

**Interim report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2022 to 31 March 2022

MEDICLIN: Key data on business development

	Q1 2022	Q1 2021
Number of shares in millions	47.5	47.5
Number of cases (inpatient)	25,242	21,943
Number of beds as of 31.03.	8,311	8,357
Occupancy rate in %	76.6	68.2
Number of full-time employees (average number)	7,003	7,155

In thousands of €	Q1 2022	Q1 2021
Cash flow from operating activities	13,528	14,012
Cash flow from operating activities per share in €	0.28	0.29
Sales	174,242	156,366
EBITDA	15,592	6,457
EBITDA margin in %	8.9	4.1
EBIT (operating result)	-2,661	-11,859
EBIT margin in %	-1.5	-7.6
Financial result	-2,085	-2,203
Total consolidated result	-3,915	-11,696
Earnings per share in €	-0.08	-0.24
Gross capital expenditure	3,799	4,560
Thereof subsidies	724	505
Interest coverage factor (EBITDA/interest result)	7.5x	2.9x

In thousands of €	31.03.2022	31.12.2021
Balance sheet total	878,243	881,239
Equity	184,164	183,023
Equity ratio in %	21.0	20.8
Return on equity ¹ in %	5.0	0.8
Financial liabilities (to banks)	95,960	96,181
Cash and cash equivalents	117,034	119,516
Net financial debt ²	38,430	40,276
Net financial debt ² /EBITDA ³	0.9x	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 31 March 2022

Report on the economic position for the first quarter of 2022

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

Group shows pleasing sales development, but the current crisis has left its mark on the business performance in the first quarter of 2022

Despite the high incidence rates, the continuous improvement in the occupancy rates that commenced in the second half of 2021 continued in the first quarter of 2022. Although the marked increase in Group sales over the first quarter of 2021 must be regarded in the context of the extremely weak prior-year quarter, the sales development in the first months of the year under review is nevertheless positive. Rising costs are already having an impact on the earnings performance in the first quarter of 2022.

Higher material costs are weighing on the total consolidated result

In the first quarter of 2022, Group sales of EUR 174.2 mill. were EUR 17.8 mill. or 11.4 % above the comparable prior-year quarter. These sales include EUR 7.7 mill. from benefits under the protective shield to manage the COVID-19 pandemic, (Q1 2021: EUR 7.6 mill.).

On the costs side, the cost of raw materials and consumables used was EUR 5.3 mill. or 18.6 % above the prior-year value. At plus EUR 4.0 mill., energy costs and laboratory tests account for the major share in the increase in raw materials and consumables used. Due to the lower headcount, staff costs rose only moderately by EUR 0.9 mill. or 0.8 %.

Gross capital expenditure amounted to EUR 3.8 mill. in the first quarter of 2022 (Q1 2021: EUR 4.6 mill.). Cash and cash equivalents as of 31 March 2022 amounted to EUR 117.0 mill. (31.12.2021: EUR 119.5 mill.). This item contains a total of about EUR 54.1 mill. in expected repayments to be made in the course of 2022 (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.

Outlook

Despite high incidence rates, the fourth and fifth wave of the pandemic did not impact the clinics occupancy rate as heavily as in the previous year. The Management Board currently assumes that the pandemic will not have a significantly negative impact on the occupancy in the next two quarters either. Earnings will be burdened by the clear increase in the cost of raw materials and consumables used. This was driven, in particular, by energy costs and the cost of purchased services due to the shortage of skilled professionals. MEDICLIN nevertheless assumes that, on the back of rising demand for medical, therapeutic and nursing care services, the sales and earnings performance will lead to sales and earnings growth in the Group, provided that the consequences and effects of Russia's invasion of Ukraine will have no massive and lasting negative effect on the German economy.

MEDICLIN intends to sell Dr. Hoefer-Janker GmbH Co. Klinik KG and the medical care centre MVZ MediClin Bonn GmbH in a share deal. There is no need for recognising an impairment (please refer to the notes in the Annual Report 2021, page 123 et seqq.).

Results of operations, financial position and net assets

Results of operations

SALES AND EARNINGS PERFORMANCE OF THE GROUP

	Q1 2022	Q1 2021
Group sales in millions of €	174.2	156.4
Raw materials and consumables used in millions of €	33.8	28.5
Cost of materials ratio in %	19.4	18.2
Staff costs in millions of €	113.0	112.1
Staff costs ratio in %	64.9	71.7
Depreciation and amortisation in millions of €	18.3	18.3
Other operating expenses in millions of €	14.3	12.8
Group operating result in millions of €	-2.7	-11.9

Group sales in the first quarter of the 2022 financial year were EUR 17.8 mill. above the previous year's value. The cost of raw materials and consumables used rose by EUR 5.3 mill., especially due to the rise in energy costs. Staff costs rose moderately by EUR 0.9 mill. as the average number of full-time employees declined by 152 compared to the first quarter of the 2021 financial year. Depreciation and amortisation developed as expected. The Group operating result was EUR -2.7 mill.

