M1 Kliniken AG

INTERIM REPORT

2024

KEY FIGURES M1 KLINIKEN AG

Consolidated Profit and Loss Account according to IFRS (in kEUR)

	Jan-Jun 2024	Jan-Jun 2023
Sales	167,741	150,793
EBIT	14,474	7,279
Net income for the year	10,563	4,138

Consolidated Balance Sheet M1 Kliniken Group according to IFRS (in kEUR)

	30.06.2024	31.12.2023
Short-term assets	99,733	110,588
Long-term assets	103,013	102,364
Total assets	**202,745**	**212,953**
Short-term liabilities	56,773	58,248
Long-term liabilities	9,600	11,481
Equity	136,372	143,224
Total liabilities and equity	**202,745**	**212,953**

KEY FIGURES FOR THE SHARE

Class of shares	Bearer shares
Number of shares	19,643,403
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Market places	Frankfurt, Xetra, Düsseldorf, Stuttgart, Berlin, Hanover, Hamburg, Munich, Tradegate, gettex
Market segment	Open Market on the Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	mwb fairtrade Wertpapierhandelsbank AG
Coverage	Bankhaus Metzler, First Berlin, M.M.Warburg & Co.
Market capitalization	EUR 361,4 mn (as of 30.06.2024 - Xetra, prev. year EUR 156,8 mn)

XETRA
SHARE PERFORMANCE
M1 Kliniken AG

as of
30.06.2024
(Xetra)

EUR **18.40**

CONTENT

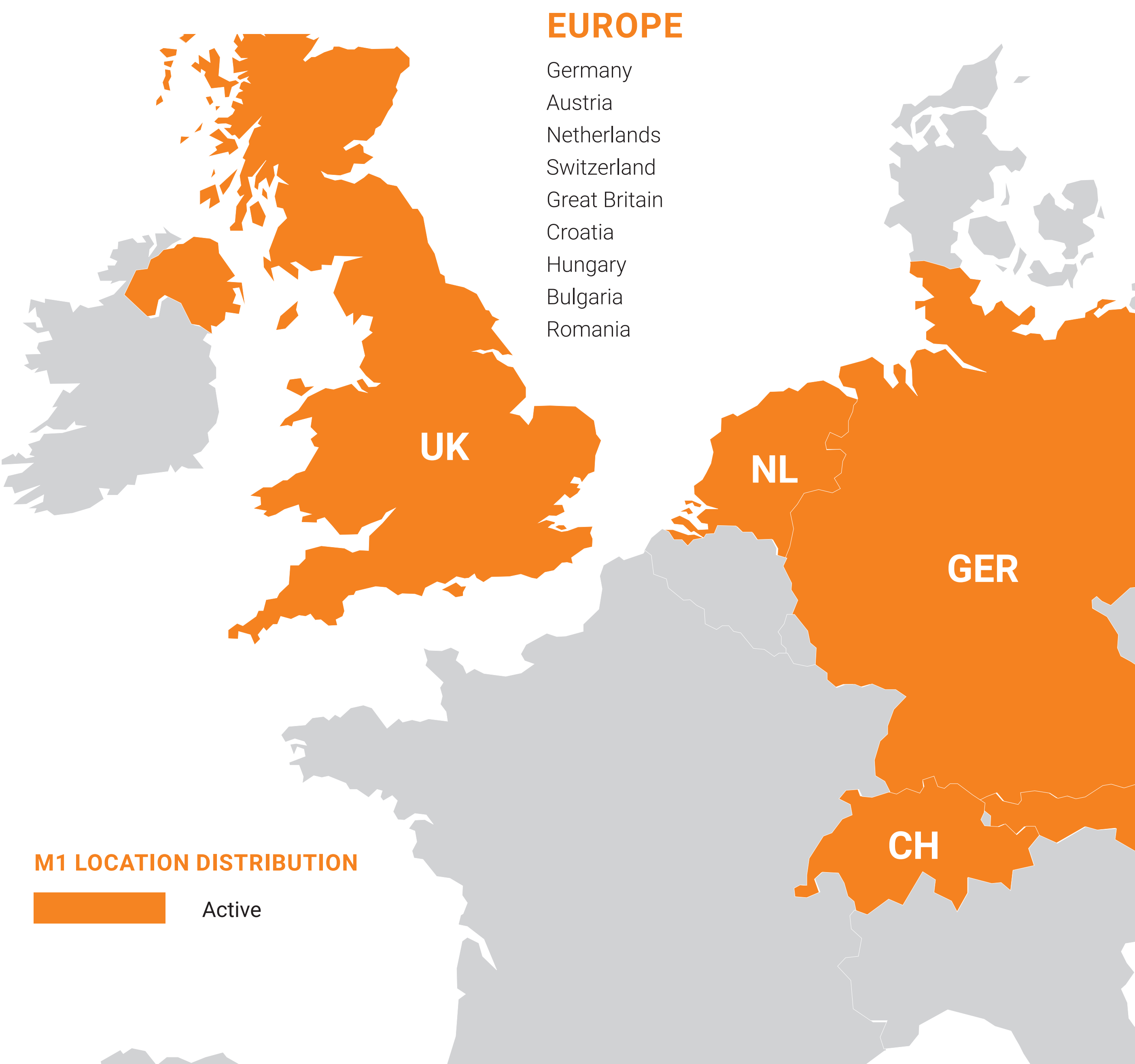
1. COMPANY PROFILE

With our guiding principle of “cutting-edge medicine through specialisation“ and steady growth, we have developed into the leading provider of healthcare services in the field of beauty medicine and the distribution of pharmaceuticals and medical products in the areas of “Specialty Pharma“ and “Aesthetic Medicine“ in recent years.

The business model of M1 Kliniken AG continues to be based on two areas of activity (“segments“):

In the “Beauty“ segment, M1 concentrates its activities on medical-aesthetic beauty treatments and operations as well as the operation and provision of medical infrastructures for partner companies.

In the “Trade“ segment, the Group sells pharmaceuticals and medical products in the cost-intensive therapeutic areas of oncology, HIV/AIDS, neurology, rheumatology, other chronic diseases and aesthetic medicine.

