ASKLEPIOS

# PioNear

Annual Report 2022

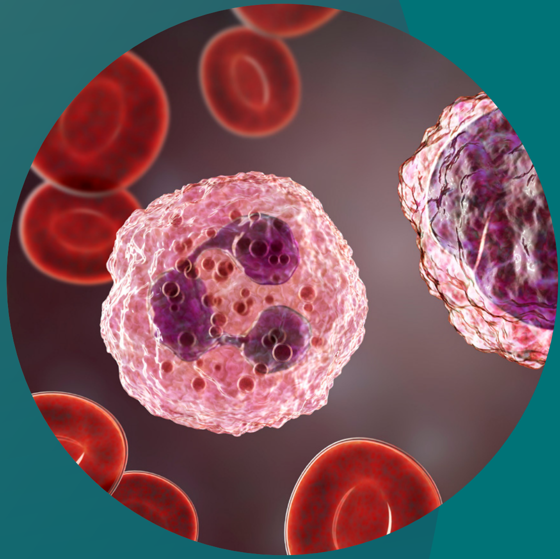
**We are resolutely moving forward – side by side with our patients. As a “PioNear”, we develop medical innovations and promote people’s well-being through better care. Get well. Live well. This is what Asklepios stands for.**

# PioNear
## in medical quality

### Excellence without compromise

In this interview with Dr med. Sara Sheikhzadeh, you can find out how Asklepios ensures the best treatment for all patients.

Read online →



### Oncology – state-of-the-art medicine at the highest level

The expert interview shows that care, treatment and research are all considered and practised together at Asklepios.

Read online →

# PioNear
## in innovation and digitalisation

### The paperless hospital

Digital tablets instead of paper files? This is already a reality for us, ensuring efficiency and easing the burden on staff.

Read online →

### Science fiction in surgery

With the state-of-the-art technology of the Robotic Suite, Asklepios is bringing the medicine of the future into the operating theatre now already.

Read online →


### One for all: the new central warehouse

The new central warehouse in Bad Oldesloe ensures a reliable supply for all Asklepios Group hospitals.

Read online →

## We care: innovative thinking

Four people, four different ways to contribute to our patients' well-being. What they all have in common is that they practise their profession with empathy and innovation.

