

HALF-YEAR FINANCIAL REPORT 2022



RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

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For computational reasons, rounding differences of ± one unit (€, %, etc.) may occur in the tables.

GROUP INTERIM REPORT

REPORT ON THE FIRST HALF OF 2022

- The first half of 2022 was marked by the impacts of the COVID-19 pandemic and geopolitical risks brought about by the war in Ukraine.
- We treated 427,344 patients in our hospitals and medical care centres in the first half of 2022, generating revenues of € 711.2 million, EBITDA of € 52.8 million and consolidated profit of € 12.8 million.

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the period ended 30 June 2022 have been prepared in accordance with the provisions of IAS 34 in condensed form, and applying section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union in financial year 2022.

The accounting policies applied, to the extent already applied in financial year 2021 and consistently applied in financial year 2022, are set out in detail in the Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 31 December 2021. No new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2022 or subsequent years and already adopted by the European Union are explained in the Condensed Notes to this Interim Report. These

will have the effects as stated in the Condensed Notes on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

In accordance with IAS 33, earnings per share were determined according to the weighted average number of ordinary shares outstanding on a pro rata temporis basis.

If data are provided below on individual companies, these are values before consolidation. For computational reasons, rounding differences of \pm one unit (€, %, etc.) may occur in the tables.

CORPORATE GOVERNANCE

At the Virtual Annual General Meeting of RHÖN-KLINIKUM AG on 8 June 2022, the shareholders, in addition to the proposed appropriation of profits, approved the actions of the members of the Board of Management and Supervisory Board, the election of a new member of the Supervisory Board, the conclusion of profit-and-loss transfer agreements with RHÖN-KLINIKUM Services GmbH, RHÖN-KLINIKUM Business Services GmbH, RHÖN-KLINIKUM Service Einkauf + Versorgung GmbH and RHÖN-KLINIKUM IT Service GmbH as well as the Remuneration Report in accordance with section 162 of the German Stock Corporation Act (Aktiengesetz, AktG).

Ms. Nicole Mooljee Damani notified the Company on 8 December 2021 that she was resigning her mandate as member of the Supervisory Board of the Company, and accordingly left the Supervisory Board after expiry of the one-month time limit pursuant to Section 10 (3) of the Articles of Association with effect from 8 January 2022. The Local Court of Schweinfurt, by Decision of 2 March 2022 issued on application by the Board of Management based on a corresponding proposal of the Supervisory Board, then appointed Dr. Cornelia Sufke as member of the Supervisory Board of the Company.

Dr. Cornelia Sufke, Head of Medical Law, Insurance & Compliance of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, was elected by the shareholders to the Supervisory Board of RHÖN-KLINIKUM AG at the Virtual Annual General Meeting on 8 June 2022.

The composition of the Board of Management has not changed since 31 December 2021.

Moreover, the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

During the first six months of financial year 2022, RHÖN-KLINIKUM AG received no notifications pursuant to section 33 ff. WpHG and no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 of the AktG jointly issued by the Board of Management and the Supervisory Board were updated and published on our website in financial year 2022 and 2021. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2021.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

After an upturn in January and February 2022 and a slight recovery from previous Corona waves, the German economy witnessed a subdued trend in the second quarter in nearly all sectors due to high inflation, the war in Ukraine and the ongoing supply bottlenecks.

After improving in the months of April and May, the mood in the German economy worsened considerably in June 2022. After hitting 93.0 points in May 2022, the ifo business climate index declined to 92.3 points in June 2022, attributable in particular to rising energy prices and the looming risk of gas shortages as a result of the war in Ukraine.

The geopolitical developments culminated in a disruption in supply chains and an accompanying general rise in price levels. Whereas the Group subsidiaries of RHÖN-KLINIKUM AG were for the most part able to offset direct price increases in the area of energy thanks to delivery quantities contracted in the past, price increases with our suppliers put a greater burden on the result. In the view of the Board of Management of RHÖN-KLINIKUM AG, the discord between the statutory reimbursement mechanisms on the one hand and the inflationary price trend on the other will end up having a considerable impact on the German healthcare industry. We therefore see the very urgent need to quickly adjust the existing state base rates and other remuneration components to the current price level, also against the backdrop of the expired reimbursements in connection with the COVID-19 pandemic, and call on politicians to act promptly.

The Covid-19 pandemic completely laid bare the shortcomings in the existing healthcare policy with regard to investment funding. Contrary to the dual financing principle, such funding has not been made available to

hospitals to a sufficient extent over the decades. This has culminated in a chronic underfunding of the healthcare system.

In principle we welcome the planned shift of certain hospital services to the outpatient area. At the same time, measures of the German legislator to significantly improve outpatient remuneration and additional investment funding to create further outpatient structures are required.

We view the measures restricting eligible professional groups set out in the draft of the Act to Stabilise the Finances of the Statutory Health Insurance Funds (SHI)s (GKV-Finanzstabilisierungsgesetz) critically. For hospitals it is stipulated that from 2024 only the nursing staff costs of certified nurses employed directly in the area of patient care on wards having their own beds will be eligible for inclusion in the nursing budget. This far too narrow interpretation fails to recognise the current labour market situation and is an obstacle to reducing the workload on nursing staff.

We also regard the structure of the planned introduction of a defined measurement of the staffing levels according to the hospitals' needs (Pflegepersonalregelung 2.0 or PPR 2.0) in its current form as not suitable to reduce the workload on our nursing staff and improve the quality of nursing. Rather, we expect this provision to create additional red tape in terms of a daily classification of nursing staff and an accompanying additional burden being placed on nursing staff. Instead of making genuine improvements for nursing staff, the introduction of the aforementioned PPR 2.0 will end up making things worse because – despite a national shortage in qualified staff – the required skills qualification mix cannot be achieved. A contemplated introduction of the PPR 2.0 must also replace the provisions of the Regulation on Nursing Staff Floors (Pflege-

personaluntergrenzen-Verordnung, PpUGV) with binding effect to prevent our hospitals from having to deal with parallel or doubled-up administrative burdens.

BUSINESS PERFORMANCE OF THE FIRST HALF

Overall statement on economic position

January to June	2022	2021	Change	
	€ m	€ m	€ m	%
Revenues	711.2	682.8	28.4	4.2
EBITDA	52.8	46.5	6.3	13.5
EBIT	18.1	11.3	6.8	60.2
EBT	15.7	10.6	5.1	48.1
Consolidated profit	12.8	8.6	4.2	48.8

Compared with the same period last year, we report in the first half of 2022 a rise in EBITDA to € 52.8 million, a rise in EBIT by € 6.8 million to € 18.1 million as well as a rise in consolidated profit by € 4.2 million to € 12.8 million on the basis of € 28.4 million higher revenues.

