its economic forecast report published on 15 June 2022, the ifo institute predicts that the gross domestic product will grow by 2.5 % in 2022 and 3.7 % in 2023. The inflation rate is expected to reach 6.8 % this year and 3.3 % in the next year. In June 2022, the inflation rate stood at 7.6 %, but was curbed to some extent by measures such as the 9-euro travel ticket and the fuel discount.

In summary, the macroeconomic and sector-related framework conditions have not changed materially compared to the statements in the 2021 Annual Report, subject to the updates in this interim report. As such, it is unlikely from today's point of view that there might be different or additional effects that could have a positive or negative impact on MEDICLIN's business development in 2022.

Results of operations, financial position and net assets

Results of operations

Group sales in the first six months of the 2022 financial year were up on the previous year's value, increasing by EUR 32.2 mill. or 10.0 %, respectively.

SALES AND EARNINGS PERFORMANCE OF THE GROUP

	H1 2022	H1 2021
Group sales in millions of €	355.3	323.1
Raw materials and consumables used in millions of €	65.3	58.8
Cost of materials ratio in %	18.4	18.2
Staff costs in millions of €	222.1	221.2
Staff costs ratio in %	62.5	68.5
Depreciation and amortisation in millions of €	36.1	36.6
Other operating expenses in millions of €	31.0	26.1
Group operating result in millions of €	6.6	-13.4

Compared to the first half of the previous year, raw materials and consumables used rose by EUR 6.5 mill. (+11.1 %) to EUR 65.3 mill. At EUR 9.1 mill., energy and fuel costs make out the largest item within the cost of purchased services and have nearly doubled since the previous year (H1 2021: EUR 4.6 mill.).

Staff costs rose moderately by EUR 0.9 mill. (+0.4 %) as the number of employees decreased (six month average: – 143 full-time employees). The change in depreciation and amortisation over the previous year's value is as expected. Other operating expenses increased by EUR 4.9 mill. with a particularly strong rise in recruiting and maintenance expenses.

The financial result of EUR –4.1 mill. was EUR 1.1 mill. above the previous year. Lease liabilities from the adoption of IFRS 16 "Leases" account for EUR 3.0 mill. of the interest expenses totalling EUR 4.1 mill.

The total consolidated result attributable to shareholders of MEDICLIN Aktiengesellschaft was EUR 2.3 mill. (H1 2021: EUR –15.6 mill.). Earnings per share came to EUR 0.05 (H1 2021: EUR –0.33).

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

Financial position and net assets

The decline in cash flow from operating activities compared to 30 June 2021 is mainly due to benefits under the protective shield that were paid back in the first six months of the 2022 financial year.

In total, cash and cash equivalents decreased from EUR 120.1 mill. as at 31 December 2021 to EUR 102.8 mill. as at 30 June 2022. Going forward, the liquidity will be burdened by the presumable repayment of benefits amounting to EUR 27.5 mill. received under the protective shield and EUR 7.9 mill. for deferred rent payments. Cash and cash equivalents include subsidies of EUR 17.9 mill. received for building the new Hedon Klinik in Lingen.

LIQUIDITY

In millions of €	H1 2022	H1 2021
Cash flow from operating activities	8.9	26.5
Thereof total consolidated result	2.3	-15.7
Cash flow from investing activities	1.2	-3.5
Cash flow from financing activities	-27.4	-27.8
Cash flow for the period	-17.3	-4.8
Cash and cash equivalents at the beginning of the period	120.1	100.4
Cash and cash equivalents at the end of the period	102.8	95.6

The balance sheet total decreased by EUR 32.6 mill. since 31 December 2021.

The reduction in non-current assets by EUR 24.6 mill. is mainly due to a decline in right-of-use assets by EUR 16.5 mill. Non-current liabilities decreased by EUR 36.6 mill. The largest portion thereof refers to the interest rate-related reduction in pensions and similar commitments of EUR 19.0 mill. In the current liabilities item, the miscellaneous payables showed the largest decline following the discharge of obligations to pay back benefits received under the protective shield.