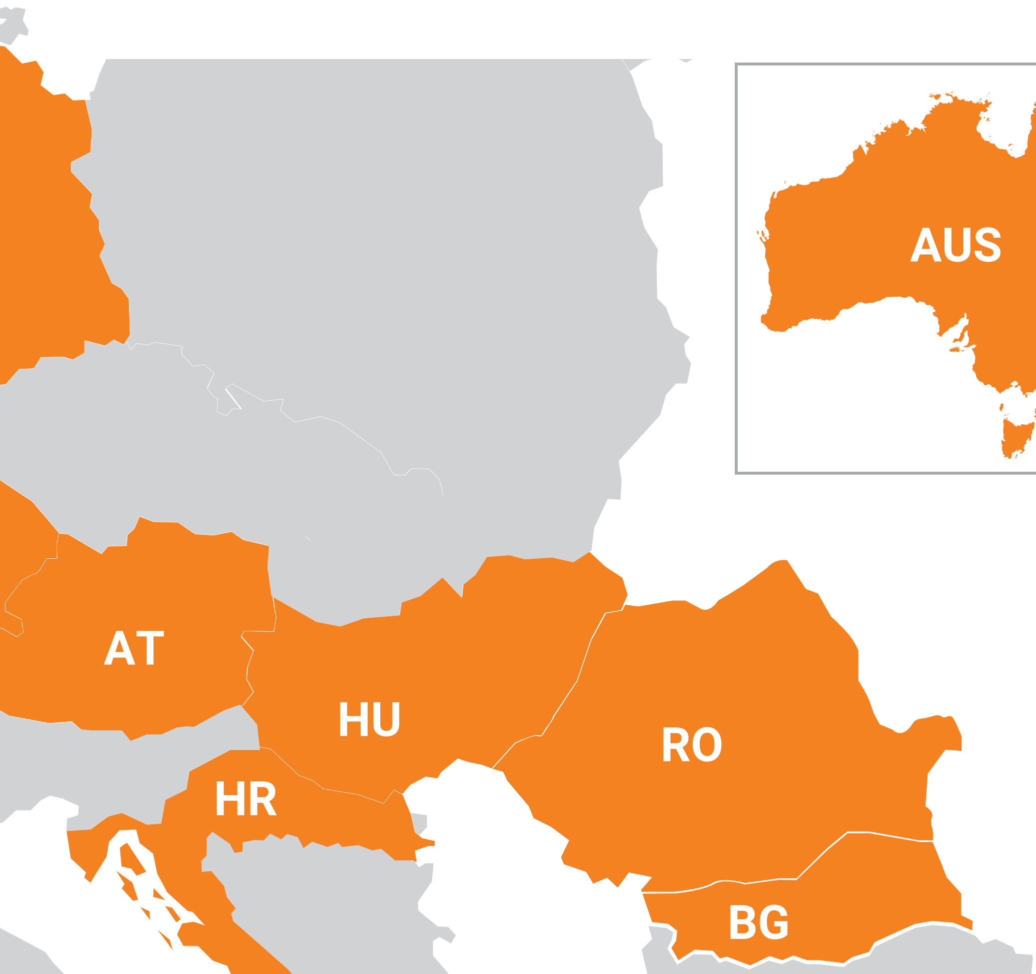


The Group does not conduct its own research activities. On the other hand, the Group is active in the development and authorisation of treatment products in order to be able to comprehensively serve the value chain in the provision of medical-aesthetic treatments with (its own) products and services in the long term.

In the “Beauty“ business segment, M1 manages a private clinic for plastic and aesthetic surgery (Schlossklinik in Berlin-Köpenick), the medical specialist centres for aesthetic and plastic medicine at locations throughout Germany and abroad as well as the product supply of these specialist centres. Under the “M1 Med Beauty“ brand, the network of locations comprised a total of 62 specialist centres as of 30 June 2024 (prev. year: 56), 42 of which are located in Germany. The doctors working at these specialist centres cover a focused range of beauty treatments of the highest quality and at attractive prices. The 63rd specialist centre was opened in Innsbruck (Austria) in July 2024, and further locations are in preparation. In Berlin, M1 operates a specialised surgical clinic (private clinic according to § 30 GewO) – one of the largest and most modern facilities of its kind in Europe. The number of customers who appreciate this attractive range of services is constantly increasing.

In a second segment, “Trade“, the Group (via its subsidiary HAEMATO AG) distributes original EU pharmaceuticals as parallel imports and re-imports, generics and biosimilars as well as other medical products. Off-patent and patent-protected pharmaceuticals are sold in growth markets for high-priced speciality pharmaceuticals in the indication areas of oncology and HIV as well as in the areas of rheumatism, neurology, cardiovascular diseases and anaesthetics. In the field of medical products, the HAEMATO Group focuses on high-quality aesthetic medicine products for doctors, pharmacists and wholesalers.

We are also constantly gaining extensive product experience in connection with aesthetic medical treatments. In the “Retail“ segment, we utilise this product experience for product selection and product development to market branded products to doctors, pharmacies and wholesalers. On this basis, we launched a constantly expanding range of cosmetic products under the brand name “M1 Select“ in 2018.



AUSTRALIA

Melbourne
Sydney
Brisbane
Perth
Gold Coast

Dear Shareholders,
dear Ladies and Gentlemen,

M1 Kliniken AG has continued its profitable organic growth course in the segments of "Beauty" and "Retail" impressively in the first half of 2024. Sales (IFRS consolidated sales) increased by 11.2% to EUR 167.7 million in the first six months of 2024 (previous half year: EUR 150.8 million). The operating result (EBIT) almost doubled and rose to EUR 14.5 million (previous half year: EUR 7.3 million).

Earnings before taxes (EBT) also increased significantly from EUR 6.98 mn in the previous half year to EUR 15.02 mn.

Net profit (before minority interests) rose to EUR 10.56 mn as of 30 June 2024, which corresponds to an increase of over 150% compared to the previous year (EUR 4.14 mn).

The **EBIT margin** increased significantly from 4.8% to 8.6% in the first half of 2024. The measures introduced in previous years to reduce costs and increase efficiency as well as the ongoing portfolio optimisation in the Pharmaceuticals division continue to contribute to the increase in this margin.

Equity decreased by EUR 6.9 mn to EUR 136.4 mn in the first half of 2024, while the equity ratio remained stable at 67.3% (31 December 2023: 67.3%). Liabilities were reduced by EUR 3.3 mn to EUR 66.4 mn.

In the **"Trade"** segment, sales rose from EUR 113.6 mn to EUR 119.2 mn in the first half of 2024, which corresponds to an increase of around 5%.

In the high-margin **"Beauty"** segment, sales increased from EUR 37.2 mn in the same period of the previous year to EUR 48.6 mn, which corresponds to an increase of around 31%. The EBIT margin in this segment was 20.8%, once again emphasising the strength of this business division. Segment EBIT increased significantly to EUR 10.1 mn compared to EUR 8.1 mn in the previous year.

The Annual **General Meeting** on 17 July 2024 in Berlin was once again held as an attendance event. All resolutions proposed by the Management Board and Supervisory Board were approved by the shareholders present with a majority of 94.9% to 100%. The Annual General Meeting resolved to distribute a dividend of EUR 0,50 per dividend-bearing share.

Special thanks go to all shareholders for their trust and to the employees of the M1-Group for their commitment and valuable work.

In July 2024, the 63rd location for medical beauty treatments was opened with the specialist centre in Innsbruck (Austria). In the medium to long term, the network is set to grow to 150 to 200 locations in order to generate further economies of scale and thus further increase shareholder value.

Berlin, August 2024

Attila Strauss
Management Board

3. GROUP INTERIM MANAGEMENT REPORT

3.1 Economic environment

3.1.1 Overall economy

The **global economy** picked up in the first few months of 2024. After losing momentum towards the end of 2023, the global economy expanded noticeably faster again in the first quarter of this year. The main reason for this was that production in the emerging markets – and in China in particular – grew much more strongly than before. In the advanced economies, on the other hand, economic expansion continued at a somewhat slower pace overall. The mood among companies, which had brightened noticeably after the turn of the year, has recently deteriorated slightly. Nevertheless, the global economic climate indicator calculated by the Kiel Institute on the basis of sentiment indicators from 42 countries suggests that global production will continue to expand noticeably in the second quarter of 2024. Industrial production and trade in goods are showing signs of recovery: The global economic expansion is still being driven by services. However, global industrial production in the first quarter appears to have emerged from the stagnation recorded last year. Following the increase recorded towards the end of last year, the upward trend continued in the first few months of this year. Global trade in goods is now also on an upward trajectory again, following a noticeable decline last year. The temporarily feared slowdown in trade due to the security problems in the Red Sea has not materialised. However, the rerouting of large parts of shipping traffic from the Suez Canal route around the Cape of Good Hope has contributed to a significant increase in freight rates – worldwide and particularly on the routes between Europe and East Asia.[1]