The first half of financial year 2022 continued to be marked by the impacts of the COVID-19 pandemic and the geopolitical risks brought about by the war in Ukraine. The course of the pandemic prevented a return to normal due to the restrictions in the provision of services and medical staff on sick leave. At the same time inpatient and outpatient service volumes, though above the level of the previous year, were below the pre-pandemic level as expected.

Trend in service volumes

Our acute inpatient capacities are nearly unchanged at 5,430 beds (31 December 2021: 5,420 beds).

As at 30 June 2022, we operate nine medical care centres with a total of 60.25 specialist physician's practices (31 December 2021: 58.75).

Patient numbers at our hospitals and medical care centres developed as follows:

January to June	2022	2021	Change	
			absolute	%
Inpatient and semi-inpatient treatments,				
acute hospitals	94,814	93,367	1,447	1.5
rehabilitation hospitals and other facilities	2,380	2,089	291	13.9
	97,194	95,456	1,738	1.8
Outpatient attendances at our				
acute hospitals	225,055	217,109	7,946	3.7
medical care centres	105,095	101,924	3,171	3.1
	330,150	319,033	11,117	3.5
Total	427,344	414,489	12,855	3.1

Results of operations

Consolidated performance figures developed as shown below:

January to June	2022	2021	Change	
			€ m	%
Revenues				
Revenues	711.2	682.8	28.4	4.2
Other income	106.5	94.8	11.7	12.3
Total	817.7	777.6	40.1	5.2
Expenses				
Materials and consumables	214.0	206.7	7.3	3.5
Employee benefits expense	473.3	459.0	14.3	3.1
Other expenses	77.5	65.5	12.0	18.3
Result from value increase of financial assets	0.1	-0.1	0.2	N.A.
Total	764.9	731.1	33.8	4.6
EBITDA	52.8	46.5	6.3	13.5
Depreciation/amortisation and impairment	34.7	35.2	-0.5	-1.4
EBIT	18.1	11.3	6.8	60.2
Finance result	-2.4	-0.7	-1.7	N.A.
EBT	15.7	10.6	5.1	48.1
Income taxes	2.9	2.0	0.9	45.0
Consolidated profit	12.8	8.6	4.2	48.8

Compared with the same period of the previous year, revenues increased by 4.2%. The revenues of the first six months of financial year 2022 include € 43.0 million (previous year: € 32.1 million) of income in connection with COVID-19 legislation, which essentially relates to income from relief payments for bed capacities kept available and care surcharges for extraordinary charges resulting from the Corona virus. This was countered by the opposite effects of revenue relief obligations in connection with the full-year revenue relief for COVID-19.

The rise in other income by € 11.7 million or 12.3% is in particular attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics as well as higher reimbursements for training. Moreover, income in connection with the COVID-19 pandemic is included at the amount of € 3.7 million (previous year: € 0.4 million).

January to June	2022	2021
	%	%
Materials ratio	30.1	30.3
Personnel ratio	66.6	67.2
Other cost ratio	10.9	9.6
Depreciation and amortisation ratio	4.9	5.1
Finance result ratio	-0.3	-0.1
Effective tax ratio	0.4	0.3

Compared with the same period last year, the increase in materials and consumables witnessed a rise in the first six months of 2022, disproportionately moderate to the rise in revenues, by € 7.3 million or 3.5%. The materials ratio declined from 30.3% to 30.1%.

The rise in the employee benefits expense compared with the same period of the previous year is essentially attributable to general wage increases. The personnel expense ratio declined from 67.2% to 66.6%.

Other expenses saw an increase from € 65.5 million by € 12.0 million to € 77.5 million. The increase is essentially attributable to higher payments for training facilities, maintenance and servicing requirements, higher personnel and continued training costs, as well as insurance.

Compared with the same period last year, depreciation and impairment declined slightly by € 0.5 million or 1.4%.

In the first six months of financial year 2022, the negative finance result deteriorated by € 1.7 million to € 2.4 million.

At an unchanged tax rate, the tax expense item saw an increase compared with the same period last year by € 0.9 million due to a higher tax assessment basis.

Compared with the first six months of financial year 2022, our consolidated profit increased from € 8.6 million by € 4.2 million to € 12.8 million.

Net assets and financial position

	30 June 2022		31 Dec. 2021	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,033.2	61.1	1,054.5	63.3
Current assets	659.1	38.9	611.1	36.7
	1,692.3	100.0	1,665.6	100.0
LIABILITIES				
Equity	1,238.5	73.2	1,224.8	73.5
Long-term loan capital	168.9	10.0	167.5	10.1
Short-term loan capital	284.9	16.8	273.3	16.4
	1,692.3	100.0	1,665.6	100.0

The balance sheet total increased compared with the balance sheet date of 31 December 2021 by € 26.7 million or 1.6% to € 1,692.3 million.

The equity capital ratio saw a slight decline compared with the last reporting date, from 73.5% to 73.2%, and remains at a very high level.

The change in equity as at the last reporting date is shown in the following table:

Equity	2022			2021
	Share-holders € m	Non-controlling interests € m	Total € m	Total € m
As at 1 January	1,198.3	26.5	1,224.8	1,190.2
Equity transactions with owners	-	-	-	-
Total comprehensive income of the period	12.4	1.3	13.7	12.8
Other changes	-	-	-	-
As at 30 June	1,210.7	27.8	1,238.5	1,203.0

136.2% (31 December 2021: 132.0%) of non-current assets is nominally covered by equity and non-current liabilities at matching maturities.

As at 30 June 2022, we report net liquidity of € 139.5 million (31 December 2021: € 132.4

million). Our net liquidity is calculated as follows:

	30 June 2022	31 Dec. 2021
	€ m	€ m
Current cash	99.4	126.3
Current fixed term deposits	200.5	165.8
Non-current fixed term deposits	0.0	0.0
Cash, fixed term deposits	299.9	292.1
Current financial liabilities	2.5	1.0
Non-current financial liabilities	148.6	148.6
Liabilities under leases	9.3	10.1
Financial liabilities	160.4	159.7
Net liquidity	139.5	132.4

The origin and appropriation of our liquidity are shown in the following overview:

January to June	2022 € m	2021 € m
Cash generated from operating activities	24.0	73.1
Cash used in/cash generated from investing activities	-49.1	18.7
Cash used in financing activities	-1.8	-1.8
Change in cash and cash equivalents	-26.9	90.0
Cash and cash equivalents at 1 January	126.3	91.0
Cash and cash equivalents at 30 June	99.4	181.0

Compared with the balance sheet date of 31 December 2021, cash and cash equivalents decreased in the first six months of 2022 by € 26.9 million. In this context, an operating cash flow was achieved in the amount of € 24.0 million (previous year: € 73.1 million).