BALANCE SHEET STRUCTURE

In millions of €	30.06.2022	In % of balance sheet total	31.12.2021	In % of balance sheet total
Assets				
Non-current assets	590.7	69.6	615.3	69.8
Current assets	257.9	30.4	265.9	30.2
	848.6	100.0	881.2	100.0
Equity and liabilities				
Equity	201.4	23.7	183.0	20.8
Non-current liabilities	448.2	52.8	484.8	55.0
Current liabilities	199.0	23.5	213.4	24.2
	848.6	100.0	881.2	100.0

Segment reporting

In the post-acute segment sales rose by EUR 26.1 mill. (+13.6%). Segment sales include EUR 9.1 mill. in benefits under the protective shield to manage the COVID-19 pandemic (H1 2021: EUR 7.6 mill.). Adjusted for these benefits, sales rose by EUR 24.5 mill. or 13.3%.

The acute segment posted an increase in segment sales of EUR 4.9 mill. or 4.1%. Segment sales include EUR 4.5 mill. in benefits under the protective shield to manage the COVID-19 pandemic (H1 2021: EUR 4.7 mill.). Adjusted for these benefits, sales increased by EUR 5.1 mill. or 4.4% compared to the prior-year period.

In the other activities segment, sales of the nursing care business area (EUR 9.0 mill.) improved by EUR 0.8 mill. compared with the same period of the previous year. This includes EUR 0.5 mill. in benefits under the protective shield (H1 2021: EUR 0.7 mill.)

SALES

In millions of €	H1 2022	H1 2021	Change in %
Post-acute	218.2	192.1	+ 13.6
Acute	126.7	121.8	+ 4.1
Other activities and reconciliation	10.4	9.2	+ 13.6
Thereof nursing care business area	9.0	8.2	+ 9.1
Group	355.3	323.1	+ 10.0

RAW MATERIALS AND CONSUMABLES USED

	H1 2022	H1 2021	Change in %
Post-acute			
Raw materials and consumables used in millions of €	41.5	37.6	+ 10.5
Cost of materials ratio in %	19.0	19.6	
Acute			
Raw materials and consumables used in millions of €	34.6	32.0	+ 8.0
Cost of materials ratio in %	27.3	26.3	

STAFF COSTS

	H1 2022	H1 2021	Change in %
Post-acute			
Staff costs in millions of €	117.5	116.2	+ 1.1
Staff costs ratio in %	53.9	60.5	
Acute			
Staff costs in millions of €	75.4	74.8	+ 0.8
Staff costs ratio in %	59.5	61.4	

SEGMENT RESULT

In millions of €	H1 2022	H1 2021
Post-acute	10.4	- 8.3
Acute	- 4.4	- 3.6
Other activities and reconciliation	0.6	- 1.5
Group	6.6	- 13.4

SEGMENT RESULTS AND NET ASSETS IN THE FIRST HALF OF 2022

In millions of €	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Group
Sales	218.2	126.7	43.6	388.5	-33.2	355.3
Total sales	223.4	128.6	44.4	396.4	0.0	396.4
Internal sales	5.2	1.9	0.8	7.9	33.2	41.1
Raw materials and consumables used	-41.5	-34.6	-19.0	-95.1	29.8	-65.3
Staff costs	-117.5	-75.4	-28.0	-220.9	-1.2	-222.1
Other operating expenses	-24.2	-18.2	-7.0	-49.4	18.4	-31.0
Segment result	10.4	-4.4	1.6	7.6	-1.0	6.6
Thereof non-cash items:						
Scheduled depreciation/write-ups	-28.8	-7.9	-2.6	-39.3	0.0	-39.3
Of which depreciation of right-of-use assets (IFRS 16)	-21.4	-1.4	-0.7	-23.5	0.0	-23.5
Unscheduled depreciation/write-ups	0.0	0.0	0.0	0.0	0.0	0.0
Release of special items	0.5	2.7	0.0	3.2	0.0	3.2
Allowances	-0.5	-0.5	0.0	-1.0	0.0	-1.0
Allocation of provisions/liabilities	12.0	9.6	2.8	24.4	5.0	29.4
Release of provisions/liabilities	-0.4	-0.7	-0.5	-1.6	0.0	-1.6
Financial revenues	0.3	0.0	0.2	0.5	-0.5	0.0
Financial costs	-3.0	-0.7	-1.0	-4.7	0.6	-4.1
Of which financial costs for lease liabilities (IFRS 16)	-2.9	-0.1	0.0	-3.0	0.0	-3.0
Financial result	-2.7	-0.7	-0.8	-4.2	0.1	-4.1
Taxes on income	0.2	0.0	0.1	0.3	-0.5	-0.2
Assets	489.3	185.8	48.4	723.5	125.1	848.6
Thereof held for sale	0.0	10.4	0.0	10.4	0.0	10.4
Liabilities	395.3	63.9	86.5	545.7	101.5	647.2
Thereof held for sale	0.0	2.6	0.0	2.6	0.0	2.6
Gross capital expenditure	11.2	3.8	1.6	16.6	0.0	16.6
Gross capital expenditure excl. IFRS 16	5.1	3.4	1.0	9.5	0.0	9.5