The economic gap has narrowed in the advanced economies. In the first quarter, gross domestic product in the group of advanced economies increased overall at a moderate pace with little change. The previously pronounced differences in economic momentum have narrowed. Expansion slowed noticeably in the **United States**, where gross domestic product rose by just 0.3% after strong increases in the previous quarters. The main reason for this was, on the one hand, that private consumption lost momentum and government consumption also expanded at a much slower pace. On the other hand, developments in inventories and foreign business had a dampening effect. At the same time, the European economy grew noticeably for the first time in a year and a half. The growth rate of gross domestic product in the **Eurozone** was 0.3% and 0.6% in the **UK**. The acceleration in the Eurozone was mainly due to the fact that exports picked up, while imports actually fell slightly. As in the previous quarters, private consumption increased only slightly and investments declined, although this was primarily due to a drastic slump in Ireland, which was largely attributable to the activities of multinational companies. In contrast to Europe, there are still no signs of a recovery from the economic downturn in **Japan**, which has been characterised by a sustained decline in private consumption since the summer of last year. However, the 0.5% decline in gross domestic product in the first quarter was largely due to problems in the automotive sector, which led to a decline in exports, but also contributed to consumer reluctance to spend and falling investment.[2]

The pace of expansion increased significantly in the **emerging markets**. Overall, the increase in production in the emerging markets accelerated significantly at the beginning of the year. This was due to an acceleration in **China**, where a quarter-on-quarter increase of 1,6% was reported, although this probably overstates the underlying trend in economic momentum. Expansion in **India** remained very strong, and production in the emerging economies of South East Asia also increased significantly in most cases. Strong growth in gross domestic product was also recorded in some Latin American countries, including **Brazil**. Finally, the upturn in production continued in **Russia**; according to official figures, gross domestic product in the first quarter was 5.4% higher than a year earlier.[3]

The price of oil is coming under pressure due to declining OPEC quotas and low demand growth. The oil price rose sharply in the spring. Concerns about security of supply in light of the Middle East conflict coupled with historically low inventories and the prospect of Saudi Arabia continuing its restrictive supply policy caused the price of a barrel of Brent crude to rise to over USD 90 in mid-April. Since then, however, prices have fallen again significantly, reaching USD 80 at the beginning of June. On the one hand, the geopolitical risk to the supply of crude oil is probably considered to be lower again. On the other hand, the forecasts for oil demand have been reduced, while the outlook for supply has improved. Although the OPEC+ group of oil producers has extended the production quotas introduced in 2020 to support prices until 2025, the significant additional voluntary production cuts agreed by individual countries (particularly Saudi Arabia) over the course of time are only set to remain in place until September, meaning that production will be expanded again sooner than previously expected. In contrast, the price of gas has risen noticeably in recent months from the very low levels recorded in March in both Europe and the United States. This is due to a normalisation of the unusually low demand in winter, which in Europe was compounded by the temporary outage of a large gas field in Norway. Prices for non-energy commodities also trended upwards. In addition to sharp rises in some foodstuffs (cocoa, coffee, orange juice) due to supply bottlenecks, prices for metals also increased significantly in some cases, which is probably related to stronger demand from China.[4]

The decline in **inflation** is stalling: inflation has slowed significantly worldwide over the past year. In the G7 countries, the inflation rate has fallen from 8.4% in October 2022 to 2.9% in November 2023. However, it has not fallen any further since then. The main reason for the recent stagnation in inflation is that energy prices are falling below the previous year's level to an ever lesser extent. While the effect of the energy component on the inflation rate has become increasingly smaller - a positive contribution to inflation can even be expected for the summer months - the decline in the core rate (consumer prices excluding energy and food) has continued until recently; it stood at 3.2% for the group of countries as a whole in April. Price increases for services have been particularly strong and persistent, while prices for industrial goods have recently risen only slightly at best in most countries. **Interest rate cuts** have been initiated in the advanced economies, but are likely to progress only slowly for the time being. The Swiss National Bank had already cut its key interest rates by 0.25 percentage points in March, followed by the Swedish Riksbank at the beginning of May, and on 6 June the ECB reduced the current key deposit rate from 4.0 to 3.75%. The US Federal Reserve and the Bank of England are likely to follow suit with key interest rate cuts, although probably not until late summer and therefore later than expected at the beginning of the year. Further interest rate cuts are also likely to be cautious, as the pace of inflation has not yet slowed sufficiently and the economy is still so strong, particularly in the United States, that a rapid reduction in short-term interest rates could jeopardise the achievement of the inflation target. While the Kiel Institute expects the ECB to make a total of three interest rate cuts by the end of this year, the Fed is likely to reduce its key interest rate twice at most, according to the Kiel Institute. This means that monetary policy in the major currency areas will remain restrictive for the time being.[5]

In **Germany**, the economic recovery is only getting off to a slow start. The German economy started the year somewhat more dynamically than predicted in the IfW Kiel's spring forecast, for example. However, this was offset by a stronger decline in economic activity in the final quarter of the previous year, meaning that the overall findings of a weak winter half-year have hardly changed. The main impetus for expansion in the first quarter came from foreign business, which, according to the latest data, was also somewhat firmer over the past year. In contrast, private consumption fell at the start of the year despite a noticeable increase in household purchasing power, although the rise in the savings rate is likely to have been exaggerated by one-off effects. Construction activity remains in poor shape; the increase in the first quarter is mainly due to the weather. Corporate investment remained weak and has now fallen significantly for two quarters in a row. The picture of economic drivers in the forecast period has not changed since the spring. Both private consumer spending and exports are likely to show a noticeable upward trend this year and next. Investment is only likely to provide expansionary impetus in the second half of the forecast period. Increased political uncertainty continues to weigh on corporate investment and residential construction is unlikely to bottom out before the end of next year.[6]

According to the IfW, employment remains robust. For the coming year, employment is expected to move sideways, with the demographically induced supply shortage being counteracted by economic upward forces. As part of the recovery, unemployment will fall from 5.9% (2024) to 5.8% (2025), compared to 5.7% last year. Despite the recent turnaround in interest rates, the degree of monetary policy restriction remains high. The interest rate plateau of 4% was left after 9 months in June. The key interest rate (deposit facility) was lowered by 0.25 percentage points as a first step. The Kiel Institute expects two further steps of 0.25 percentage points each in September and December, as new inflation projections will be presented at these times, on which interest rate decisions will probably depend. The recovery in foreign trade began in the first quarter of 2024. Trade in goods expanded strongly after previously falling for five consecutive quarters. Price-adjusted goods exports and imports both rose by 2.1%. Following the setback in the first quarter, private consumption returned to a path of expansion. After trending upwards again since the second quarter of last year, private consumption fell by 0.4% in the first quarter. The fact that real disposable incomes are now rising noticeably again suggests that the decline in the first quarter was only a temporary setback and that private consumption will increase quite strongly in the forecast period. In the current year in particular, real disposable incomes are likely to increase significantly by 1.7%, as net wages and salaries as well as monetary social benefits will rise sharply, while the upward trend in prices for consumer goods will slow considerably. Inflation has continued to fall since the beginning of the year. At the turn of the year, inflation had fallen below 3% and has continued to fall since then. Although inflation rose by 0.2 percentage points to 2.4% in May, the increase can be explained by a base effect due to the introduction of the “Deutschlandticket“ and a relatively sharp rise in package holiday prices. Energy prices remain on a downward trend. In the fourth quarter of 2023, energy prices fell year-on-year for the first time since the outbreak of the energy crisis. They also fell in the first quarter of 2024 despite the removal of price brakes for gas and electricity. However, they are likely to rise again slightly in the second quarter compared to the previous quarter. This is due to the expiry of the temporary VAT reduction on gas and district heating as well as higher petrol prices. Contrary to the spring forecast, there was no increase in electricity prices in April due to higher grid fees. Prices largely stagnated.[7]