At EUR -2.1 mill. (Q1 2021: EUR -2.2 mill.) the financial result was at the prior-year's level. The total consolidated result attributable to shareholders of MEDICLIN Aktiengesellschaft was EUR -3.9 mill. (Q1 2021: EUR -11.6 mill.). Earnings per share came to EUR -0.08 (Q1 2021: EUR -0.24).

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

Financial position and net assets

Cash and cash equivalents stood at EUR 117.3 mill. as at 31 March 2022 and were thus above the prior-year level (31.03.2021: EUR 100.1 mill.). This item contains a total of about EUR 54.1 mill. in expected repayments to be made in the course of 2022 (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.

LIQUIDITY

In millions of €	Q1 2022	Q1 2021
Cash flow from operating activities	13.5	14.0
Thereof total consolidated result	-3.9	-11.7
Cash flow from investing activities	-2.7	-0.8
Cash flow from financing activities	-13.5	-13.5
Cash flow for the period	-2.7	-0.3
Cash and cash equivalents at the beginning of the period	120.0	100.4
Cash and cash equivalents at the end of the period	117.3	100.1

There was no significant change in net assets as of the balance sheet date on 31 March 2022 compared to 31 December 2021.

BALANCE SHEET STRUCTURE

In millions of €	31.03.2022	In % of balance sheet total	31.12.2021	In % of balance sheet total
Assets				
Non-current assets	606.4	69.0	615.3	69.8
Current assets	271.8	31.0	265.9	30.2
	878.2	100.0	881.2	100.0
Equity and liabilities				
Equity	184.1	21.0	183.0	20.8
Non-current liabilities	472.4	53.8	484.8	55.0
Current liabilities	221.7	25.2	213.4	24.2
	878.2	100.0	881.2	100.0

Segment reporting

The business performance of the segments is subject to the same conditions as the Group performance. Benefits under the protective shield and payments by coverage providers included in the sales of the post-acute segment amounted to EUR 3.9 mill. (Q1 2021: EUR 4.9 mill.), while the corresponding payments in the acute segment amounted to EUR 3.4 mill. (Q1 2021: EUR 2.5 mill.).

SALES

In millions of €	Q1 2022	Q1 2021	Change in %
Post-acute	106.6	93.2	+ 14.4
Acute	62.6	58.9	+ 6.4
Other activities and reconciliation	5.0	4.3	+ 17.3
Thereof nursing care business area	4.6	3.9	+ 18.6
Group	174.2	156.4	+ 11.4

RAW MATERIALS AND CONSUMABLES USED

	Q1 2022	Q1 2021	Change in %
Post-acute			
Raw materials and consumables used in millions of €	21.0	18.0	+ 16.7
Cost of materials ratio in %	19.7	19.3	
Acute			
Raw materials and consumables used in millions of €	17.8	15.8	+ 12.8
Cost of materials ratio in %	28.4	26.8	

STAFF COSTS

	Q1 2022	Q1 2021	Change in %
Post-acute			
Staff costs in millions of €	59.8	59.2	+ 1.1
Staff costs ratio in %	56.2	63.5	
Acute			
Staff costs in millions of €	38.6	38.2	+ 1.0
Staff costs ratio in %	61.6	64.8	

SEGMENT RESULT

In millions of €	Q1 2022	Q1 2021
Post-acute	1.4	-7.5
Acute	-4.1	-3.8
Other activities and reconciliation	0.0	-0.6
Group	-2.7	-11.9

Employees

Compared with the previous quarter, the average number of staff in terms of full-time employees went down in the first quarter of the year under review. The Group employed an average of 386 trainees in the first quarter of 2022 (Q1 2021: 370 trainees).

QUARTERLY AVERAGE OF NUMBER OF EMPLOYEES IN THE GROUP AND IN THE SEGMENTS

Shown in full-time employees	Q1 2022	Q1 2021	Change
Post-acute	3,773	3,874	-101
Acute	2,038	2,063	-25
Other activities	1,192	1,218	-26
Thereof nursing care business area	213	209	+4
Thereof service business area (including administration)	979	1,009	-30
Group	7,003	7,155	-152

Consolidated interim financial statements of MEDICLIN Aktiengesellschaft

for the period from 1 January 2022 to 31 March 2022

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Consolidated interim balance sheet as of 31 March 2022