SEGMENT RESULTS AND NET ASSETS IN THE FIRST HALF OF 2021

In millions of €	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Group
Sales	192.1	121.8	36.9	350.8	-27.7	323.1
Total sales	195.6	123.7	37.9	357.2	0.0	357.2
Internal sales	3.5	1.9	1.0	6.4	27.7	34.1
Raw materials and consumables used	-37.6	-32.0	-13.8	-83.4	24.6	-58.8
Staff costs	-116.2	-74.8	-27.8	-218.8	-2.4	-221.2
Other operating expenses	-21.9	-15.8	-5.6	-43.3	17.2	-26.1
Segment result	-8.3	-3.6	0.7	-11.2	-2.2	-13.4
Thereof non-cash items:						
Scheduled depreciation/write-ups	-29.1	-8.2	-2.6	-39.9	0.0	-39.9
Of which depreciation of right-of-use assets (IFRS 16)	-21.6	-1.4	-0.6	-23.6	0.0	-23.6
Unscheduled depreciation/write-ups	0.0	0.0	0.0	0.0	0.0	0.0
Release of special items	0.6	2.7	0.0	3.3	0.0	3.3
Allowances	-0.6	-0.7	0.0	-1.3	0.0	-1.3
Allocation of provisions/liabilities	13.0	9.2	3.5	25.7	2.1	27.8
Release of provisions/liabilities	-0.3	-0.5	-0.7	-1.5	0.0	-1.5
Financial revenues	0.2	0.0	0.2	0.4	-0.4	0.0
Financial costs	-4.2	-0.6	-0.9	-5.7	0.6	-5.1
Of which financial costs for lease liabilities (IFRS 16)	-3.9	-0.2	0.0	-4.1	0.0	-4.1
Financial result	-4.0	-0.6	-0.7	-5.3	0.2	-5.1
Taxes on income	0.3	0.0	0.3	0.6	2.3	2.9
Assets	519.3	194.6	50.8	764.7	113.6	878.3
Thereof held for sale	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	441.5	63.1	105.8	610.4	101.7	712.1
Thereof held for sale	0.0	0.0	0.0	0.0	0.0	0.0
Gross capital expenditure	2.9	2.6	2.7	8.2	0.0	8.2
Gross capital expenditure excl. IFRS 16	3.6	2.5	2.5	8.6	0.0	8.6

Development of the coverage provider structure

Pursuant to IFRSs (IFRS 8.34 "Information about major customers"), an entity is required to disclose information on the degree of dependency on major customers. The statutory social security pension funds and the public health insurance funds are the two largest funding agencies for medical rehabilitation. In the acute sector, the public health insurance funds are the main funding agencies.

Sales generated with coverage providers are monitored and controlled on a monthly basis. In the first six months of the 2022 financial year, the social security pension funds account for 48.2 % (H1 2021: 48.4 %) of the demand for services in the post-acute segment, while the public health insurance funds make up 44.0 % (H1 2021: 44.0 %) of the demand for services in this segment. In the acute segment, 91.0 % of requested services (H1 2021: 91.7 %) were attributable to the public health insurance funds.

Capital expenditure

The largest portion of capital expenditure in the first six months of 2022 refers to operating and office equipment. Approximately EUR 5.4 mill. was spent on maintenance in the first half of 2022, up from EUR 4.3 mill. in the prior-year period.

GROSS ADDITIONS TO NON-CURRENT ASSETS (WITHOUT RIGHT-OF-USE ASSETS)

In millions of €	H1 2022	H1 2021
Licences, concessions	0.6	0.3
Goodwill	0.0	0.6
Land, buildings	0.7	0.7
Technical Equipment, IT	0.2	0.2
Operating and office equipment	3.9	2.7
Payments on account and assets under construction	4.1	4.1
Total	9.5	8.6

Employees

The average number of staff in terms of full-time employees went down in the first half of 2022 compared to the previous year. All in all, an average of 10,101 employees worked for MEDICLIN in the first half of the 2022 financial year (H1 2021: 10,169).

The Group employed an average of 377 trainees in the first six months of 2022 (H1 2021: 360 trainees).