3.1.2 Health economy and beauty market

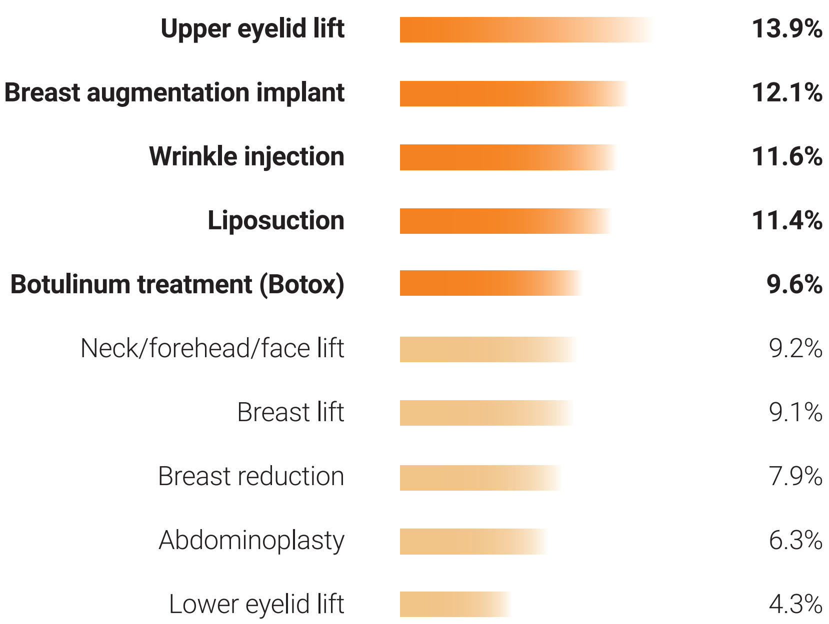
The healthcare industry is one of the largest sectors of the German economy. It is a growth driver for the entire economy thanks to its innovative strength and employment power – more people work in the healthcare industry than in the automotive industry. The coronavirus pandemic and Russia’s attack on Ukraine in violation of international law and its consequences have hit the healthcare industry particularly hard. The updated figures for the observation year 2022 again show that the healthcare industry is also the driver of growth and employment in Germany in the new period under review. The healthcare industry has continued to recover after the decline in the coronavirus year 2020. Gross value added in the healthcare industry has grown steadily over the last 10 years, significantly faster than the economy as a whole. On average, it grew by 4.6% per year, while the economy as a whole grew by an average of 3.5% per year. In 2022, the gross value added of the healthcare industry amounted to EUR 439.6

billion. This corresponds to 12.7% of the gross value added of the overall German economy. In 2022, almost 8.1 million people were employed in the healthcare industry, or 17.7% of the total labour force in Germany. Since 2013, the number of people employed in the healthcare industry has risen by 1.4 million.[8]

In 2022, more than 33 million surgical and non-surgical cosmetic procedures were performed **worldwide** (prev. year: 30 million) - more than ever before. With around 2.3 million procedures, liposuction is the most popular cosmetic correction worldwide. Breast augmentation came in second place with a total of 2.1 million procedures, ahead of eyelid surgery and tummy tucks. No other country performed more surgical procedures to improve the appearance of its population than Brazil. With around two million cosmetic operations, the South Americans relegated the USA to second place. Together, the two countries account for a quarter of all plastic surgery procedures performed worldwide. With 464,130 cosmetic operations, Germany is one of the countries with the most cosmetic plastic surgery procedures worldwide. Liposuction was the most popular procedure here, accounting for around 17.4% of all cosmetic surgery procedures. Among women, who are on the operating table significantly more often than men with a share of almost 85%, breast augmentation, upper and lower eyelid lifts and wrinkle injections occupy the top spots. German men are most likely to have liposuction, followed by upper and lower eyelid lifts and neck/forehead facelifts. Most patients in Germany were between 18 and 30 years old and in a relationship. The average age most recently was around 44 years.[9]

According to current statistics from the DGÄPC (German Society for Aesthetic and Plastic Surgery) for 2023, the only thing that has changed in the top 5 treatment methods is the weighting. Wrinkle injections, botulinum treatments, upper eyelid lifts, breast augmentation and liposuction are still in the top 5 in 2023. Upper eyelid lifting has now taken the top spot (2nd place last year), while breast augmentation with implants has moved up from 5th to 2nd place. A look at the past five years clearly shows that there has been a noticeable decline in wrinkle injections and botulinum treatments in the practices and clinics of practising plastic and aesthetic surgeons. The increasing price sensitivity due to current economic forecasts and increased market growth of beauty chains and providers without sufficient qualifications, who advertise their services with increased advertising activity and dumping offers, are clear reasons for this decline in the practices supervised by specialists.[10]

Total treatments in 2023: Top 5 (18 - 80+ years)



Source: DGPÄC STATISTICS 2023

3.1.3 Pharmaceutical market

The pharmaceutical industry continues to be of great importance for growth, employment and innovation effects in Germany. The development of the German pharmaceutical market (pharmacies and clinics) was positive in terms of sales in the first quarter of 2024. In Q1/2024 (more recent figures were not available at the time of reporting), sales of pharmaceuticals in the **entire pharmaceutical market** (pharmacy and clinic) rose by 6.3% (same quarter of the prev. year: 6.9%). Sales quantity stagnated at -0.2%. From January to March 2024, a total of around 25.4 billion countable units (capsules, sachets, sachets etc.) worth over EUR 15.5 billion (prev. year: EUR 14.5 billion) were dispensed to patients. In the first quarter of 2024, the **pharmacy market** recorded slight cumulative sales growth of almost +10% compared to Q1/2023, which corresponds to a value of EUR 12.7 billion (prev. year: EUR 11.6 billion). 435.1 million packs were dispensed to patients, which represents a slight decline (1%).[11]

SHI pharmaceutical expenditure less discounts from manufacturers (Section 130a (1) SGB V) and pharmacies (excluding savings from discount agreements) totalled EUR 13.8 billion in the first quarter of 2024. This figure is 9.3% higher than in the previous year. Sales in the same segment and period totalled 188.35 million dispensed packs, 1% above the previous year's level. Savings for statutory health insurance due to mandatory manufacturer discounts and rebates from reimbursement amounts totalled EUR 2,298 billion (-3%) in the first three months of 2024. The savings for private health insurance companies will also decrease due to compulsory manufacturer discounts and discounts from reimbursement amounts. This calculated volume amounts to EUR 325 million (-2%) in the first quarter of 2024. In hospitals, mandatory manufacturer discounts and rebates fell by -36% to EUR 68 million.[12]

3.2 Economic situation

3.2.1 Net assets, financial position and earnings situation

a. Net assets situation of the M1 Kliniken Group (IFRS)

The **financial position** of the M1 Kliniken Group can be considered stable at a good level.