Investments

Aggregate investments in intangible assets as well as property, plant and equipment of € 25.6 million (previous year: € 39.6 million) in the first six months of financial year 2022 are shown in the following table:

	Use of		
	Gov't grants € m	Own funds € m	Total € m
Current investments	8.7	16.7	25.4
Takeovers	-	0.2	0.2
Total	8.7	16.9	25.6

Of these investments made in the first six months of 2022, € 8.7 million (previous year: € 6.0 million) was attributable to investments funded from grants under hospital financing legislation and deducted from total investments pursuant to the relevant provisions of IFRS.

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals provides for investment commitments in the amount of € 100.0 million until 2021. These were completely fulfilled as at the balance sheet date of 31 December 2021. There are also further obligations relating to building modernisation and extension measures at the Giessen and Marburg sites.

As at the balance sheet date, we do not have any investment obligations under company acquisition agreements entered into.

Employees

Employees	30 June 2022	31 Dec. 2021	Change	
			absolute	%
Hospitals	16,003	16,253	-250	-1.5
Medical care centres	329	338	-9	-2.7
Service companies	1,805	1,636	169	10.3
Total	18,137	18,227	-90	-0.5

On 30 June 2022, the Group of RHÖN-KLINIKUM AG employed 18,137 persons (31 December 2021: 18,227).

BUSINESS PERFORMANCE OF THE SECOND QUARTER

April through June	2022	2021	Change	
	€ m	€ m	€ m	%
Revenues	363.9	346.9	17.0	4.9
EBITDA	32.9	27.0	5.9	21.9
EBIT	15.6	9.5	6.1	64.2
EBT	14.0	9.3	4.7	50.5
Consolidated profit	11.4	7.4	4.0	54.1

Compared with the same period last year we report, based on € 17.0 million higher revenues, a rise in EBITDA to € 32.9 million, a

rise in EBIT by € 6.1 million as well as a rise in consolidated profit by € 4.0 million to € 11.4 million in the second quarter of 2022.

FUTURE AGREEMENT WITH FEDERAL STATE OF HESSE

In June 2022, RHÖN-KLINIKUM AG terminated the agreement on the implementation of the white paper for the further development of university medicine (*Zukunftspapier für die Weiterentwicklung der hessischen Universitätsmedizin*) from 2017 between the Federal State of Hesse, Giessen and Marburg Universities – including the related faculties of medicine, and Universitätsklinikum Gießen und Marburg (UKGM) – observing the stipulated notice period. Not doing this would have meant the automatic renewal of the agreement for a further year. Among other things, an automatic renewal of the agreement might have meant that UKGM, without a successful follow-on agreement, would continue to be denied the investments provided for under legislation for university hospitals in Germany. At the same time, RHÖN and UKGM would not have been able to clarify this legal issue in their favour.

The Board of Management of RHÖN-KLINIKUM AG welcomes the first steps towards normalisation in investment funding set out in the Letter of Intent (LoI) agreed with the Federal State of Hesse, but points out that the contemplated investment funding, which, however, is still too low compared with other university hospitals, has to be supported by additional own funds. The general environment has changed significantly since the LOI was signed. Current developments are being exacerbated by the need to quickly overhaul the German healthcare system to make it more digital, more oriented towards outpatient care and more resilient to crises.

The Board of Management of RHÖN-KLINIKUM AG continues to be interested in a follow-on agreement in order to make Universitäts-

klinikum Gießen und Marburg GmbH well prepared for the future as well, but we need not just a commitment in the long term but also a greater range of response options.

RISKS AND OPPORTUNITIES

The risk management system in place as well as the individual Company risks and opportunities are described in the Annual Report 2021 on pages 62 to 67. The statements there essentially continue to apply unchanged.

Given the COVID-19 pandemic our focus, in addition to providing the best possible medical care for our patients, is on coping with the economic impact.

Further risks arise from the disruption of the supply chains as a result of the aforementioned geopolitical situation brought about by the war in Ukraine and the general trend in price levels.

We explicitly point out general uncertainties with regard to the trend in gas supplies and gas

prices after the completion of maintenance work on the Baltic Sea pipeline.

We do not see any risks posing a threat to the Company's existence, neither for the individual subsidiaries nor for the Group.

FORECAST

For the current financial year 2022, we continue to expect revenues of € 1.4 billion within a range of plus or minus 5%. For earnings before interest, tax and depreciation/ amortisation (EBITDA), we continue to expect a level of between € 92 million and € 102 million.

We point out that our outlook is further subject to considerable uncertainties in connection with the geopolitical risks resulting from the war in Ukraine as well as the further course of the COVID-19 pandemic and any regulatory measures impacting our remuneration structure in 2022.

Bad Neustadt a. d. Saale, 3 August 2022

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

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Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January to June 2022

January to June	2022		2021 ¹⁾	
	€ '000	%	€ '000	%
Revenues	711,192	100.0	682,804	100.0
Other income	106,438	15.0	94,779	13.9
	817,630	115.0	777,583	113.9
Materials and consumables used	213,975	30.1	206,744	30.3
Employee benefits expense	473,274	66.6	458,988	67.2
Other expenses	77,550	10.9	65,465	9.6
Result of impairment on financial assets (previous year: increase in value)	64	0.0	-103	0.0
	764,863	107.6	731,094	107.1
Interim result (EBITDA)	52,767	7.4	46,489	6.8
Depreciation/amortisation and impairment	34,639	4.9	35,157	5.1
Operating result (EBIT)	18,128	2.5	11,332	1.7
Result of investments accounted for using the equity method	43	0.0	5	0.0
Finance income	170	0.0	389	0.1
Finance expenses	-2,274	-0.3	-1,386	-0.2
Result of impairment on financial investments (previous year: increase in value)	-319	0.0	276	0.1
Finance result (net)	-2,380	-0.3	-716	-0.1
Earnings before taxes (EBT)	15,748	2.2	10,616	1.6
Income taxes	2,969	0.4	1,982	0.3
Consolidated profit	12,779	1.8	8,634	1.3
of which				
non-controlling interests	1,263	0.2	574	0.1
shareholders of RHÖN-KLINIKUM AG	11,516	1.6	8,060	1.2
Earnings per share in €				
undiluted	0.17		0.12	
diluted	0.17		0.12	

¹⁾adjusted.