AVERAGE NUMBER OF EMPLOYEES IN THE GROUP AND IN THE SEGMENTS IN THE FIRST HALF OF THE YEAR

Shown in full-time employees	H1 2022	H1 2021	Change
Post-acute	3,751	3,853	-102
Acute	2,031	2,064	-33
Other activities	1,213	1,221	-8
Thereof nursing care business area	214	211	+3
Thereof service business area (including administration)	999	1,010	-11
Group	6,995	7,138	-143

KEY DATA PER FULL-TIME EMPLOYEE IN THE GROUP

In €	H1 2022	H1 2021
Sales per full-time employee	50,800	45,267
Staff costs per full-time employee	31,757	30,994

Report concerning related parties

Business relations to related parties are handled at normal market conditions and amount to the following:

In millions of €	H1 2022	H1 2021
Income		
Sales from post-acute, acute and other services	1.4	1.4
Real estate management income	0.2	0.2
Pension payments of MAUK ¹	0.6	0.5
Sales from service contracts	0.6	0.5
Expenses		
Lease expenses ²	23.6	23.1
Real estate management costs	0.5	0.5
Insurance premiums	0.8	1.0
Service contracts	2.1	1.9
Remuneration for key management personnel	1.4	2.4
Payments to MAUK ¹	0.6	0.6
IT services	0.9	1.0
Default interest	0.3	0.3

In millions of €	30.06.2022	31.12.2021
Receivables		
Repayment claims from preliminary financing of clinic expansion/building measures	0.2	0.2
Receivables from post-acute, acute and other services	0.3	0.2
Receivables from service contracts	0.1	0.1
Liabilities		
Rent deferral in May and June 2020, default interest	9.2	8.9
Service contracts	0.3	0.3
IT services	0.1	0.1
Provisions for insurance payments	0.6	0.2
Provisions for remuneration for key management personnel	1.3	2.0

¹ Mitarbeiterunterstützungskasse der vereinigten Klinikbetriebe (MAUK)

² Lease expenses concern the rental payments to OIK-Immobilienfonds; due to the application of IFRS 16 they are shown in the depreciation and amortisation and interest expenses items of the consolidated interim profit and loss account.

Except for EUR 0.1 mill., the provisions for remuneration for key management personnel are due within the time frame of one year (31.12.2021: EUR 0.4 mill.).

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.

Forecast, risk and opportunity report

Forecast report

The information published in the forecast in the Annual Report 2021 remains basically unchanged. MEDICLIN's macro-economic and sector-related framework conditions have not changed materially compared to the statements in the 2021 Annual Report, subject to the updates in this interim report. As such, it is unlikely that there might be different or additional effects that could have a positive or negative impact on MEDICLIN's business development.

Risk and opportunity report

The first six months of the 2022 financial year did not see any additional risks and opportunities resulting from the COVID-19 pandemic and no additional risks from the war in Ukraine that would have led to changes in the risk and opportunity management. The information published in the 2021 Annual Report continues to apply. From today's point of view, there are no risks with respect to MEDICLIN's future development that would endanger the Company's survival in the 2022 financial year.

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 2022 to 30 June 2022

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Consolidated interim balance sheet as of 30 June 2022

ASSETS

In €	30.06.2022	31.12.2021
NON-CURRENT ASSETS		
Goodwill and other intangible assets		
Concessions, licences	4,878,279	5,820,282
Goodwill	49,868,841	49,868,841
Payments on account	1,412,601	1,248,892
	56,159,721	56,938,015
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	126,673,576	130,298,125
Right-of-use assets on land, land rights and buildings including buildings on third-party land	307,240,382	323,501,780
Technical equipment and machines	11,610,922	12,318,074
Operating and office equipment	30,506,344	32,450,999
Right-of-use assets on operating and office equipment	2,114,560	2,360,934
Payments on account and assets under construction	9,100,329	7,330,267
	487,246,113	508,260,179
Financial assets		
Investment in stock of subsidiaries	64,822	64,822
Reinsurance cover	780,534	780,534
Other financial investments	2,056	2,056
	847,412	847,412
Other assets		
Receivables pursuant to hospital financing law	38,079,430	38,603,530
	38,079,430	38,603,530
Deferred tax assets	8,403,438	10,656,318
	590,736,114	615,305,454
CURRENT ASSETS		
Inventories	7,996,133	8,514,754
Trade receivables	88,245,946	81,213,964
Current income tax claims	3,647,351	3,286,470
Other financial assets		
Receivables pursuant to Hospital Compensation Act (KHEntgG)/ Federal Directive on Nursing Care Rates (BpflV)	21,389,427	13,967,132
Other current financial assets	11,628,545	14,488,368
	33,017,972	28,455,500
Other assets		
Prepaid expenses	4,905,501	1,627,177
Receivables pursuant to hospital financial law	7,387,752	13,048,200
	12,293,253	14,675,377
Cash and cash equivalents	102,228,540	119,516,458
Assets held for sale	10,413,944	10,270,953
	257,843,139	265,933,476
	848,579,253	881,238,930