As at the reporting date of 30 June 2024, **cash and cash equivalents** in the M1-Group amounted to kEUR 10,273 compared to kEUR 22,381 on 31 December 2023. This corresponds to a reduction of EUR 12.1 mn as at the reporting date, as trade payables were paid. Similarly, trade payables decreased by an amount of EUR 11.5 mn.

Trade receivables decreased in the first half of 2024 from kEUR 28,021 to kEUR 30,170 as of 30 June 2024, which represents an increase of kEUR 2,150 compared to 31 December 2023.

Inventories decreased by kEUR 8,069 to kEUR 37,458 as of 30 June 2024 (31 December 2023 kEUR 45,526).

Other current financial assets increased from kEUR 4,103 as of 31 December 2023 to kEUR 12,230, a decrease of EUR 13.5 mn compared to 30 June 2023 (kEUR 25,720). The change in the first half of 2024 is due in particular to the purchase of fixed-interest securities that can be liquidated at short notice.

At kEUR 5,845, **other current assets** are kEUR 834 below the year-end value as of 31 December 2023 (kEUR 6,679).

Non-current assets increased by a total of around kEUR 350 from kEUR 102,364 as of 31 December 2023 to kEUR 103,013 as of 30 June 2024.

b. Financial position of the M1 Kliniken Group (IFRS)

Our **financial position** can be described as very stable. Financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment terms.

Starting from a pleasing level, our capital structure has changed only slightly compared to the previous year as of 31 December 2023. At 67.3% as of 31 December 2023, the **equity ratio** remained unchanged compared to 30 June 2024 and is also 67.3%.

Equity decreased by kEUR 6,852 from kEUR 143,223 as of 31 December 2023 to kEUR 136,372 in nominal terms. The equity ratio has not changed (as mentioned above) due to the similarly reduced debt. The reduction in equity is due to the share buy-back programme, as this has reduced the capital reserve for treasury shares.

Trade payables decreased from kEUR 33,256 at the end of the previous financial year to kEUR 21,713. In the same period, **other current financial liabilities** increased by kEUR 6,894 to kEUR 11,269 (31.12.2023: kEUR 4,375) due to higher utilisation of available working capital lines.

The current and non-current **lease liabilities** to be reported in accordance with IFRS 16 amount to kEUR 9,513 in total and have decreased by kEUR 1,281 compared to 31 December 2023 (kEUR 10,794).

Contract and reimbursement liabilities from customer contracts in accordance with IFRS 15 (health insurance and manufacturer rebates) amount to kEUR 5,880 and decreased by kEUR 98 compared to 31 December 2023 (kEUR 5,978).

The development of the Group's **liquidity** can be analysed using the cash flow statement, which is shown below.

Cash flow from operating activities totalled EUR 14.5 mn (prev. year: EUR 2.4 mn). The increase compared to the previous year is due in particular to the significantly improved result for the period and the scheduled reduction in inventories.

The cash flow from investing activities totalling EUR -12.5 mn (prev. year: EUR -8.2 mn) is mainly the result of investments in fixed-interest financial investments amounting to EUR 12.2 mn (prev. year: EUR 7.9 mn).

Cash flow from financing activities amounted to EUR -17.5 mn (prev. year: EUR -6.1 mn) and was significantly influenced by payments made as part of the share buyback programme amounting to EUR 13.2 mn (prev. year: EUR 0.7 mn), reduced bank liabilities (EUR 1.6 mn, prev. year: EUR 3.0 mn) and the repayment of right-of-use assets amounting to EUR 2.0 mn (prev. year: EUR 2.1 mn).

Cash Flow Statement (in kEUR)	Jan - Jun 2024	Jan - Jun 2023
Cash flow from operating activities	14,542	2,389
Cash flow from investing activities	-12,456	-8,182
Cash flow from financing activities	-17,484	-6,072
Change in liquidity from exchange rate changes	-7	18
Net cash flow	**-15,405**	**-11,846**
Cash and cash equivalents at the beginning of the period	22,381	35,146
Cash and cash equivalents at the end of the period	10,273	23,300

Further information on cash flow for the past financial period can be found in the cash flow statement in the consolidated financial statements.

c. Results of operations of the M1 Kliniken Group (IFRS)

The first half of the current 2024 financial year was extremely profitable. Compared to the first six months of the previous year, **consolidated revenue** increased by kEUR 16,948 to kEUR 167,741, which corresponds to an increase of 11.2% (January to June 2023: kEUR 150,793).

In the **“Trade“ segment**, i.e. the wholesale and parallel import business with pharmaceuticals under the umbrella of HAEMATO AG, consolidated sales of EUR 119.16 mn were achieved in the first half of 2024 (H1/2023: EUR 113.60), which corresponds to an increase of 4.9%.

Sales in the **“Beauty“ segment** rose from EUR 37.19 mn (as of 30 June 2023) to EUR 48.58 mn in the first half of 2024, an above-average increase of around 31%.

The renewed growth in the high-margin “Beauty“ segment continues to illustrate the potential of the strategic direction, and the cost-cutting and efficiency-boosting measures initiated in 2022 also continue to show positive results.

In the first two quarters of 2024, the **cost of sales ratio** fell nominally from 83.7% in the first half of 2023 to 80.7%, an improvement of 3.0 percentage points. One reason for this is the reduction in mandatory manufacturer discounts in pharmaceutical sales in the “Retail“ segment since January 2024 as well as further material and purchasing optimisations in the “Beauty“ segment.

From 1 January 2024, due to the SHI Financial Stabilisation Act, the manufacturer discounts for reimbursable pharmaceuticals in Germany, which were increased to 12% until 31 December 2023, were returned to the previous rate of 7%. Despite the return to the previous discount rates, trade in pharmaceuticals in the insurance-regulated market continues to be characterised by high price pressure from health insurance funds and manufacturers. The M1-Group is countering this with continuous improvement processes in purchasing and material mix.

The **personnel cost ratio** decreased further due to the efficiency enhancement measures implemented and stood at 5.8% in the first half of 2024 compared to 6.0% in the same period of the previous year. Nominal personnel expenses rose slightly by EUR 0.7 mn to EUR 9.7 mn due to the increased business volume and the further expansion of the network of medical-aesthetic specialist centres.

The **ratio of other operating expenses** was also reduced further and amounts to 3.6% compared to 3.9% in the first half of 2023. Nominally, other operating expenses increased by kEUR 184 to kEUR 6,034 (same period of the prev. year: kEUR 5,850) and mainly relate to additional expenses for rental, transport and travel costs due to the expansion of the business volume.

Depreciation and amortisation amounted to kEUR 2,497 and was therefore 6.4% below the figure for the first half of 2023 of kEUR 2,668.

The **operating result (EBIT)** increased to kEUR 14,474 as of 30 June 2024, an increase of kEUR 7,195 or 99% compared to the previous year (kEUR 7,279). The operating result was thus almost doubled. The EBIT margin increased from 4.8% to 8.6%.

The **financial result** as of 30 June 2024 amounted to kEUR 544, an improvement of kEUR 845 compared to the same period of the previous year (kEUR -301).

Taking into account the financial result, **earnings before taxes (EBT)** as of 30 June 2024 amounted to kEUR 15,018. Earnings before taxes thus improved by kEUR 8,040 or 115% compared to the previous year. The **net profit for the period** (before minority interests) amounted to kEUR 10,563 (H1/2023: kEUR 4,138) and thus increased by EUR 6,425, which corresponds to an increase of 155%.