January to June	2022	2021
	€ '000	€ '000
Consolidated profit	12,779	8,634
of which		
non-controlling interests	1,263	574
shareholders of RHÖN-KLINIKUM AG	11,516	8,060
Changes in fair value through other comprehensive income (FVOCI)	1,036	4,916
Income taxes	-164	-778
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	872	4,138
Revaluation of defined benefit pension plans	48	16
Income taxes	-8	-3
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	40	13
Other comprehensive income¹	912	4,151
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	912	4,151
Total comprehensive income	13,691	12,785
of which		
non-controlling interests	1,263	574
shareholders of RHÖN-KLINIKUM AG	12,428	12,211

¹ Sum of value changes recognised at equity.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, April to June 2022

April through June	2022		2021 ¹⁾	
	€ '000	%	€ '000	%
Revenues	363,903	100.0	346,895	100.0
Other income	55,973	15.4	47,029	13.6
	419,876	115.4	393,924	113.6
Materials and consumables used	106,477	29.2	104,305	30.1
Employee benefits expense	240,801	66.2	229,990	66.2
Other expenses	39,681	10.9	32,807	9.5
Result of value increase of financial assets	-26	0.0	-161	0.0
	386,933	106.3	366,941	105.8
Interim result (EBITDA)	32,943	9.1	26,983	7.8
Depreciation/amortisation and impairment	17,349	4.8	17,532	5.1
Operating result (EBIT)	15,594	4.3	9,451	2.7
Result of investments accounted for using the equity method	33	0.0	-7	0.0
Finance income	110	0.0	346	0.1
Finance expenses	-1,501	-0.4	-779	-0.2
Result of impairment on financial investments (previous year: increase in value)	-238	-0.1	251	0.1
Finance result (net)	-1,596	-0.5	-189	-0.1
Earnings before taxes (EBT)	13,998	3.8	9,262	2.6
Income taxes	2,554	0.7	1,878	0.5
Consolidated profit	11,444	3.1	7,384	2.1
of which				
non-controlling interests	928	0.3	440	0.1
shareholders of RHÖN-KLINIKUM AG	10,516	2.8	6,944	2.0
Earnings per share in €				
undiluted	0.16		0.10	
diluted	0.16		0.10	

¹⁾ adjusted.

April through June	2022	2021
	€ '000	€ '000
Consolidated profit	11,444	7,384
of which		
non-controlling interests	928	440
shareholders of RHÖN-KLINIKUM AG	10,516	6,944
Changes in fair value through other comprehensive income (FVOCI)	816	4,043
Income taxes	-129	-640
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	687	3,403
Revaluation of defined benefit pension plans	37	12
Income taxes	-6	-2
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	31	10
Other comprehensive income¹⁾	718	3,413
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	718	3,413
Total comprehensive income	12,162	10,797
of which		
non-controlling interests	928	440
shareholders of RHÖN-KLINIKUM AG	11,234	10,357

¹⁾ Sum of value changes recognised at equity.

Consolidated Balance Sheet as at 30 June 2022

	30 June 2022		31 Dec. 2021	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	179,978	10.6	181,574	10.9
Property, Plant and Equipment	836,618	49.5	852,606	51.2
Investment property	789	0.1	1,262	0.1
Investments accounted for using the equity method	479	0.0	436	0.0
Deferred tax assets	1,238	0.1	1,111	0.1
Other financial assets	14,068	0.8	17,531	1.0
	1,033,170	61.1	1,054,520	63.3
Current assets				
Inventories	32,597	1.9	33,125	2.0
Trade receivables	232,532	13.7	212,856	12.8
Other financial assets	268,564	15.8	223,934	13.4
Other assets	21,597	1.3	10,369	0.6
Current income tax assets	4,493	0.3	4,477	0.3
Cash and cash equivalents	99,371	5.9	126,316	7.6
	659,154	38.9	611,077	36.7
	1,692,324	100.0	1,665,597	100.0

	30 June 2022		31 Dec. 2021	
	€ '000	%	€ '000	%
EQUITY AND LIABILITIES				
Equity				
Issued share capital	167,406	9.9	167,406	10.0
Capital reserve	574,168	33.9	574,168	34.5
Other reserves	469,249	27.7	456,821	27.4
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,210,747	71.5	1,198,319	71.9
Non-controlling interests in equity	27,723	1.7	26,460	1.6
	1,238,470	73.2	1,224,779	73.5
Non-current liabilities				
Financial liabilities	148,616	8.8	148,564	8.9
Provisions for post-employment benefits	1,460	0.1	1,365	0.1
Other financial liabilities	18,872	1.1	17,576	1.1
	168,948	10.0	167,505	10.1
Current liabilities				
Financial liabilities	2,475	0.1	997	0.1
Trade payables	59,044	3.5	72,492	4.4
Current income tax liabilities	12,294	0.7	14,577	0.9
Other provisions	33,695	2.0	32,200	1.9
Other financial liabilities	10,986	0.7	12,068	0.7
Other liabilities	166,412	9.8	140,979	8.4
	284,906	16.8	273,313	16.4
	1,692,324	100.0	1,665,597	100.0

Consolidated Statement of Changes in Equity, January to June 2022

	Issued share capital	Capital reserve	Retained earnings	Treasury shares	Equity attributable to shareholders of RHÖN- KLINIKUM AG	Non- controlling interests in equity ¹	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
As at 31 Dec. 2020/1 Jan. 2021	167,406	574,168	423,831	-76	1,165,329	24,892	1,190,221
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-	-
Consolidated result	-	-	8,060	-	8,060	574	8,634
Other comprehensive income	-	-	4,151	-	4,151	-	4,151
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2021	167,406	574,168	436,042	-76	1,177,540	25,466	1,203,006
As at 31 Dec. 2021/1 Jan. 2022	167,406	574,168	456,821	-76	1,198,319	26,460	1,224,779
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-	-
Consolidated result	-	-	11,516	-	11,516	1,263	12,779
Other comprehensive income	-	-	912	-	912	-	912
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2022	167,406	574,168	469,249	-76	1,210,747	27,723	1,238,470

¹ Including other comprehensive income (OCI).

Consolidated Statement of Cash Flows, January to June 2022

January to June	2022	2021
	€ m	€ m
Earnings before taxes	15.7	10.6
Finance result (net)	2.4	0.7
Depreciation/amortisation and impairment and gains/losses on disposal of assets	34.7	35.1
	52.8	46.4
Change in net current assets		
Change in inventories	0.5	2.4
Change in trade receivables	-19.7	8.9
Change in other financial assets and other assets	-21.1	11.0
Change in trade payables	-9.9	-1.7
Change in other net liabilities/other non-cash transactions	26.6	11.4
Change in provisions	1.6	-3.1
Income taxes paid	-5.6	-1.8
Interest paid	-1.2	-0.4
Cash generated from operating activities	24.0	73.1
Investments in property, plant and equipment and in intangible assets	-27.4	-38.7
Government grants received to finance investments in property, plant and equipment and in intangible assets	8.7	6.0
Change in investments in fixed term deposits	-35.0	50.0
Investments in financial assets	4.5	0.1
Company acquisitions, net of cash acquired	-0.2	-0.1
Sale proceeds from disposal of assets	0.2	1.1
Interest received	0.1	0.3
Cash used in/cash generated from investing activities	-49.1	18.7
Payments from finance leases	-1.8	-1.8
Cash used in financing activities	-1.8	-1.8
Change in cash and cash equivalents	-26.9	90.0
Cash and cash equivalents at 1 January	126.3	91.0
Cash and cash equivalents at 30 June	99.4	181.0

Condensed Notes

GENERAL INFORMATION

Within the Group of RHÖN-KLINIKUM AG, essentially cross-sector (i.e. inpatient, semi-inpatient and outpatient) healthcare services are provided. With few exceptions, the Group has a single-tier structure. With the exception of Campus Bad Neustadt, the individual hospital companies are organised in the form of legally independent corporations having their registered office at the respective facility sites and are managed as direct subsidiaries of RHÖN-KLINIKUM AG (ultimate Group parent company).

