

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

MEDICLIN: Key data on business development

	9M 2022	9M 2021
Number of shares in millions	47.5	47.5
Number of cases (inpatient)	78,686	73,183
Number of beds as of 30.09.	8,315	8,311
Occupancy rates in %	78.5	74.8
Number of full-time employees (average number)	7,014	7,118

In thousands of €	9M 2022	9M 2021
Cash flow from operating activities	34,540	59,214
Cash flow from operating activities per share in €	0.73	1.25
Sales	526,329	498,055
EBITDA	65,183	56,315
EBITDA margin in %	12.4	11.3
EBIT (operating result)	10,088	1,381
EBIT margin in %	1.9	0.3
Financial result	-5,752	-7,192
Total consolidated result	4,439	-4,842
Earnings per share in €	0.09	-0.10
Gross capital expenditure	17,638	12,173
Thereof subsidies	5,823	1,771
Interest coverage factor (EBITDA/interest result)	11.3x	7.8x

In thousands of €	30.09.2022	31.12.2021
Balance sheet total	842,099	881,239
Equity	206,000	183,023
Equity ratio in %	24.5	20.8
Return on equity ¹ in %	5.2	0.8
Financial liabilities (to banks)	95,039	96,181
Cash and cash equivalents	105,354	119,516
Net financial debt ²	29,978	40,276
Net financial debt ² /EBITDA ³	0.7x	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 September 2022

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

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

Group sales significantly above prior-year period

In the first nine months of 2022, MEDICLIN generated Group sales of EUR 526.3 mill., up EUR 28.2 mill. or 5.7 % on the figure in the first nine months of 2021. Sales include EUR 16.5 mill. from benefits under the protective shield to manage the COVID-19 pandemic, compared to EUR 13.7 mill. in the prior-year period. At operating level, without benefits under the protective shield, Group sales increased by EUR 25.5 mill. or 5.3 % compared to the previous year's period.

The Group operating result improved by EUR 8.7 mill. compared to the comparable prior-year period. The result was burdened by an increase in raw materials and consumables used by EUR 10.2 mill. or 11.5 %, referring in particular to higher energy costs of EUR 7.1 mill. Staff costs rose moderately by EUR 5.3 mill. or 1.7 %, respectively.

Outlook

The occupancy curve over the 2022 financial year including October suggests that the utilisation of medical and therapeutic services will remain stable. A significant increase in the use of medical services, however, is currently not noticeable. Therefore the Management Board assumes that MEDICLIN will be able to generate Group sales in line with the guidance. The Group operating result is expected to come out at the lower end of the guidance. The forecast is based on the assumption that there will be no additional restrictions due to the pandemic and that the coverage providers will not make massive negative changes to their remuneration of services.

Future of Mediclin secured

The Management Board has with the approval of the Supervisory Board early renewed the lease agreements for 20 clinics locations whose leases would have been expired in 2027 on 26 October 2022. With this move MEDICLIN secures the operation of its clinics at the respective location. The conditions of the new leases will apply from 1 January 2023 and will lead to liquidity relief in the future of around EUR 11.0 million p.a.

As of December 31, 2022, the balance sheet effects of the early lease renewal are expected to increase due to the recalculation of rights of use (lease liabilities) by around EUR 65.0 million and an increase in lease liabilities in the amount of EUR 95.0 million. The calculated impact on GROUP operating result for the financial year 2022 will be in the lower single-digit million euro range.

Results of operation, financial position and net assets

Results of operation

SALES AND EARNINGS PERFORMANCE OF THE GROUP

	9M 2022	9M 2021
Group sales in millions of €	526.3	498.1
Raw materials and consumables used in millions of €	99.1	88.9
Cost of materials ratio in %	18.8	17.8
Staff costs in millions of €	327.3	322.0
Staff costs ratio in %	62.2	64.7
Depreciation and amortisation in millions of €	55.1	54.9
Other operating expenses in millions of €	44.3	39.9
Group operating result in millions of €	10.1	1.4

Group sales in the first nine months of 2022 were up on the previous year's value, increasing by EUR 28.2 mill. or 5.7 %, respectively.