EQUITY AND LIABILITIES

In €	30.06.2022	31.12.2021
EQUITY		
Share of MEDICLIN Group		
Subscribed capital	47,500,000	47,500,000
Capital reserve	129,391,829	129,391,829
Revenue reserve	37,319,046	21,418,384
Consolidated balance sheet result	– 12,727,982	– 15,031,793
	201,482,893	183,278,420
Non-controlling interests	– 118,906	– 254,927
	201,363,987	183,023,493
NON-CURRENT LIABILITIES		
Financial liabilities		
Liabilities to banks	68,393,451	69,341,551
	68,393,451	69,341,551
Lease liabilities	272,041,841	288,842,891
Pensions and similar commitments	42,639,444	61,335,730
Other provisions	23,734,041	23,762,567
Other payables		
Liabilities pursuant to hospital financing law	39,346,463	39,531,691
Miscellaneous payables	2,030,024	1,993,849
	41,376,487	41,525,540
	448,185,264	484,808,279
CURRENT LIABILITIES		
Trade payables	11,756,619	13,021,889
Financial liabilities		
Liabilities to banks	26,875,797	26,839,164
	26,875,797	26,839,164
Lease liabilities	56,053,553	54,935,803
Other provisions	14,063,785	13,529,707
Other financial liabilities		
Liabilities pursuant to Hospital Compensation Act (KHEntgG)/ Federal Directive on Nursing Care Rates (BPfIV)	5,814,944	7,010,867
Miscellaneous financial liabilities	4,710,711	7,311,578
	10,525,655	14,322,445
Other payables		
Liabilities pursuant to hospital financing law	19,467,243	18,499,203
Miscellaneous payables	57,638,162	69,627,267
	77,105,405	88,126,470
Liabilities in connection with assets held for sale	2,649,188	2,631,680
	199,030,002	213,407,158
	848,579,253	881,238,930

Consolidated interim profit and loss account

In €	January – June 2022	January – June 2021	April – June 2022	April – June 2021
Sales	355,347,874	323,117,381	181,105,568	166,751,631
Other operating income	5,783,355	6,233,134	3,285,477	2,690,894
Total operating performance	361,131,229	329,350,515	184,391,045	169,442,525
Raw materials and consumables used				
a) Cost of raw materials and supplies	-38,369,462	-35,901,667	-19,343,581	-18,106,467
b) Cost of purchased services	-26,964,833	-22,896,277	-12,204,103	-12,206,642
	-65,334,295	-58,797,944	-31,547,684	-30,313,109
Staff costs				
a) Wages and salaries	-188,013,935	-187,077,397	-91,451,560	-91,583,724
b) Social security, pension and retirement	-34,123,582	-34,158,925	-17,644,793	-17,529,542
	-222,137,517	-221,236,322	-109,096,353	-109,113,266
Other operating expenses	-31,019,871	-26,110,749	-16,699,392	-13,267,603
Result before interest, taxes, depreciation and amortisation/ EBITDA	42,639,546	23,205,500	27,047,616	16,748,547
Depreciation and amortisation	-36,068,378	-36,622,216	-17,815,872	-18,306,642
Operating result/ EBIT	6,571,168	-13,416,716	9,231,744	-1,558,095
Financial result				
a) Income from participations	0	0	0	0
b) Interest and similar income	24,083	30,235	7,797	8,049
c) Interest and similar expenses	-4,088,180	-5,168,791	-1,987,147	-2,943,662
	-4,064,097	-5,138,556	-1,979,350	-2,935,613
Result before tax	2,507,071	-18,555,272	7,252,394	-4,493,708
Taxes on income	-176,310	2,867,582	-1,006,204	502,225
Total consolidated result	2,330,761	-15,687,690	6,246,190	-3,991,483
Thereof attributable to shareholders of MEDICLIN AG	2,303,811	-15,592,424	6,155,901	-3,969,188
Thereof attributable to non-controlling interests	26,950	-95,266	90,289	-22,295
Total consolidated result attributable to shareholders of MEDICLIN AG per share				
Undiluted in €	0.05	-0.33	0.13	-0.08
Diluted in €	0.05	-0.33	0.13	-0.08