ASSETS

In €	31.03.2022	31.12.2021
NON-CURRENT ASSETS		
Goodwill and other intangible assets		
Concessions, licences	5,315,983	5,820,282
Goodwill	49,868,841	49,868,841
Payments on account	1,362,904	1,248,892
	56,547,728	56,938,015
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	128,061,437	130,298,125
Right-of-use assets on land, land rights and buildings including buildings on third-party land	318,136,433	323,501,780
Technical equipment and machines	11,885,833	12,318,074
Operating and office equipment	31,517,838	32,450,999
Right-of-use assets on operating and office equipment	2,204,260	2,360,934
Payments on account and assets under construction	8,260,337	7,330,267
	500,066,138	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	38,341,480	38,603,530
	38,341,480	38,603,530
Deferred tax assets	10,618,692	10,656,318
	606,421,450	615,305,454
CURRENT ASSETS		
Inventories	8,218,051	8,514,754
Trade receivables	82,428,176	81,213,964
Current income tax claims	4,029,561	3,286,470
Other financial assets		
Receivables pursuant to Hospital Compensation Act (KHEntgG)/ Federal Directive on Nursing Care Rates (BPfIV)	16,240,827	13,967,132
Other current financial assets	15,723,604	14,488,368
	31,964,431	28,455,500
Other assets		
Prepaid expenses	4,590,308	1,627,177
Receivables pursuant to hospital financial law	13,427,754	13,048,200
	18,018,062	14,675,377
Cash and cash equivalents	117,034,191	119,516,458
Assets held for sale	10,129,436	10,270,953
	271,821,908	265,933,476
	878,243,358	881,238,930

EQUITY AND LIABILITIES

In €	31.03.2022	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	26,439,646	21,418,384
Consolidated balance sheet result	– 18,883,883	– 15,031,793
	184,447,592	183,278,420
Non-controlling interests	– 283,823	– 254,927
	184,163,769	183,023,493
NON-CURRENT LIABILITIES		
Financial liabilities		
Liabilities to banks	68,868,404	69,341,551
	68,868,404	69,341,551
Lease liabilities	282,839,542	288,842,891
Pensions and similar commitments	55,491,194	61,335,730
Other provisions	23,719,779	23,762,567
Other payables		
Liabilities pursuant to hospital financing law	39,438,623	39,531,691
Miscellaneous payables	2,025,416	1,993,849
	41,464,039	41,525,540
	472,382,958	484,808,279
CURRENT LIABILITIES		
Trade payables	9,543,028	13,021,889
Financial liabilities		
Liabilities to banks	27,091,541	26,839,164
	27,091,541	26,839,164
Lease liabilities	55,867,286	54,935,803
Other provisions	14,521,050	13,529,707
Other financial liabilities		
Liabilities pursuant to Hospital Compensation Act (KHEntgG)/ Federal Directive on Nursing Care Rates (BPfIV)	5,454,140	7,010,867
Miscellaneous financial liabilities	6,109,637	7,311,578
	11,563,777	14,322,445
Other payables		
Liabilities pursuant to hospital financing law	18,398,229	18,499,203
Miscellaneous payables	81,727,453	69,627,267
	100,125,682	88,126,470
Liabilities in connection with assets held for sale	2,984,267	2,631,680
	221,696,631	213,407,158
	878,243,358	881,238,930

Consolidated interim profit and loss account

In €	January – March 2022	January – March 2021
Sales	174,242,306	156,365,750
Other operating income	2,497,878	3,542,240
Total operating performance	176,740,184	159,907,990
Raw materials and consumables used		
a) Cost of raw materials and supplies	–19,025,881	–17,795,201
b) Cost of purchased services	–14,760,731	–10,689,635
	–33,786,612	–28,484,836
Staff costs		
a) Wages and salaries	–96,562,375	–95,493,673
b) Social security, pension and retirement	–16,478,788	–16,629,382
	–113,041,163	–112,123,055
Other operating expenses	–14,320,478	–12,843,146
Result before interest, taxes, depreciation and amortisation / EBITDA	15,591,931	6,456,953
Depreciation and amortisation	–18,252,506	–18,315,574
Operating result / EBIT	–2,660,575	–11,858,621
Financial result		
a) Income from participations	0	0
b) Interest and similar income	16,286	22,186
c) Interest and similar expenses	–2,101,033	–2,225,129
	–2,084,747	–2,202,943
Result before tax	–4,745,322	–14,061,564
Taxes on income	829,893	2,365,357
Total consolidated result	–3,915,429	–11,696,207
Thereof attributable to shareholders of MEDICLIN AG	–3,852,090	–11,623,235
Thereof attributable to non-controlling interests	–63,339	–72,972
Total consolidated result attributable to shareholders of MEDICLIN AG per share		
Undiluted in €	–0.08	–0.24
Diluted in €	–0.08	–0.24