The Company is a stock corporation established under German law and has been listed on the stock market since 1989. The registered office of the Company is in Bad Neustadt a. d. Saale, Salzburger Leite 1, Germany. The Company is entered in the Commercial Register of the Register Court of Schweinfurt under HRB 1670. The RHÖN-KLINIKUM Group (smallest consolidation group) is indirectly included by way of full consolidation through AMR Holding GmbH, Königstein im Taunus, in the group financial statements of Broermann Holding GmbH, Königstein im Taunus (largest consolidation group), whose sole shareholder is Dr. Bernard große Broermann. Furthermore, the RHÖN-KLINIKUM Group is included in the subgroup financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg.

The Interim Consolidated Financial Statements will be published on 4 August 2022 on the website of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 June 2022 have been prepared in accordance with the rules of IAS 34 in condensed form applying Section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 were observed in the preparation of this Group Interim Report of the Management.

The same accounting policies as already adopted by the European Union were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2021.

With regard to new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2022 or subsequent years and already adopted by the European Union, we refer to the statements made in the Consolidated Financial Statements as at 31 December 2021. Except for the following statements, there were no new or amended Standards and Interpretations in the first six months of 2022 exceeding such scope to be applied as of 1 January 2022 or subsequent years and already adopted by the European Union.

The amendments to IFRS 1 “Presentation of Financial Statements” adopted into European law by the European Union on 2 March 2022 clarify to what extent accounting policies are to be explained in the notes in accordance with IFRS. In future, no longer significant, but instead only material, policies are to be explained. In this regard, materiality exists if the accounting policy relates to material transactions or other events. Here, the focus is to be only on the absolute amount. Materiality may also result on the basis of its nature, related business transactions, other events or the terms and conditions. The amendments are to be applied to reporting periods beginning on or after 1 January 2023. Their impact is currently subject to a review by the Management.

The amendments to IAS 8 “Accounting Policies”, which was likewise adopted into European law by the European Union on 2 March 2022, clarifies the distinction between changes in accounting policies and changes in estimates. For the first time a definition of the term “accounting estimate” is introduced, according to which such estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The change in an accounting estimate resulting from new information or new developments is not the correction of an error. The amendments to IAS 8 are to be applied to reporting periods beginning on or after 1 January 2023. Their impact is currently subject to a review by the Management.

The German legislature responded to the COVID-19 pandemic with many different pieces of legislation and regulations. Of particular relevance for the healthcare industry is the Act Compensating COVID-19-Related Financial Burdens of Hospitals and Other Healthcare Facilities (COVID-19-Krankenhausentlastungsgesetz). By the first “Regulation Amending the Regulation on Further Measures to Safeguard the Economic Viability of Hospitals and Amending the Hygiene Flat Fee Regulation (Verordnung zur Änderung der Verordnung zur Regelung weiterer Maßnahmen zur wirtschaftlichen Sicherung der Krankenhäuser und zur Änderung der Hygienepauschaleverordnung)” of 28 March 2022, the so-called Corona rescue package for hospitals was extended. Specifically, this extended the relief payments according to section 21 (1b) of the Hospital Finance Act (KHG) (bed vacancy lump sum) to 18 April 2022 and the care mandate according to section 21a KHG to 30 June 2022.

The income tax expense was deferred in the reporting period based on the tax rate expected for the entire financial year.

CONSOLIDATED COMPANIES

The ultimate parent company is RHÖN-KLINIKUM AG with its registered office in Bad Neustadt a. d. Saale. The consolidated companies are as follows:

	31 Dec. 2021	Additions	Disposals	30 June 2022
Fully consolidated subsidiaries	29	1	-	30
Companies consolidated using the equity method	1	-	-	1
Other subsidiaries	9	-	-2	7
Consolidated companies	39	1	- 2	38

In the second quarter of 2022, MVZ Rhön Diagnostik GmbH having its registered office in Giessen was founded. Furthermore, the interests in Tiplu GmbH, Hamburg, and Siebensachen GmbH, Hamburg, were sold.

Company acquisitions

During the first half of financial year 2022, 1.5 clinical physician's practices were acquired against consideration whose conditions of validity as per agreement in each case were satisfied during the first half of 2022:

Purchase of physician's practices, January to June 2022	Fair value post acquisition € m
Acquired assets and liabilities	
Property, Plant and Equipment	0.0
Other liabilities	0.0
Net assets acquired	0.0
+ Goodwill	0.2
Cost	0.2
./. Purchase price payments outstanding	0.0
./. Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.2

Goodwill amounting to € 0.2 million essentially includes synergy effects expected from the expansion of medical care centres. The goodwill recognised is likely to be tax-deductible.

In financial year 2022, one further clinical physician's practice was acquired whose conditions of validity as per agreement will be satisfied only in the second half of 2022.

Purchase of physician's practices valid as at 1 July 2022	Fair value post acquisition € m
Acquired assets and liabilities	
Property, Plant and Equipment	0.0
Other liabilities	0.0
Net assets acquired	0.0
+ Goodwill	0.1
Cost	0.1
./. Purchase price payments outstanding	-0.1
./. Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.0

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

According to IFRS 8 – Operating Segments –, segment information on operating segments is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach). The chief decision making body in our Group is the Board of Management. It is in this body that the strategic decisions are made for the Group and to this body that the key ratios of the hospitals, which represent our operating segments, are regularly reported. We continue to have only one operating segment subject to reporting.

Revenues

January to June	2022 € m	2021 € m
Fields		
Acute hospitals	684.0	657.7
Medical care centres	12.3	12.1
Rehabilitation hospitals	14.9	13.0
	711.2	682.8
Federal states		
Bavaria	147.4	141.2
Thuringia	94.8	90.0
Brandenburg	83.9	79.5
Hesse	385.1	372.1
	711.2	682.8

According to IFRS 15, revenues constitute revenues generated from the provision of services.

The revenues of the first six months of financial year 2022 include € 43.0 million (previous year: € 32.1 million) of income in connection with COVID-19 legislation, which essentially relate to income from relief payments for bed capacities kept available and care surcharges for extraordinary charges resulting from the Corona virus. This was countered by the opposite effects of revenue relief obligations in connection with the full-year revenue relief for COVID-19.

Other income

January to June	2022 € m	2021 € m
Income from services rendered	92.5	86.8
Income from grants and other allowances	7.0	3.6
Income from indemnification payments/Other reimbursements	1.0	0.6
Other	6.0	3.8
	106.5	94.8

Income from services rendered includes income from ancillary and incidental activities as well as income from rental and lease agreements.