Consolidated interim statement of comprehensive income

In €	January – June 2022	January – June 2021	April – June 2022	April – June 2021
Total consolidated result	2,330,761	-15,687,690	6,246,190	-3,991,483
Other comprehensive income				
Revaluation from defined benefit plans and similar obligations	19,019,581	5,942,878	13,013,398	0
Taxes on income	-3,009,848	-940,461	-2,059,370	0
Additions to value adjustments that are not reconciled to the total consolidated result	16,009,733	5,002,417	10,954,028	0
Thereof attributable to shareholders of MEDICLIN AG	15,900,662	4,968,239	10,879,400	0
Thereof attributable to non-controlling interests	109,071	34,178	74,628	0
Additions to value adjustments that are reconciled to the total consolidated result	0	0	0	0
Group comprehensive income	18,340,494	-10,685,273	17,200,218	-3,991,483
Thereof attributable to shareholders of MEDICLIN AG	18,204,473	-10,624,185	17,035,301	-3,969,188
Thereof attributable to non-controlling interests	136,021	-61,088	164,917	-22,295

Consolidated cash flow statement

In €	January – June 2022	January – June 2021
Total consolidated result	2,330,761	– 15,687,690
Result of finance activities	4,064,097	5,138,556
Result of income taxes	176,310	– 2,867,582
Operating result (EBIT)	6,571,168	– 13,416,716
Depreciation on fixed asset items	36,068,378	36,622,216
Result before interest, taxes, depreciation and amortisation (EBITDA)	42,639,546	23,205,500
Change in non-current provisions	12,911	– 928,423
Change in current provisions	537,581	– 1,669,490
Result from the disposal of fixed asset items	– 71,334	– 9,068
Result from other non-cash items	– 2,185,659	– 5,000,547
Change in other current assets	– 14,655,746	– 20,944,220
Change in other non-current liabilities	38,575	– 518,162
Change in other current liabilities	– 16,119,984	34,453,738
Payments received from interest	24,083	30,219
Income taxes paid	– 1,272,601	– 2,079,835
Cash flow from operating activities	8,947,372	26,539,712
Payments received from the disposal of fixed assets	177,450	27,039
From the disposal of property, plant and equipment	177,450	27,039
Payments received from investment subsidies	10,511,618	4,969,329
Cash used for investments	– 9,493,011	– 8,557,899
For intangible assets	– 656,151	– 946,597
For property, plant and equipment	– 8,836,860	– 7,611,302
Cash flow from investing activities	1,196,057	– 3,561,531
Repayment of lease liabilities	– 22,691,664	– 22,573,845
Repayment of financial liabilities	– 909,855	– 937,886
Interest payments for lease liabilities	– 3,041,945	– 3,436,508
Other interest payments	– 764,236	– 832,540
Cash flow from financing activities	– 27,407,700	– 27,780,779
Cash flow for the period	– 17,264,271	– 4,802,598
Cash and cash equivalents at the beginning of the period	120,052,370	100,437,077
Cash and cash equivalents at the end of the period	102,788,099	95,634,479

The cash and cash equivalents at the end of the period differ from the balance sheet item “cash and cash equivalents” (difference of EUR 559,559) and encompass only cash in hand and current bank credit balances. This difference arose in connection with the adjustments to meet IFRS 5. The assets and liabilities held for sale of Dr. Hoefler-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH were reclassified accordingly in the balance sheet.

Statement of changes in equity

In €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MEDICLIN Group	Non-controlling interests	Total equity
As of 01.01.2021	47,500,000	129,391,829	16,764,377	-16,493,229	177,162,977	-316,812	176,846,165
Total consolidated result	-	-	-	-15,592,424	-15,592,424	-95,266	-15,687,690
Other comprehensive income	-	-	4,968,239	-	4,968,239	34,178	5,002,417
Group comprehensive income	-	-	4,968,239	-15,592,424	-10,624,185	-61,088	-10,685,273
As of 30.06.2021	47,500,000	129,391,829	21,732,616	-32,085,653	166,538,792	-377,900	166,160,892