Compared to the prior-year period, raw materials and consumables used rose significantly by a total of EUR 10.2 mill. (+11.5 %) to EUR 99.1 mill. The cost of energy and fuel within the cost of purchased services item showed a particularly pronounced increase to EUR 14.3 mill., nearly double the figure in the comparable prior-year period (9M 2021: EUR 7.2 mill.). Staff costs rose moderately by EUR 5.3 mill. (+1.7 %) while the number of full-time employees decreased (–104 full-time employees). The change in depreciation and amortisation over the previous year's value is as expected. Other operating expenses rose by EUR 4.4 mill. (+11.0 %) on the previous year's nine-month level. Recruiting and maintenance expenses showed a particularly pronounced increase.

The financial result of EUR –5.8 mill. improved by EUR 1.4 mill. compared to the previous year. Lease liabilities from the adoption of IFRS 16 "Leases" account for EUR 4.6 mill. of the interest expenses totalling EUR 6.3 mill.

The total consolidated result attributable to shareholders of MEDICLIN Aktiengesellschaft was EUR 4.4 mill. (9M 2021: EUR –4.8 mill.). Earnings per share came to EUR 0.09 (9M 2021: EUR –0.10).

Financial position and net assets

LIQUIDITY

In millions of €	9M 2022	9M 2021
Cash flow from operating activities	34.5	59.2
Thereof total consolidated result	-4.4	-4.8
Cash flow from investing activities	-2.5	-6.0
Cash flow from financing activities	-41.9	-41.1
Cash flow for the period	-9.9	12.1
Cash and cash equivalents at the beginning of the period	120.1	100.4
Cash and cash equivalents at the end of the period	110.2	112.5

The lower cash flow from operating activities compared to 30 September 2021 is mainly the result of repayments made for the protective shield benefits received for previous years.

In total, cash and cash equivalents decreased from EUR 120.1 mill. as at 31 December 2021 to EUR 110.2 mill. as at 30 September 2022. Going forward, the liquidity will be burdened by the presumable repayment of benefits amounting to EUR 26.6 mill. received under the protective shield. Cash and cash equivalents include subsidies of EUR 17.9 mill. received for building the new Hedon Klinik in Lingen.

BALANCE SHEET STRUCTURE

In millions of €	30.09.2022	In % of balance sheet total	31.12.2021	In % of balance sheet total
Assets				
Non-current assets	576.3	68.4	615.3	69.8
Current assets	265.8	31.6	265.9	30.2
	842.1	100.0	881.2	100.0
Equity and liabilities				
Equity	206.0	24.5	183.0	20.8
Non-current liabilities	433.0	51.4	484.8	55.0
Current liabilities	203.1	24.1	213.4	24.2
	842.1	100.0	881.2	100.0

The balance sheet total decreased by EUR 39.1 mill. since 31 December 2021.

The decline in non-current assets by EUR 39.0 mill. is mainly due to a decline in right-of-use assets by EUR 28.8 mill. Non-current liabilities declined by EUR 51.8 mill., mainly due to a drop in lease liabilities of EUR 28.8 mill. and the interest rate-related decline in pensions and similar commitments by EUR 22.0 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.

Segment reporting

In the post-acute segment sales rose by EUR 23.6 mill. (+7.9 %). Segment sales include EUR 11.0 mill. in benefits under the protective shield to manage the COVID-19 pandemic (9M 2021: EUR 7.7 mill.). Adjusted for these benefits, sales rose by EUR 20.4 mill. or 7.0 % on the previous year's period. The segment result improved, amounting to EUR 14.3 mill. compared to EUR 3.6 mill. in the prior-year period.

The acute segment shows an increase in segment sales of EUR 3.4 mill. or 1.9 %. Segment sales include EUR 4.6 mill. in benefits under the protective shield to manage the COVID-19 pandemic (9M 2021: EUR 4.8 mill.). Adjusted for the benefits under the protective shield, sales increased by EUR 3.7 mill. or 2.1 % compared to the prior-year period. The segment result amounted to EUR –6.9 mill. (9M 2021: EUR –2.2 mill.).

In the other activities segment, sales of the nursing care business area (EUR 13.9 mill.) improved by EUR 1.0 mill. compared with the same period of the previous year. This includes EUR 1.0 mill. in benefits under the protective shield (9M 2021: EUR 1.2 mill.).