Our operating economic situation therefore remains very pleasing despite the ongoing challenging conditions caused by reduced consumer spending by private households due to persistent inflation and energy price increases in the "Beauty" segment. The constant demand for the pharmaceuticals and medical products sold by the HAEMATO AG subgroup as well as the attractive beauty treatments offered by M1 Med Beauty and the resulting improvement in sales margins clearly indicate the growth path.

3.3 Outlook

The **global economy** continues to expand at a moderate pace: According to the Kiel Institute, the economic policy framework and structural problems are preventing a significant increase in global economic expansion. The prospects for private consumption have improved, as real wages are generally no longer falling or are even rising significantly thanks to easing inflation and rising compensation. However, this is partly at the expense of profit margins and is slowing down investment. Monetary policy, whose restrictive course is only being eased slowly, is also continuing to have a dampening effect. Fiscal policy is also rather restrictive in the forecast period. In addition, the structural problems in China have not been resolved and there is no sign of a sustained strong recovery there. The European economy is recording extremely low productivity growth; here too, economic momentum is being hampered by structural brakes such as a shortage of skilled labour and the restructuring of the energy supply. Finally, an increasingly interventionist industrial and trade policy is leading to uncertainty and putting a strain on the global economic climate. The global economy remains moderate, with economic differences diminishing. For the current year, the Kiel Institute is forecasting an increase in global production of 3.2%, which is slightly higher than last year. The Kiel Institute also expects this level of growth for 2025. The current forecast for 2024 has thus been increased by 0.4 percentage points compared to the March forecast, while the forecast for 2025 remains unchanged. Based on market exchange rates, this results in rates of change in global production of 2.7% this year and 2.7% next year. Global trade in goods, which shrank by 1.9% in 2023, is expected to grow only slightly this year at 1.0%. For 2025, the Kiel Institute expects a further upturn with growth of 2.3%. Overall, the change in the volume of trade should once again be more in line with the increase in global economic activity, as the economic momentum will shift more strongly from services to manufacturing. The regional economic disparities are also likely to narrow: while the economy in the United States is losing momentum, production in Europe and Japan will grow at an accelerated rate in the forecast period.[13]

According to the Kiel Institute, the picture of economic drivers in the forecast period in **Germany** has not changed since the spring. Both private consumer spending and exports are likely to see a noticeable upward trend this year and next. Investment is only likely to provide expansionary impetus in the second half of the forecast period. Increased political uncertainty continues to weigh on corporate investment and residential construction is unlikely to bottom out before the end of next year. All in all, gross domestic product is likely to increase by 0.2% in the current year and by 1.1% in the coming year. These figures are virtually unchanged compared to the spring forecast (revisions of 0.1 and -0.1 percentage points for 2024 and 2025 respectively).

However, the average annual rate of change conceals the expansion momentum during the year, which is more clearly reflected in the growth rates of 1% (2024) and 1.2% (2025). These are higher than the potential growth, which the Kiel Institute estimates at just under 0.5% annually in the forecast period. Accordingly, overall economic capacity utilisation is increasing, which means that the recession will be overcome and a recovery will set in that is not too vigorous.[14]

According to the ifo Institute, the German economy is slowly working its way out of the crisis. The mood among companies has brightened since the beginning of the year. According to the ifo economic surveys, the situation is still rated poorly by most companies. However, expectations regarding developments in the coming months have improved in all economic sectors. On the one hand, the gradual improvement in the climate on the German sales markets and the associated hope of rising new orders in the manufacturing industry are likely to have contributed to this. On the other hand, energy costs for industrial companies have continued their downward trend and have now reached 2020 levels. As a result, production in Germany is becoming more profitable again, meaning that companies are increasingly working off their still high order backlogs and energy-intensive industries are able to expand their production again. According to ifo, price-adjusted gross domestic product will increase by 0.4% this year and by 1.5% next year. The inflation rate will fall noticeably from 5.9% in 2023 to 2.2% in 2024 and 1.7% in 2025.[15]

4. GROUP INTERIM FINANCIAL REPORT

4.1 Group Balance Sheet - Assets

as of 30 June 2024*

	30.06.2024 in EUR	31.12.2023 in EUR
Cash and cash equivalents	10,272,973	22,380,940
Trade account receivables	30,170,116	28,020,505
Inventories	37,457,559	45,526,279
Other short-term financial assets	12,229,856	4,103,389
Other short-term assets	5,844,981	6,679,413
Income tax receivables	3,757,024	3,877,925
Short-term assets	**99,732,509**	**110,588,451**
Intangible assets	87,763,777	87,362,620
Fixed assets	12,203,027	13,793,274
Other long-term financial assets	2,776,728	938,832
Other long-term assets	269,121	269,699
Long-term assets	**103,012,654**	**102,364,425**
TOTAL ASSETS	**202,745,163**	**212,952,877**

* Accounting according to IFRS

4.2 Group Balance Sheet - Liabilities

as of 30 June 2024*

	30.06.2024 in EUR	31.12.2023 in EUR
Short-term accruals	1,244,776	1,382,946
Liabilities from income taxes	7,635,385	5,886,142
Trade account payables	21,712,995	33,256,330
Short-term lease liabilities	2,674,245	2,970,720
Other short-term financial liabilities	11,268,991	4,374,810
Other short-term liabilities	6,356,707	4,399,782
Contract and refund liabilities	5,879,801	5,977,515
Short-term liabilities	**56,772,900**	**58,248,243**
Long-term accruals	11,007	11,007
Long-term leasing liabilities	6,839,128	7,823,715
Other long-term financial liabilities	312,500	1,875,000
Deferred tax liabilities	2,437,808	1,771,461
Long-term liabilities	**9,600,444**	**11,481,183**
Subscribed capital	19,643,403	19,643,403
Acquired own shares	-1,088,289	-517,484
Capital reserve	50,759,454	49,907,438
Capital reserve for own shares	-19,724,491	-5,856,639
Revenue reserves	60,117,778	50,116,813
Adjustment item for minority interests	27,007,936	29,973,405
Currency conversion	-343,972	-43,486
Equity	**136,371,819**	**143,223,451**
TOTAL LIABILITIES AND EQUITY	**202,745,163**	**212,952,877**

* Accounting according to IFRS

4.3 Group Profit and Loss Statement

as of 30 June 2024*

	Jan - Jun 2024 EUR	Jan - Jun 2023 EUR
Sales	167,741,198	150,793,479
Other operating income	302,092	150,793,479
Cost of purchased goods and services	-135,321,173	-126,166,757
Personnel expenses	-9,717,035	-9,039,273
Other operating expenses	-6,033,997	-5,849,761
Profit from ordinary activities | EBITDA	**16,971,086**	**9,947,226**
Depreciation and amortisation	-2,496,851	-2,668,010
Operating result | EBIT	**14,474,236**	**7,279,216**
Income from investments	9,459	9,453
Income from other securities and loans held as financial assets	478,562	320,902
Interest and similar expenses	-954,117	-515,759
Depreciation/ write-ups from the valuation of financial assets	1,010,136	-115,754
Financial result	**544,041**	**-301,159**
Earnings before taxes | EBT	**15,018,277**	**6,978,057**
Taxes on income and earnings	-4,454,956	-2,840,124
Net profit/loss for the year	**10,563,321**	**4,137,932**
Profit or loss attributable to minority interests	-663,451	-720,979
Shares of the shareholders of the parent company	9,899,870	3,416,953
Earnings per share (in EUR)	0.53	0.17