The Group received grants and other allowances as compensation for certain purpose-tied expenses in connection with publicly funded measures (e.g. costs of personnel and materials for research and teaching, benefits under German legislation governing maternity leave, and for other subsidised measures).

The rise in other income by € 11.7 million or 12.3% is in particular attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics as well as from higher reimbursements for training. Moreover, income in connection with the COVID-19 pandemic is included at the amount of € 3.7 million (previous year: € 0.4 million).

Reimbursements recorded under this item in the previous year for maternal leave, income from integration grants as well as reimbursements of personnel costs for quarantined employees were netted with the employee benefits expense to make them more comprehensible for users of financial statements. The previous year's statement of other income was adjusted in the income statement from € 101.8 million by € 7.0 million to € 94.8 million. The previous year's statement of the employee benefits expense item was adjusted in the income statement from € 466.0 million by € 7.0 million to € 459.0 million.

Materials and consumables used

Compared with the same period last year, the increase in materials and consumables witnessed a rise in the first six months of 2022, disproportionately moderate to the rise in revenues, by € 7.3 million or 3.5%.

Employee benefits expense

The rise in the employee benefits expense compared with the same period of the previous year is essentially attributable to general wage increases.

Other expenses

January to June	2022 € m	2021 € m
Maintenance	28.6	26.8
Charges, subscriptions and consulting fees	24.4	19.5
Insurance	5.9	5.2
Administrative and IT costs	4.9	4.6
Other personnel and continuing training costs	3.4	2.1
Rents and leaseholds	2.0	1.9
Travelling, entertaining and representation expenses	0.7	0.4
Secondary taxes	0.1	0.1
Other	7.6	4.9
	77.6	65.5

Result from change in value of financial assets

The result from the impairment on (previous year: increase in the value of) financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets.

Depreciation and impairment

The depreciation and impairment item declined compared with the first half of the previous year by € 0.5 million or 1.4% to € 34.6 million.

Finance result (net)

In the first six months of financial year 2022, the negative finance result rose by € 1.7 million to € 2.4 million.

Income taxes

January to June	2022 € m	2021 € m
Current income taxes	3.3	1.8
Deferred taxes	-0.3	0.2
	3.0	2.0

The increase in the income tax expense compared with the same period of the previous year is the result of a higher tax assessment basis with an unchanged rate of taxation.

SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Goodwill and other intangible assets

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2022	165.2	59.3	224.5
Additions due to changes in consolidated companies	0.2	0.0	0.2
Additions	0.0	0.7	0.7
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 June 2022	165.4	60.0	225.4
Cumulative depreciation and impairment			
1 January 2022	0.0	42.9	42.9
Depreciation	0.0	2.5	2.5
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 June 2022	0.0	45.4	45.4
Balance sheet value as at 30 June 2022	165.4	14.6	180.0

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2021	164.8	55.2	220.0
Additions due to changes in consolidated companies	0.1	0.0	0.1
Additions	0.0	3.0	3.0
Disposals	0.0	0.5	0.5
Transfers	0.0	0.1	0.1
30 June 2021	164.9	57.8	222.7
Cumulative depreciation and impairment			
1 January 2021	0.0	38.4	38.4
Depreciation	0.0	2.5	2.5
Disposals	0.0	0.5	0.5
Transfers	0.0	0.0	0.0
30 June 2021	0.0	40.4	40.4
Balance sheet value as at 30 June 2021	164.9	17.4	182.3

Property, plant and equipment

	Land and buildings € m	Technical plant and equipment € m	Operating and business equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2022	1,215.8	60.4	389.6	66.6	1,732.4
Additions due to changes in consolidated	0.0	0.0	0.0	0.0	0.0
Additions	2.3	0.1	2.9	10.7	16.0
Disposals	0.1	0.0	7.5	0.0	7.6
Transfers	2.3	0.0	0.6	-2.9	0.0
30 June 2022	1,220.3	60.5	385.6	74.4	1,740.8
Cumulative depreciation and impairment					
1 January 2022	537.1	45.7	297.0	0.0	879.8
Depreciation	16.0	1.3	14.3	0.0	31.6
Disposals	0.0	0.0	7.2	0.0	7.2
Transfers	0.0	0.0	0.0	0.0	0.0
30 June 2022	553.1	47.0	304.1	0.0	904.2
Balance sheet value as at 30 June 2022	667.2	13.5	81.5	74.4	836.6

	Land and buildings € m	Technical plant and equipment € m	Operating and business equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2021	1,175.7	58.8	381.1	75.2	1,690.8
Additions due to changes in consolidated companies	0.0	0.0	0.0	0.0	0.0
Additions	3.2	0.3	7.4	19.6	30.5
Disposals	1.5	0.1	7.5	0.0	9.1
Transfers	6.6	0.8	1.7	-9.2	-0.1
30 June 2021	1,184.0	59.8	382.7	85.6	1,712.1
Cumulative depreciation and impairment					
1 January 2021	506.6	42.8	275.8	0.0	825.2
Depreciation	15.5	1.6	15.1	0.0	32.2
Impairment					0.0
Disposals	0.5	0.1	7.4	0.0	8.0
Transfers	0.0	0.0	0.0	0.0	0.0
30 June 2021	521.6	44.3	283.5	0.0	849.4
Balance sheet value as at 30 June 2021	662.4	15.5	99.2	85.6	862.7

In the first half of 2022, borrowing costs of € 0.6 million (previous year: € 0.6 million) were related to financing the acquisition or production of qualifying assets and are recognised in additions to property, plant and equipment. Furthermore, the additions include recognised rights of use pursuant to IFRS 16 in the amount of € 1.0 million (previous year: € 0.8 million) as well as depreciations on recognised rights of use in the amount of € 1.7 million (previous year: € 1.7 million). Moreover, there was a disposal of rights of use amounting to € 0.2 million (previous year: € 0.1 million). Rights of use account for € 9.1 million (previous year: € 10.0 million) of the balance sheet value as at 30 June 2022.

Other financial assets (non-current)

Equity interests in the amount of € 14.1 million (31 December 2021: € 17.5 million) are reported under this item. The equity investments are the interests in the companies Inovytec Medical Solutions Ltd., Hod Hasharon (Israel), Telesofia Medical Ltd., Tel Aviv (Israel) as well as CLEW Medical Inc., Delaware (USA). The increase as a result of adjustments in market value for the Israeli interests contrast with the sale of Tiplu GmbH, Hamburg, and Siebensachen GmbH, Hamburg, in the second quarter of 2022.

Other financial assets (current)

Fixed deposit investments were made in the amount of € 200.5 million (31 December 2021: € 165.8 million) with a remaining term of < 1 year. In addition, receivables according to the Hospital Remuneration Act (Krankenhausentgeltgesetz, KHEntgG) are reported under this item in the amount of € 59.0 million (31 December 2021: € 50.5 million).