SALES

In millions of €	9M 2022	9M 2021	Change in %
Post-acute	323.4	299.8	+7.9
Acute	187.4	184.0	+1.9
Other activities and reconciliation	15.5	14.3	+8.7
Thereof nursing care business area	13.9	12.9	+7.9
Group	526.3	498.1	+5.7

RAW MATERIALS AND CONSUMABLES USED

	9M 2022	9M 2021	Change in %
Post-acute			
Raw materials and consumables used in millions of €	63.4	56.7	+11.7
Cost of materials ratio in %	19.6	18.9	
Acute			
Raw materials and consumables used in millions of €	52.2	48.7	+7.2
Cost of materials ratio in %	27.8	26.4	

STAFF COSTS

	9M 2022	9M 2021	Change in %
Post-acute			
Staff costs in millions of €	173.1	169.4	+2.2
Staff costs ratio in %	53.5	56.5	
Acute			
Staff costs in millions of €	110.8	109.1	+1.5
Staff costs ratio in %	59.1	59.3	

SEGMENT RESULT

In millions of €	9M 2022	9M 2021
Post-acute	14.3	3.6
Acute	-6.9	-2.2
Other activities and reconciliation	2.7	0.0
Group	10.1	1.4

Employees

The number of employees working for MEDICLIN has decreased compared to the previous year period. On average, MEDICLIN had a total of 10,096 employees in the first nine months of the 2022 financial year (9M 2021: 10,156 employees).

On average, the Group employed 377 trainees in the first nine months of the 2022 financial year (9M 2021: 363 trainees).

AVERAGE NUMBER OF EMPLOYEES IN THE GROUP AND IN THE SEGMENTS

Shown in full-time employees	9M 2022	9M 2021	Change
Post-acute	3,749	3,838	-89
Acute	2,031	2,061	-30
Other activities	1,234	1,219	+15
Thereof nursing care business area	211	213	-2
Thereof service business area (including administration)	1,023	1,006	+17
Group	7,014	7,118	-104

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 September 2022

Consolidated interim balance sheet as of 30 September 2022

ASSETS

In €	30.09.2022	31.12.2021
NON-CURRENT ASSETS		
Goodwill and other intangible assets		
Concessions, licences	4,515,849	5,820,282
Goodwill	49,868,841	49,868,841
Payments on account	1,580,367	1,248,892
	55,965,057	56,938,015
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	123,967,407	130,298,125
Right-of-use assets on land, land rights and buildings including buildings on third-party land	295,074,017	323,501,780
Technical equipment and machines	11,326,838	12,318,074
Operating and office equipment	29,408,617	32,450,999
Right-of-use assets on operating and office equipment	1,991,160	2,360,934
Right-of-use assets on operating and office equipment	11,654,063	7,330,267
Payments on account and assets under construction	473,422,102	508,260,179
Financial assets	64,822	64,822
Investment in stock of subsidiaries	780,534	780,534
Reinsurance cover	2,056	2,056
Other financial investments	847,412	847,412
Other assets	37,817,380	38,603,530
Receivables pursuant to hospital financing law	37,817,380	38,603,530
	8,234,669	10,656,318
Deferred tax assets	576,286,620	615,305,454
CURRENT ASSETS	7,719,383	8,514,754
Inventories	86,427,704	81,213,964
Trade receivables	2,439,093	3,286,470
Current income tax claims		
Other financial assets	24,714,430	13,967,132
Other current financial assets	9,313,869	14,488,368
	34,028,299	28,455,500
Other assets		
Prepaid expenses	3,879,628	1,627,177
Receivables pursuant to hospital financial law	12,456,290	13,048,200
	16,335,918	14,675,377
Cash and cash equivalents	105,353,780	119,516,458
Assets held for sale	13,508,017	10,270,953
	265,812,194	265,933,476
	842,098,814	881,238,930

EQUITY AND LIABILITIES

In €	30.09.2022	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	39,829,677	21,418,384
Consolidated balance sheet result	– 10,681,579	– 15,031,793
	206,039,927	183,278,420
Non-controlling interests	– 39,701	– 254,927
	206,000,226	183,023,493
NON-CURRENT LIABILITIES		
Financial liabilities		
Liabilities to banks	67,916,694	69,341,551
	67,916,694	69,341,551
Lease liabilities	260,030,902	288,842,891
Pensions and similar commitments	39,801,692	61,335,730
Other provisions	23,945,899	23,762,567
Other payables		
Liabilities pursuant to hospital financing law	39,255,217	39,531,691
Miscellaneous payables	2,043,492	1,993,849
	41,298,709	41,525,540
	432,993,896	484,808,279
CURRENT LIABILITIES		
Trade payables	9,132,824	13,021,889
Financial liabilities		
Liabilities to banks	27,122,390	26,839,164
	27,122,390	26,839,164
Lease liabilities	56,156,896	54,935,803
Other provisions	13,046,656	13,529,707
Other financial liabilities		
Liabilities pursuant to Hospital Compensation Act (KHEntgG)/ Federal Directive on Nursing Care Rates (BPfIV)	6,213,344	7,010,867
Miscellaneous financial liabilities	5,454,846	7,311,578
	11,668,190	14,322,445
Other payables		
Liabilities pursuant to hospital financing law	24,491,627	18,499,203
Miscellaneous payables	58,946,364	69,627,267
	83,437,991	88,126,470
Liabilities in connection with assets held for sale	2,539,745	2,631,680
	203,104,692	213,407,158
	842,098,814	881,238,930