* Accounting according to IFRS

Consolidated Cash Flow Statement

as of 30 June 2024*

	Jan - Jun 2024 EUR	Jan - Jun 2023 EUR
Net profit for the period	**10,563,321**	**4,137,933**
Depreciation and amortisation of fixed assets	2,496,851	2,667,683
Increase/decrease in non-current provisions	0	-40,906
Increase/ decrease in short-term accruals	-138,169	-49,304
Increase/ decrease due to fair value measurement	-1,010,136	115,754
Increase/decrease in inventories	8,069,300	735,162
Increase/ decrease in trade account receivables and other assets	-1,797,566	-12,757,960
Increase/ decrease in trade accounts payable and other liabilities	-6,650,556	5,668,530
Profit/loss from the disposal of fixed assets	-5,999	-210
Interest expenses/ income	475,554	194,857
Other income from investments	-9,459	-9,453
Income tax expense/income	4,452,694	2,837,065
Income tax payments	-1,903,336	-1,110,147
Cash flow from operating activities	**14,542,498**	**2,389,005**
Disbursements for investments in intangible fixed assets	-723,258	-286,642
Proceeds from disposal of fixed assets	6,000	210
Disbursements for investments in fixed assets/investment properties	-59,410	-257,640
Cash outflows from the acquisition of consolidated companies	0	-47,770
Payments for investments in financial assets	-4,383,269	0
Cash outflows due to financial investments	-7,784,500	-7,910,991
Interest income	488,021	320,902
Cash flow from investing activities	**-12,456,416**	**-8,181,931**
Cash outflow from the acquisition of own shares	-13,163,661	-655,585
Change in liabilities to banks	-1,562,500	-3,003,542
Interest expenses	-777,821	-298,377
Redemption of rights of use	-1,980,247	-2,114,139
Cash flow from financing activities	**-17,484,229**	**-6,071,643**
Change in liquid funds due to exchange rate changes	-6,551	18,199
Net cash flow	**-15,404,699**	**-11,846,370**
Liquid funds at the beginning of the period	18,855,548	35,146,022
Liabilities due at any time at the beginning of the period	3,525,392	0
Liquid funds at the beginning of the period	**22,380,940**	**35,146,022**
Liquid funds at the end of the period	3,450,850	23,299,652
Liabilities due at any time at the end of the period	6,822,123	379
Liquid funds at the end of the period	**10,272,973**	**23,300,031**
Change in liquid funds	**-12,107,967**	**-11,845,991**

* Accounting according to IFRS

4.5 Consolidated Equity Change Account

as of 30 June 2024*

in EUR	1. Subscribed capital	2. Acquired own shares	3. Capital reserves	4. Capital reserve for own shares	5. Revenue reserves	6. Equity differences from currency conversion	7. Adjustment item for shares of other shareholders	8. Equity
1 January 2023	**19,643,403**	**-1,328,384**	**49,907,438**	**-12,623,008**	**39,899,081**	**21,916**	**47,530,177**	**143,050,624**
Net profit for the year	-	-	-	-	3,416,954	-	720,979	4,137,933
Change in scope of consolidation	-	-	-	-	17,470	-	-64,717	-47,248
Other changes in equity	-	-83,010	-	-572,575	-	-	-	-655,585
Currency exchange differences	-	-	-	-	4,630	-139,232	-	-134,602
30 June 2023	**19,643,403**	**-1,411,394**	**49,907,438**	**-13,195,583**	**43,338,135**	**-117,316**	**48,186,438**	**146,351,121**
1 January 2024	**19,643,403**	**-517,484**	**49,907,438**	**-5,856,639**	**50,116,813**	**-43,486**	**29,973,405**	**143,223,451**
Net profit for the year	-	-	-	-	9,086,208	-	663,451	9,749,658
Other changes in equity	-	-	-	-	-4,799	-	-	-4,799
Share buyback	-	-570,805	-	-14,288,172	-	-	-	-14,858,977
Transfer to reserves	-	-	852,016	420,319	813,664	-	-	2,086,000
Change in scope of consolidation	-	-	-	-	59,315	-	-3,628,920	-3,569,605
Currency exchange differences	-	-	-	-	46,577	-300,486	-	-253,909
30 June 2024	**19,643,403**	**-1,088,289**	**50,759,454**	**-19,724,491**	**60,117,778**	**-343,972**	**27,007,936**	**136,371,819**

* Accounting according to IFRS

5. CONDENSED NOTES
(unaudited)

5.1 General Information

M1 Kliniken AG was founded in the 2007 financial year. The company is registered in the commercial register of the Berlin-Charlottenburg district court under HRB 107637 B and has its registered office at Grünauer Strasse 5, 12557 Berlin. Its parent company is MPH Health Care AG.

The M1-Group is active in aesthetic medicine and the trade in medical products and pharmaceuticals.

The condensed interim consolidated financial statements of M1 Kliniken AG for the period from 1 January to 30 June 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), taking into account IAS 34 "Interim Financial Reporting", as applicable in the European Union. The figures are unaudited.

Please refer to the notes to the consolidated financial statements as of 31 December 2023 with regard to the accounting, valuation and consolidation methods applied and the exercise of the options contained in IFRS.

5.2 Scope of Consolidation

The scope of consolidation did not change in the reporting period. Please refer to our presentation in the consolidated financial statements as of 31 December 2023.

5.3 Selected Notes to the Consolidated Balance Sheet

Cash and cash equivalents, which total kEUR 10,273 (31.12.2023: kEUR 22,381), mainly comprise bank balances and cash in hand and are recognised at their nominal values.

Trade receivables, which amount to a total of kEUR 30,170 (31.12.2023: kEUR 28,021), are measured at amortised cost less any impairment losses using the effective interest method.

Inventories amounting to kEUR 37,458 (31.12.2023: kEUR 45,526) include finished goods measured at cost. In accordance with IAS 2, all costs incurred in connection with the acquisition of the respective inventories were included.

Other financial assets (current and non-current) totalled kEUR 15,007 (31.12.2023: kEUR 5,042). These mainly include financial instruments. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Other current financial assets include financial assets in the short-term liquidity portfolio, loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments. They only include repayments and interest and are measured at amortised cost.

Under **other non-current financial assets**, financial assets are categorised as "measured at fair value through profit or loss". Equity instruments are subsequently measured at the market value on the respective reporting date.

Trade payables are recognised at amortised cost using the effective interest method. They amount to kEUR 21,713 as of 30 June 2024 (31 December 2023: kEUR 33,256). It is assumed that the fair values correspond to the carrying amounts of these financial instruments due to their short maturities.

Other current financial liabilities mainly include liabilities to banks from working capital lines and overdraft facilities and amount to kEUR 11,269 (31.12.2023: kEUR 4,375).

Other current liabilities include tax liabilities and amounted to kEUR 6,357 as of 30 June 2024 (31 December 2023: kEUR 4,400).

5.4 Dividends

At the Annual General Meeting held on 17 July 2024, it was decided to use the net retained profits for the 2023 financial year in the amount of kEUR 81,518 as follows

a) Distribution of a dividend of EUR 0.50 per dividend-bearing share, i.e. totalling kEUR 9,821

b) Transfer to other revenue reserves in the amount of kEUR 15,000

c) Carryforward of the remaining amount to new account totalling kEUR 56,697

5.5 Contingent Liabilities and other Financial Obligations

There are no contingent liabilities. The other financial obligations are within in the ordinary course of business.