Equity

The increase in equity capital compared with the reporting date of 31 December 2021 by € 13.7 million results from consolidated profit for the first half of 2022 (€ 12.8 million) and from gains recognised under other comprehensive income (OCI) (€ 0.9 million). Other comprehensive income (OCI) is attributable to gains from the change in the fair value of investments (€ 0.9 million) which according to IFRS 9 are assigned to the category of fair value through other comprehensive income (FVOCI).

Financial liabilities

Compared with the end of the financial year at 31 December 2021, financial liabilities are unchanged. There is still a syndicated line of credit in the amount of € 88.0 million. As at 30 June 2022, the line of credit had not been utilised. The promissory note in the amount of € 90.0 million as well as the registered bond amounting to € 60.0 million likewise continue to exist.

Lease liabilities

An amount of € 6.4 million (31 December 2021: € 7.0 million) is reported under non-current other financial liabilities, and an amount for liabilities under leases of € 2.9 million (31 December 2021: € 3.1 million) under current other financial liabilities.

Other liabilities (current)

This item is essentially accounted for by personnel liabilities (€ 97.3 million; 31 December 2021: € 79.7 million), as well as by liabilities under hospital financing law (€ 38.3 million; 31 December 2021: € 27.1 million).

In this regard, personnel liabilities relate in particular to performance-linked remuneration, obligations arising from still outstanding holiday leave entitlement as well as overtime obligations and on-call services. The liabilities under hospital financing law relate to investment funding not yet used in accordance with the conditions for their use granted under state legislation for hospital financing.

Additional disclosures regarding financial instruments

The table below presents the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments according to IFRS 9 and transfers these to the corresponding balance sheet item:

	Measurement category according to IFRS 9	30 June 2022	of which		31 Dec. 2021	of which	
			Financial Instruments		Financial Instruments		
		€ m	Carrying amount	Fair value	Carrying amount	Fair value	
ASSETS							
Non-current assets							
Other financial assets		14.1	14.1	14.1	17.5	17.5	17.5
of which investments	Measured at fair value directly in equity (fair value through other comprehensive income; without recycling)	14.1	14.1	14.1	17.5	17.5	17.5
Current assets							
Trade receivables and other financial assets	Measured at amortised cost	501.1	501.1	501.1	436.8	436.8	436.8
Cash and cash equivalents	Measured at amortised cost	99.4	99.4	99.4	126.3	126.3	126.3
LIABILITIES							
Non-current liabilities							
Financial liabilities	Financial liabilities measured at amortised cost	148.6	148.6	135.5	148.6	148.6	158.4
Other financial liabilities		18.9	18.9	12.8	17.6	17.6	10.9
of which other financial liabilities	Financial liabilities measured at amortised cost	12.5	12.5	12.8	10.5	10.5	10.9
of which liabilities under leases	n. a.	6.4	6.4	-	7.1	7.1	-
Current liabilities							
Trade payables	Financial liabilities measured at amortised cost	59.0	59.0	59.0	72.5	72.5	72.5
Financial liabilities	Financial liabilities measured at amortised cost	2.5	2.5	2.5	1.0	1.0	1.0
Other financial liabilities		11.0	11.0	8.1	12.1	12.1	9.0
of which other financial liabilities	Financial liabilities measured at amortised cost	8.1	8.1	8.1	9.0	9.0	9.0
of which liabilities under leases	n. a.	2.9	2.9	-	3.1	3.1	-
Aggregated according to measurement categories, the above figures are as follows:							
	Financial assets measured at amortised cost		600.5	600.5		563.1	563.1
	Financial assets measured at fair value directly in equity (fair value through other comprehensive income; without recycling)		14.1	14.1		17.5	17.5
	Financial assets measured at fair value through profit or loss		0.0	0.0		0.0	0.0
	Financial liabilities measured at amortised cost		230.7	217.9		241.6	251.8

The principal part of financial assets is measured at RHÖN-KLINIKUM AG, pursuant to IFRS 9, at amortised cost. Trade receivables, other financial assets as well as cash and cash equivalents covered by this in general have short remaining maturities. Their carrying amounts as at the reporting date therefore correspond to their fair values.

Investments in the amount of € 14.1 million (31 December 2021: € 17.5 million) are measured at fair value directly in equity (fair value through other comprehensive income, without recycling). These investments relate to start-up equity interests whose market value was calculated based on current equity transactions between market participants in the context of additional financing rounds or applying the DCF method/multiplier method. Moreover, additional immaterial investments amounting to <€ 0.0 million (31 December 2021: <€ 0.0 million) are measured at fair value (fair value through profit or loss). Changes in the market valuation of investments, which are measured at fair value directly in equity (fair value through other comprehensive income, without recycling), resulted in total in gains (after tax) in the amount of € 0.9 million (previous year: € 4.1 million), which are recognised directly in equity under other comprehensive income (OCI). Moreover, the interest in Tiplu GmbH was bought back by the founding shareholders of Tiplu GmbH. The sale does not have any influence on the OCI of the current year.

The fair value of non-current other financial obligations as well as the fair value of financial liabilities of RHÖN-KLINIKUM AG are calculated on the basis of the discounted cash flow. A risk- and maturity-related rate appropriate for RHÖN-KLINIKUM AG has been used for discounting purposes. For trade payables and other financial liabilities with short remaining maturities, the carrying amounts correspond to their fair values on the reporting date. For the market value calculation, the future cash flows expected as at the balance sheet date are taken as a basis.

In the first six months of financial year 2022, adjustments of the impairments on financial assets and financial investments within the meaning of IFRS 9 resulted in a deterioration of earnings (after tax) in the total amount of € 0.3 million (previous year: earnings improvement of € 0.3 million).

The fair values of financial assets and liabilities accounted for as defined in IFRS 9 are classified as follows to the three levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total	Total
	€ m	€ m	€ m	30 June 2022	31 Dec. 2021
	€ m	€ m	€ m	€ m	€ m
Other non-current financial assets (investments)	-	4.1	10.0	14.1	17.5
Trade receivables, other current financial assets	-	501.1	-	501.1	436.8
Non-current financial liabilities	-	135.5	-	135.5	158.4
Other non-current financial liabilities (including leasing)	-	19.2	-	19.2	18.0
Current trade liabilities	-	59.0	-	59.0	72.5
Current financial liabilities	-	2.5	-	2.5	1.0
Current other financial liabilities (including leasing)	-	11.0	-	11.0	12.1

The levels of the fair value hierarchy and their application to assets and liabilities are described below:

- Level 1: Listed market prices for identical assets or liabilities on active markets
- Level 2: Other information in the form of listed market prices which are directly (e.g. prices) or indirectly (e.g. derived from prices) observable
- Level 3: Information on assets and liabilities not based on observable market data.