Consolidated interim statement of comprehensive income

In €	January – March 2022	January – March 2021
Total consolidated result	-3,915,429	-11,696,207
Other comprehensive income		
Revaluation from defined benefit plans and similar obligations	6,006,184	5,942,878
Taxes on income	-950,479	-940,461
Additions to value adjustments that are not reconciled to the total consolidated result	5,055,705	5,002,417
Thereof attributable to shareholders of MEDICLIN AG	5,021,262	4,968,239
Thereof attributable to non-controlling interests	34,443	34,178
Additions to value adjustments that are reconciled to the total consolidated result	0	0
Group comprehensive income	1,140,276	-6,693,790
Thereof attributable to shareholders of MEDICLIN AG	1,169,172	-6,654,996
Thereof attributable to non-controlling interests	-28,896	-38,794

Consolidated cash flow statement

In €	January – March 2022	January – March 2021
Total consolidated result	-3,915,429	-11,696,207
Result of finance activities	2,084,747	2,202,943
Result of income taxes	-829,893	-2,365,357
Operating result (EBIT)	-2,660,575	-11,858,621
Depreciation on fixed asset items	18,252,506	18,315,574
Result before interest, taxes, depreciation and amortisation (EBITDA)	15,591,931	6,456,953
Change in non-current provisions	-6,028,254	-5,975,483
Change in current provisions	1,020,292	-713,002
Result from the disposal of fixed asset items	-1,746	-4,942
Result from other non-cash items	3,818,055	1,075,370
Change in other current assets	-7,922,980	-12,185,298
Change in other non-current liabilities	32,767	20,657
Change in other current liabilities	7,831,996	27,269,266
Payments received from interest	12,905	22,186
Income taxes paid	-826,639	-1,953,411
Cash flow from operating activities	13,528,327	14,012,296
Payments received from the disposal of fixed assets	13,330	15,290
From the disposal of property, plant and equipment	13,330	15,290
Payments received from investment subsidies	1,028,711	3,346,711
Cash used for investments	-3,798,915	-4,204,708
For intangible assets	-299,815	-803,361
For property, plant and equipment	-3,499,100	-3,401,347
Cash flow from investing activities	-2,756,874	-842,707
Repayment of lease liabilities	-11,547,194	-11,190,896
Repayment of financial liabilities	-224,064	-541,471
Interest payments for lease liabilities	-1,579,057	-1,741,989
Other interest payments	-152,861	-6,431
Cash flow from financing activities	-13,503,176	-13,480,787
Cash flow for the period	-2,731,723	-311,198
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	117,320,647	100,125,879

The cash and cash equivalents at the end of the period differ from the balance sheet item "cash and cash equivalents" (difference of EUR 286,456) 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	-	-	-	-11,623,235	-11,623,235	-72,972	-11,696,207
Other comprehensive income	-	-	4,968,239	-	4,968,239	34,178	5,002,417
Group comprehensive income	-	-	4,968,239	-11,623,235	-6,654,996	-38,794	-6,693,790
As of 31.03.2021	47,500,000	129,391,829	21,732,616	-28,116,464	170,507,981	-355,606	170,152,375

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	-	-	-	-3,852,090	-3,852,090	-63,339	-3,915,429
Other comprehensive income	-	-	5,021,262	-	5,021,262	34,443	5,055,705
Group comprehensive income	-	-	5,021,262	-3,852,090	1,169,172	-28,896	1,140,276
As of 31.03.2022	47,500,000	129,391,829	26,439,646	-18,883,883	184,447,592	-283,823	184,163,769

Other information

General information

The unaudited consolidated interim financial statements of MEDICLIN for the first three 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 used in the consolidated financial statements for the 2021 financial year. The interim report should therefore be read in conjunction with the Company's 2021 Annual Report. The discount rate for pension provisions pursuant to IAS 19 is 1.5 % (31.12.2021: 0.9 %).

OIK-Immobilienfonds

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

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

MEDICLIN carefully weighed up the opportunities and risks of the suit in view of the fact that the subject matter of the legal dispute is highly complex, especially with regard to the evaluation whether rents conform 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.

MEDICLIN Aktiengesellschaft

Offenburg, 2 May 2022

The Management Board

Key data on the MEDICLIN share

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

In € per share	Q1 2022	Q1 2021
Earnings, undiluted/diluted	-0.08	-0.24
Cash flow from operating activities	0.28	0.29
Book value ¹ as of 31.03.	3.88	3.59
Share price as of 31.03.	3.52	4.32
52-weeks high	4.60	-
52-weeks low	3.22	-
Market capitalisation as of 31.03. in millions of €	167.2	205.2
Number of shares in millions	47.5	47.5

¹ Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/as of 07.04.2022

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.

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.

Dieser Zwischenbericht liegt auch in deutscher Sprache vor.

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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