5.6 Significant events after 30 June 2024

No further significant events occurred between the reporting date of 30 June 2024 and the date of publication of this report.

Berlin, August 2024

Attila Strauss
Management Board

6. FURTHER INFORMATION

6.1 Sources

[1] Cf. Kieler Konjunkturberichte Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 2-3

[2] Cf. Kieler Konjunkturberichte Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 3

[3] Cf. Kieler Konjunkturberichte Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 3

[4] Cf. Kieler Konjunkturberichte Nr. Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 4

[5] Cf. Kieler Konjunkturberichte Nr. Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 4-5

[6] Cf. Kieler Konjunkturberichte Nr. 115/2024 “Deutsche Wirtschaft im Sommer 2024, S. 2-3

[7] Cf. Kieler Konjunkturberichte Nr. 115/2024 “Deutsche Wirtschaft im Sommer 2024, S. 3-11

[8] Cf. www.bmwk.de/Redaktion/DE/Textsammlungen/Branchenfokus/Wirtschaft/branchenfokus-gesundheitswirtschaft.html

[9] Cf. https://de.statista.com/themen/1058/schoenheitsoperationen/

[10] Cf. www.dgaepc.de/aktuelles/dgaepc-statistik/dgaepc-statistik-2023/

[11] Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 1. Quartal 2024, S. 4

[12] Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 1. Quartal 2024, S. 6

[13] Cf. Kieler Konjunkturberichte Nr. 114/2024 “Weltwirtschaft im Sommer 2024, S. 6 ff.

[14] Cf. Kieler Konjunkturberichte Nr. 115/2024 “Deutsche Wirtschaft im Sommer 2024, S. 3

[15] Cf. www.ifo.de/fakten/2024-06-20/ifo-konjunkturprognose-sommer-2024-neue-hoffnung-aber-noch-kein-sommermaerchen

6.2 Glossary

Botulinum toxin

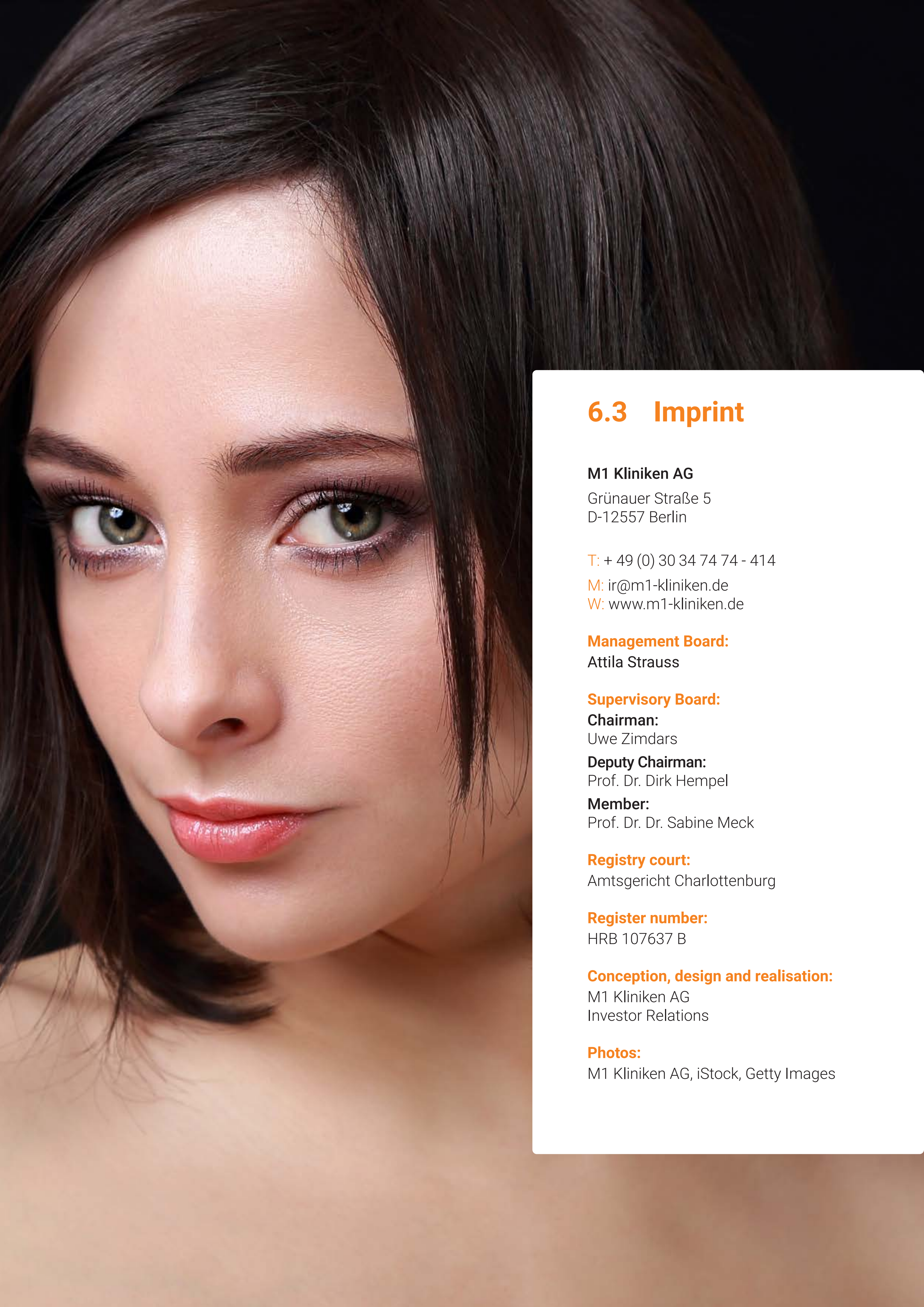
also called botulinum neurotoxin or botulin. The name is derived from the Latin (botulus = sausage and toxin = poison) and is referred to as one of the most poisonous, but also most effective substances. It is used for spasticity, tension headache and migraine, excessive perspiration, in the cosmetic medicine for the treatment of mimic wrinkles and much more.

Hyaluronic acid

types of absorbable fillers. Hyaluronic acid is a hydrophilic, natural sugar compound, which is present in large quantities in the young skin and is degraded increasingly in the course of a life. In the aesthetic medicine it is used to build up volume and for deep wrinkles.

Dermal fillers

are referred to special fillers to build up volume of e.g. sunken cheeks or for lips augmentation, which degrade biologically after some time completely again.



6.3 Imprint

M1 Kliniken AG
Grünauer Straße 5
D-12557 Berlin

T: + 49 (0) 30 34 74 74 - 414
M: ir@m1-kliniken.de
W: www.m1-kliniken.de

Management Board:
Attila Strauss

Supervisory Board:
Chairman:
Uwe Zimdars
Deputy Chairman:
Prof. Dr. Dirk Hempel
Member:
Prof. Dr. Dr. Sabine Meck

Registry court:
Amtsgericht Charlottenburg

Register number:
HRB 107637 B

Conception, design and realisation:
M1 Kliniken AG
Investor Relations

Photos:
M1 Kliniken AG, iStock, Getty Images

M1
Kliniken AG

M1 Kliniken AG
Grünauer Str. 5, D-12557 Berlin

T: + 49 (0) 30 34 74 74 - 414

M: ir@m1-kliniken.de
W: www.m1-kliniken.de