In €	Subscribed Capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MEDICLIN Group	Non-controlling interests	Total equity
As of 01.01.2022	47,500,000	129,391,829	21,418,384	-15,031,793	183,278,420	-254,927	183,023,493
Total consolidated result	-	-	-	2,303,811	2,303,811	26,950	2,330,761
Other comprehensive income	-	-	15,900,662	-	15,900,662	109,071	16,009,733
Group comprehensive income	-	-	15,900,662	2,303,811	18,204,473	136,021	18,340,494
As of 30.06.2022	47,500,000	129,391,829	37,319,046	-12,727,982	201,482,893	-118,906	201,363,987

Notes

General information

The unaudited consolidated interim financial statements of MEDICLIN Aktiengesellschaft for the first six months of the 2022 financial year were prepared in accordance with International Accounting Standard (IAS) 34. In the interim report, the Group principally applied the same accounting policies as in the consolidated financial statements for the 2021 financial year. It should thus be read in conjunction with the Annual Report published by the Group for the 2021 financial year and the interim report for the first quarter of 2022.

The discount rate for pension obligations pursuant to IAS 19 amounts to 2.8 % as of 30 June 2022 (31.03.2022: 1.5 %; 31.12.2021: 0.9 %).

Assets and liabilities held for sale

ASSETS HELD FOR SALE AS OF 30 JUNE 2022

In thousands of €	Carrying amounts Hoefler-Janker	Carrying amounts MVZ Bonn	Total carrying amounts
Non-current assets			
Intangible assets	14	1	15
Property, plant and equipment including right-of-use-assets	4,920	1	4,921
Deferred tax	0	3	3
	4,934	5	4,939
Current assets			
Inventories	232	-3	229
Trade receivables	1,617	559	2,176
Other financial assets	2,027	-7	2,020
Other Assets	485	5	490
Cash and cash equivalents	451	109	560
	4,812	663	5,475
Total assets held for sale			10,414

LIABILITIES IN CONNECTION WITH ASSETS HELD FOR SALE AS OF 30 JUNE 2022

In thousands of €	Carrying amounts Hoefer-Janker	Carrying amounts MVZ Bonn	Total carrying ammounts
Non-current liabilities			
Lease liabilities	-1	0	-1
Other provisions	-121	0	-121
Other payables	-27	-2	-29
	-149	-2	-151
Current liabilities			
Trade payables	-255	15	-240
Lease liabilities	-5	0	-5
Other provisions	-387	0	-387
Current income tax assets	0	4	4
Other financial liabilities	-969	-175	-1,144
Other payables	-630	-96	-726
	-2,246	-252	-2,498
Total liabilities associated with assets held for sale			-2,649

Measures due to the COVID-19 pandemic and compensation payments received

On the basis of the Act to Mitigate the Consequences of the COVID-19 Pandemic under Germany's Civil, Insolvency and Criminal Procedure Law of 27 March 2020, MEDICLIN used the option to suspend rent payments for the months of May and June 2020 and recognises this in accordance with the amendment to IFRS 16 "Leases – Covid-19-Related Rent Concessions" issued by the IASB on 28 May 2020. This provides for practical relief in accounting of allowances like deferral of rent payments and rent reductions granted directly in connection with the outbreak of the COVID-19 pandemic. On 31 March 2021, the IASB extended the application period of this provision from 30 June 2021 to 30 June 2022. The rents that were deferred for two months amount to EUR 7.9 mill. and refer to the rents for 21 clinics. The default interest pursuant to Section 288 (2) of the German Civil Code (BGB) is 8.12 % p.a. Default interests totalling EUR 1,360 thou. were incurred up until 30 June 2022. This amount was set aside in provisions (of which H1 2022: EUR 320 thou.; H1 2021: EUR 320 thou.). MEDICLIN currently does not assume that the right-of-use assets are permanently impaired.

Changes in the scope of consolidation

In April 2022 MediClin GmbH & Co. KG, represented by MediClin Geschäftsführungs-GmbH, Offenburg, founded MediClin Rehabilitationsforschung gGmbH, Offenburg, as sole shareholder. The company's ordinary capital amounts to EUR 25,000.00 and was paid up in cash. The company serves directly and exclusively public-benefit purposes within the meaning of the "Tax-privileged purposes" section of the German Tax Code (AO). The company objects are to organise, facilitate, carry out and prepare clinical scientific studies and papers and to develop and evaluate innovative medical and therapeutic diagnostic and treatment methods to improve the preventive care, rehabilitation and regeneration of patients. The company belongs to the post-acute segment and is included in the consolidated financial statements. The company had not yet commenced operations in the first six months of 2022.