Consolidated interim profit and loss account

In €	Jan. – Sept. 2022	Jan. – Sept. 2021
Sales	526,329,482	498,055,419
Other operating income	9,585,129	9,001,796
Total operating performance	535,914,611	507,057,215
Raw materials and consumables used		
a) Cost of raw materials and supplies	–57,843,983	–54,761,542
b) Cost of purchased services	–41,285,535	–34,120,734
	–99,129,518	–88,882,276
Staff costs		
a) Wages and salaries	–276,480,212	–271,598,917
b) Social security, pension and retirement	–50,860,005	–50,396,524
	–327,340,217	–321,995,441
Other operating expenses	–44,262,318	–39,864,117
Result before interest, taxes, depreciation and amortisation / EBITDA	65,182,558	56,315,381
Depreciation and amortisation	–55,094,780	–54,934,250
Operating result / EBIT	10,087,778	1,381,131
Financial result		
a) Income from participations	0	51,000
b) Interest and similar income	577,518	35,074
c) Interest and similar expenses	–6,329,393	–7,278,453
	–5,751,875	–7,192,379
Result before tax	4,335,903	–5,811,248
Taxes on income	103,244	969,128
Total consolidated result	4,439,147	–4,842,120
Thereof attributable to shareholders of MEDICLIN AG	4,350,213	–4,817,745
Thereof attributable to non-controlling interests	88,934	–24,375
Total consolidated result attributable to shareholders of MEDICLIN AG per share		
Undiluted in €	0.09	–0.10
Diluted in €	0.09	–0.10

Consolidated interim statement of comprehensive income

In €	Jan. – Sept. 2022	Jan. – Sept. 2021
Total consolidated result	4,439,147	-4,842,120
Other comprehensive income		
Revaluation from defined benefit plans and similar obligations	22,022,673	5,942,878
Taxes on income	-3,485,088	-940,461
Additions to value adjustments that are not reconciled to the total consolidated result	18,537,585	5,002,417
Thereof attributable to shareholders of MEDICLIN AG	18,411,293	4,968,239
Thereof attributable to non-controlling interests	126,292	34,178
Additions to value adjustments that are reconciled to the total consolidated result	0	0
Group comprehensive income	22,976,732	160,297
Thereof attributable to shareholders of MEDICLIN AG	22,761,506	150,494
Thereof attributable to non-controlling interests	215,226	9,803

Consolidated cash flow statement

In €	Jan. – Sept. 2022	Jan. – Sept. 2021
Total consolidated result	4,439,147	-4,842,120
Result of finance activities	5,751,875	7,192,379
Result of income taxes	-103,244	-969,128
Operating result (EBIT)	10,087,778	1,381,131
Depreciation on fixed asset items	55,094,780	54,934,250
Result before interest, taxes, depreciation and amortisation (EBITDA)	65,182,558	56,315,381
Change in non-current provisions	249,198	-837,666
Change in current provisions	-469,880	-1,053,370
Result from the disposal of fixed asset items	-86,860	-22,186
Result from other non-cash items	-1,817,402	-3,276,751
Change in other current assets	-11,589,552	-26,666,028
Change in other non-current liabilities	52,937	-496,051
Change in other current liabilities	-17,390,632	37,435,400
Payments received from interest	577,518	35,074
Income taxes paid	-167,869	-2,219,908
Cash flow from operating activities	34,540,016	59,213,895
Payments received from the disposal of fixed assets	206,713	126,388
From the disposal of property, plant and equipment	206,713	126,388
Payments received from investment subsidies	14,740,958	6,327,588
Income from participations	0	51,000
Cash used for investments	-17,475,916	-12,531,416
For intangible assets	-1,131,578	-1,258,863
For property, plant and equipment	-16,344,338	-11,272,553
Cash flow from investing activities	-2,528,245	-6,026,440
Repayment of lease liabilities	-34,823,260	-33,578,116
Repayment of financial liabilities	-1,374,510	-1,390,496
Interest payments for lease liabilities	-4,593,186	-5,083,072
Other interest payments	-1,077,188	-1,037,354
Cash flow from financing activities	-41,868,144	-41,089,038
Cash flow for the period	-9,856,373	12,098,417
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	110,195,997	112,535,494