OTHER DISCLOSURES

Interests held in the Company

During the period of 1 January 2022 up to and including 30 June 2022, we received no notifications from shareholders that their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 33 et seq. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them.

Based on the threshold events notified to us, the following picture pursuant to section 33 et seq. of the WpHG in terms of shareholder structure emerges as at the relevant key date of 30 June 2022:

Person subject to notification requirement	Published on	Held directly %	Attributed %	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding / falling below threshold of	Notification pursuant to section 33 et seq. WpHG Attribution pursuant to WpHG/additional information:
Dr. Bernard große Broermann/Eugen Münch; AMR Holding GmbH	23 July 2020/ 24 July 2020	0.0005	93.37	93.38	22 July 2020	>75%	attributed (section 34 WpHG): AMR Holding GmbH

The voting interests may have changed since 30 June 2022. With regard to notifications on changes that took place as of 1 July 2022, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our website in the Investor Relations/Publications/IR News section.

As at 30 June 2022, the Company holds 24,000 treasury shares. This corresponds to 0.04% of the voting rights.

Corporate bodies

Ms. Nicole Mooljee Damani notified the Company on 8 December 2021 that she was resigning her mandate as member of the Supervisory Board of the Company, and accordingly left the Supervisory Board, after expiry of the one-month time limit pursuant to Section 10 (3) of the Articles of Association, with effect from 8 January 2022. The Local Court of Schweinfurt, by Decision of 2 March 2022 issued on application by the Board of Management based on a corresponding proposal of the Supervisory Board, then appointed Dr. Cornelia Sufke, Head of Medical Law, Insurance & Compliance, Asklepios Kliniken GmbH & Co. KGaA, as member of the Supervisory Board of the Company for the remaining term until conclusion of the Annual General Meeting on 8 June 2022. At the Virtual General Meeting on 8 June 2022, Dr. Cornelia Sufke was elected to the Supervisory Board as representative of the shareholders.

The composition of the Board of Management has not changed since 31 December 2021. Moreover, the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 AktG jointly issued by the Board of Management and the Supervisory Board were updated on 23 March 2022 and on 10 November 2021, respectively, and published on our website. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2021.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2021.

The companies belonging to the group of related parties and the business transacted with these companies have changed in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume as well as financial receivables and liabilities compared with the Consolidated Financial Statements as at 31 December 2021. For the group subsidiaries of Asklepios Kliniken GmbH & Co. KGaA, we rendered services in the amount of € 1.1 million (previous year: € 0.8 million). During the same period, we purchased services in the amount of € 4.2 million (previous year: € 1.4 million). Services amounting to € 0.3 million (previous year: € 0.3 million) were rendered by Mr. Münch for the Group of RHÖN-KLINIKUM AG.

No material transactions with related parties which are unusual in terms of their nature or amount have taken place.

The contractual remuneration for the members of the Supervisory Board and of the Board of Management has remained unchanged compared with the reporting date of 31 December 2021. No loans were granted to members of the Supervisory Board and the Board of Management.

During the period of 1 January to 30 June 2022, RHÖN-KLINIKUM AG received no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

Additional information on the respective notifications is published on our website under the header "IR News" in the Investor Relations section.

Employees

At the reporting date of 30 June 2022 the Group employed a total of 18,137 persons (31 December 2021: 18,227 persons).

Other financial obligations

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals provides for investment commitments in the amount of € 100.0 million until 2021. These were completely fulfilled as at the balance sheet date of 31 December 2021. There are also further obligations relating to building modernisation and extension measures at the Giessen and Marburg sites.

The additional other financial obligations have not changed significantly since the last reporting date.

Contingent liabilities

The aggregate volume of contingent liabilities has not changed significantly since the last reporting date.

Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares in issue during the year. Diluted earnings per share correspond to basic earnings per share, as there were no stock options or convertible debentures outstanding on the reporting date.

The following table sets out the development in the shares in issue:

	No. of shares on 30 June 2022	No. of shares on 30 June 2021
Non-par shares	66,962,470	66,962,470
Treasury non-par shares	-24,000	-24,000
Shares in issue	66,938,470	66,938,470

Earnings per share are calculated as follows:

Non-par shares	30 June 2022	30 June 2021
Share in consolidated profit (€ '000)	11,516	8,060
Weighted average number of shares outstanding, in thousands	66,938	66,938
Earnings per share in €	0.17	0.12

Statement of Cash Flows

The liquidity shown in the statement of changes in financial position continues to include cash on hand, cheques as well as cash with banks. For the purposes of the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents. As at 30 June 2022 there were no bank overdrafts.

The decrease in cash generated from operations from € 73.1 million to € 24.0 million is essentially the result of an increase in trade receivables, an increase in other financial assets in connection with revenue relief as well as a reduction in trade liabilities.

The decrease in cash generated from investing activities to € 49.1 million compared with the same period of the previous year essentially results from fixed deposit investments (same period of the previous year: repayment of cash investments).

Cash used in finance activity of € 1.8 million results from payments relating to finance leases.

The cash flow statement included a total of € 5.7 million (previous year: € 14.5 million) in non-cash obligations from outstanding construction invoices as a correction to investments in property, plant and equipment as well as intangible assets.

Events after the balance-sheet date

No particularly significant events have occurred since 30 June 2022 that are expected to have a material influence on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

Bad Neustadt a. d. Saale, 3 August 2022

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

RESPONSIBILITY STATEMENT

We assure to the best of our knowledge that based on the accounting principles to be applied to interim financial reporting the present Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG a true and fair view of the net assets, financial position and results of operations of the Group is given therein and that the Interim Consolidated Report of the Management presents the business performance including the business results and the situation of the Group in such a way as to give a true and fair view of the same as well as a description of the material risks and opportunities involved in the probable development of the Group of RHÖN-KLINIKUM AG in the remaining financial year.

Bad Neustadt a. d. Saale, 3 August 2022

RHÖN-KLINIKUM Aktiengesellschaft
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REVIEW REPORT

to RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale

We have reviewed the consolidated condensed interim financial statements of the RHÖN-KLINIKUM Aktiengesellschaft – comprising consolidated income statement and consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and condensed notes – together with the interim group management report of the RHÖN-KLINIKUM Aktiengesellschaft, for the period from 1 January to 30 June 2022, that are part of the semi annual financial report according to § 115 WpHG (“Wertpapierhandelsgesetz”: “German Securities Trading Act”). The preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the consolidated condensed interim financial statements and on the interim group management report based on our review.

We performed our review of the consolidated condensed interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and additional application of the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the consolidated condensed interim financial statements have not been prepared, in material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the consolidated condensed interim financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, 3 August 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

Huber-Straßer
Wirtschaftsprüferin
(German Public Auditor)

Schrum
Wirtschaftsprüfer
(German Public Auditor)

<http://en.rhoen-klinikum-ag.com/investor-relations/publications/interim-reports>



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This Interim Report is also available in
German.