Other information

Amended standards published by the EU Commission and adopted into EU law in the first six months of 2022

Commission Regulation (EU) 2022/357 of 2 March 2022 adopted amendments to IAS 1 "Presentation of Financial Statements", and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" issued by the IASB on 12 February 2021 into EU law.

The amendment to IAS 1 requires that only "material" accounting policy information be disclosed in the notes in the future. In order to be "material" an accounting policy must relate to material transactions or other events and there must be a reason for presenting the information. This can be the case if the accounting policy was changed, a choice of accounting policy is permitted, the policy is complex or its application requires significant judgements and assumptions or it was developed in accordance with IAS 8.10-11.

The amendment to IAS 8 clarifies how to distinguish changes in accounting policies from changes in accounting estimates. It defines that accounting estimates are always monetary amounts in financial statements that are subject to measurement uncertainty. In addition to input parameters, an entity also applies measurement techniques to develop accounting estimates. Measurement techniques can include estimation techniques or valuation techniques. The amendments are effective for reporting periods beginning on or after 1 January 2023. Premature adoption is permitted. These two amendments have no effect on MEDICLIN's net assets, financial position or results of operation.

Resolutions of the virtual Annual General Meeting on 31 May 2022:

- Carryforward of the reported net profit of MEDICLIN Aktiengesellschaft of EUR 753,811.23 to new account
- Approval of the acts of the Management Board for the 2021 financial year
- Approval of the acts of the Supervisory Board for the 2021 financial year
- Election of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor and Group auditor for the 2022 financial year
- Approval of the remuneration report for the 2021 financial year

Subsequent events

Since 30 June 2022 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.

Responsibility statement by the Management Board

We assure to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, that the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

MEDICLIN Aktiengesellschaft

Offenburg, 29 July 2022

The Management Board

Quarterly development in the Group

In millions of €	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Sales	181.1	174.2	175.0	174.9	166.8	156.4
EBITDA	27.0	15.6	28.9	33.1	16.7	6.5
EBITDA margin in %	14.9	8.9	16.5	18.9	10.0	4.1
EBIT (operating result)	9.2	-2.6	10.2	14.8	-1.5	-11.9
EBIT margin in %	5.1	-1.5	5.8	8.5	-0.9	-7.6
Financial result	-2.0	-2.1	-1.9	-2.1	-2.9	-2.2
Total consolidated result	6.2	-3.9	6.3	10.9	-4.0	-11.7
Earnings per share in €	0.13	-0.08	0.13	0.23	-0.09	-0.24
Cash flow from operating activities	-4.6	13.5	22.8	32.7	12.5	14.0
Cash flow from operating activities per share in €	-0.09	0.28	0.48	0.69	0.27	0.29
Equity ratio in %	23.7	21.0	20.8	20.0	18.9	19.2
Gross capital expenditure (without right-of-use assets pursuant to IFRS 16)	5.7	3.8	5.9	3.6	4.0	4.6
Net financial debt ¹ (end of quarter)	29.4	34.4	30.8	38.2	50.4	41.8
Number of cases (inpatient)	26,797	25,094	26,197	26,798	24,442	21,943
Number of beds (end of quarter)	8,325	8,313	8,313	8,311	8,342	8,357
Occupancy rates in %	79.6	76.5	78.4	81.1	74.8	68.2
Number of full-time employees (quarterly average)	6,988	7,003	7,105	7,076	7,122	7,155

¹ Adjusted net financial debt

Key data on the MEDICLIN share

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

In € per share	H1 2022	H1 2021
Earnings, undiluted/diluted	0.05	-0.33
Cash flow from operating activities	0.19	0.56
Book value ¹ as of 30.06.	4.24	3.51
Share price as of 30.06.	3.46	4.20
52-weeks high	4.20	-
52-weeks low	3.22	-
Market capitalisation as of 30.06. in millions of €	164.4	199.5
Number of shares in millions	47.5	47.5

¹ Equity less non-controlling interests
Source: Deutsche Börse AG; Xetra/as of 06.07.2022

Financial calendar

28 February 2022

Disclosure of the preliminary figures for the 2021 financial year

30 March 2022

Annual press and analysts' conference for the 2021 financial year

2 May 2022

Publication of the interim report from 1 January 2022 to 31 March 2022

31 May 2022

Annual General Meeting

29 July 2022

Publication of the interim report from 1 January 2022 to 30 June 2022

2 November 2022

Publication of the interim report from 1 January 2022 to 30 September 2022

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.

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