The cash and cash equivalents at the end of the period differ from the balance sheet item "cash and cash equivalents" (difference of EUR 4,842,217) 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	-	-	-	-4,817,745	-4,817,745	-24,375	-4,842,120
Other comprehensive income	-	-	4,968,239	-	4,968,239	34,178	5,002,417
Group comprehensive income	-	-	4,968,239	-4,817,745	150,494	9,803	160,297
As of 30.09.2021	47,500,000	129,391,829	21,732,616	-21,310,974	177,313,471	-307,009	177,006,462

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	-	-	-	4,350,213	4,350,213	88,934	4,439,147
Other comprehensive income	-	-	18,411,293	-	18,411,293	126,292	18,537,585
Group comprehensive income	-	-	18,411,293	4,350,213	22,761,506	215,226	22,976,732
As of 30.09.2022	47,500,000	129,391,829	39,829,677	-10,681,580	206,039,926	-39,701	206,000,225

Other information

General information

The unaudited consolidated interim financial statements of MEDICLIN for the first nine months of the 2022 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 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 reports for the first quarter and first half-year of 2022.

The discount rate for pension obligations pursuant to IAS 19 amounts to 3.1 % as of 30 September 2022 (30.06.2022: 2.8 %; 31.03.2022: 1.5 %; 31.12.2021: 0.9 %).

Hospital closure

MEDICLIN plans to close the Schlüsselbad Klinik in Bad Peterstal by the end of 2022, subject to the outcome of the consultations with the works council. MEDICLIN currently sees no way of continuing to operate Schlüsselbad Klinik in Bad Peterstal with the required high quality of services in a cost-effective way. The shortage of skilled workers, the occupancy rate, which is still below the usual occupancy rate due to the COVID-19 pandemic, the high costs caused by inflation and the building structure of the clinic that is not commensurate to the needs going forward no longer allows for stable, sustainable future development.

EU endorsement

On 12 August 2022 the IASB published amendments to IAS 12 "Taxes on Income – Deferred Tax related to Assets and Liabilities arising from a Single Transaction" in the Official Journal of the European Union. The amendments address uncertainties existing with regard to accounting for deferred taxes upon initial recognition of leases under IFRS 16 and decommissioning costs in the cost of the item of property, plant and equipment under IAS 16. In the past, a so-called initial recognition exemption applied under IAS 12.15 upon initial recognition of assets and liabilities, stating that under certain circumstances no deferred tax was recognised. However, there was uncertainty as to whether this exemption also applied to leases and disposal and restoration obligations. Following the amendments, deferred taxes must, for instance, be recognised for leases recognised by the lessee and for disposal and restoration obligations. This amendment has no effects on MEDICLIN as MEDICLIN already recognises deferred taxes when accounting for leases under IFRS 16. IAS 12 must be first applied for financial years beginning on or after 1 January 2023.

Amendments to IFRS 17 "Insurance Contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information" were published in the Official Journal of the European Union dated 9 September 2022. The amendments to IFRS 17 introduce the option to apply the so-called "classification overlay approach" when certain conditions are met, rendering comparative information on financial instruments in the year before the first-time adoption of IFRS 17 (i.e. financial year 2022) more meaningful. The amendments may only be applied upon first-time application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The amendments are of no relevance to MEDICLIN.

Standards that have been issued by the IASB, but are not yet binding

On 22 September 2022, the International Accounting Standards Board (IASB) issued amendments to IFRS 16 "Leases" that contain additional sale and leaseback requirements. IFRS 16 only includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The accounting for leases not resulting from a sale and leaseback transaction remains unchanged. The amendments must be applied for financial years beginning on or after 1 January 2024. Premature adoption of the amendments is permitted. This amendment is not expected to have any effects on the consolidated financial statements of MEDICLIN.

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 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.

Changes to the above-mentioned issue after the balance sheet date are explained in the subsequent events report.

Subsequent events

On October 26, 2022, MEDICLIN Aktiengesellschaft (MEDICLIN) has reached an agreement with PATRIZIA Frankfurt Kapitalverwaltungsgesellschaft mbH as trustee for the OIK-Fonds MediClin, in which (also former) shareholders or companies affiliated with them hold a significant stake, on an early renewal of the existing lease agreements for 20 clinic locations. The leases for the clinic real estates in question would have expired in 2027. In addition, as part of this agreement, MEDICLIN agreed with its current or former shareholders ER-GO Group AG (ERGO), DKV Deutsche Krankenversicherung Aktiengesellschaft (DKV) and Provinzial Rhein-land Lebensversicherung Aktiengesellschaft (Provinzial) on a settlement of the lawsuit filed by the Company in mid-2016 with the Offenburg Regional Court to reclaim rent payments that, in the Company's opinion, were above market rates.

In the consolidated financial statements for 2022, the balance sheet total as of December 31, 2022 is expected to increase by around 65 million euros due to the recalculation of rights of use (lease liabilities) in accordance with IFRS 16. The impact on the group operating result for 2022 is expected to be in the low single digit million euro range.

The terms of the new leases will apply from January 1, 2023 and will result in liquidity relief in the order of approximately 11 million euros p.a. from 2023 onwards.

Other events of particular significance which MEDICLIN believes could have a material impact on the Group's net assets, financial position and results of operations have not occurred since September 30, 2022.

MEDICLIN Aktiengesellschaft

Offenburg, 2 November 2022

The Management Board

Quarterly development in the Group

In millions of €	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Sales	171.0	181.1	174.2	175.0	174.9	166.8	156.4
EBITDA	22.6	27.0	15.6	28.9	33.1	16.7	6.5
EBITDA margin in %	13.2	14.9	8.9	16.5	18.9	10.0	4.1
EBIT (operating result)	3.5	9.2	-2.6	10.2	14.8	-1.5	-11.9
EBIT margin in %	2.1	5.1	-1.5	5.8	8.5	-0.9	-7.6
Financial result	-1.7	-2.0	-2.1	-1.9	-2.1	-2.9	-2.2
Total consolidated result	2.1	6.2	-3.9	6.3	10.9	-4.0	-11.7
Earnings per share in €	0.04	0.13	-0.08	0.13	0.23	-0.09	-0.24
Cash flow from operating activities	25.6	-4.6	13.5	22.8	32.7	12.5	14.0
Cash flow from operating activities per share in €	0.54	-0.09	0.28	0.48	0.69	0.27	0.29
Equity ratio in %	24.5	23.7	21.0	20.8	20.0	18.9	19.2
Gross capital expenditure (without right-of-use assets pursuant to IFRS 16)	8.1	5.7	3.8	5.9	3.6	4.0	4.6
Net financial debt ¹ (end of quarter)	25.3	29.4	34.4	30.8	38.2	50.4	41.8
Number of cases (inpatient)	26,974	26,650	25,062	26,197	26,798	24,442	21,943
Number of beds (end of quarter)	8,315	8,325	8,313	8,313	8,311	8,342	8,357
Occupancy rates in %	79.4	79.6	76.5	78.4	81.1	74.8	68.2
Number of full-time employees (quarterly average)	7,051	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	9M 2022	9M 2021
Earnings, undiluted/diluted	0.09	-0.10
Cash flow from operating activities	0.73	1.25
Book value ¹ as of 30.09.	4.34	3.73
Share price as of 30.09.	3.08	4.00
52-weeks high	4.18	-
52-weeks low	3.06	-
Market capitalisation as of 30.09. in millions of €	146.3	190.0
Number of shares in millions	47.5	47.5

¹ Equity less non-controlling interests
Source: Deutsche Börse AG; Xetra/as of: 06.10.2022

Financial calendar

28 February 2023

Disclosure of the preliminary figures for the 2022 financial year

31 March 2023

Annual press and analysts' conference for the 2022 financial year

3 May 2023

Publication of the interim report from 1 January 2023 to 31 March 2023

15 June 2023

Annual General Meeting

31 July 2023

Publication of the interim report from 1 January 2023 to 30 June 2023

3 November 2023

Publication of the interim report from 1 January 2023 to 30 September 2023

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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