Read online →

# PioNear

## for social responsibility

# Asklepios

## Healthcare facilities

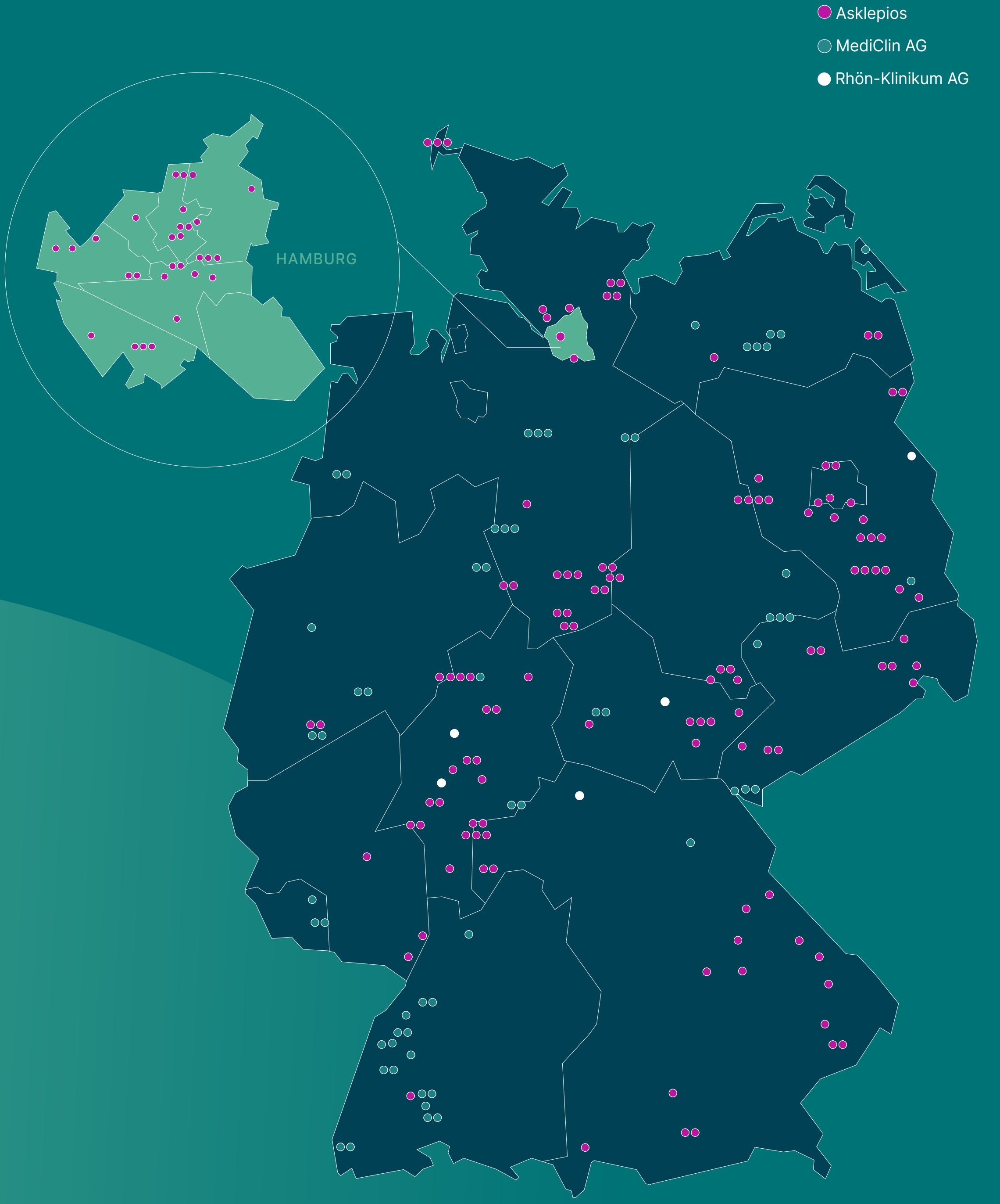
**42**
medical centres

**81**
acute care hospitals

**46**
rehabilitation clinics

**169**
in total

Find locations using the hospital finder



# Foreword by the Management Board

## Ladies and gentlemen,

We have a challenging year full of crises behind us. In particular, the start of Russia's war of aggression on Ukraine will remain in our collective memory. The resulting energy shortages and high inflation have significantly impacted the healthcare sector and hospital operators. However, Asklepios was able to develop stably as a large healthcare group.

This is thanks to the great dedication of our employees. Under high pressure and in extremely stressful situations, they are there for our patients and make patient well-being their top priority. As the Management Board of Asklepios Kliniken, we would like to offer our employees our heartfelt thanks. With their empathetic determination and patient-centred actions, they are all symbolic of our key topic this year, "PioNear".

Proximity to our patients is at the heart of our activities. To continue to guarantee the best possible medical care in the future, we want to advance key areas such as the shift towards outpatient care and digitalisation with innovative developments. We see the standardisation of quality and medical processes as essential in this context.

Hafid Rifi, CFO / Marco Walker, COO / Kai Hankeln, CEO / Dr. med. Sara Sheikhzadeh, CMO / Joachim Gemmel, COO

## The vision

As a large healthcare group, Asklepios guarantees a high degree of stability and strength even in difficult times. This enables us to gather momentum from the crisis. We want to break down existing structures in healthcare in order to think anew about innovative, needs-based treatment offers.

**»PioNear quickly and precisely epitomises Asklepios' vision.«**

Kai Hankeln, CEO

The interplay of smart digitalisation and improved quality of care always contributes to our patients' well-being.

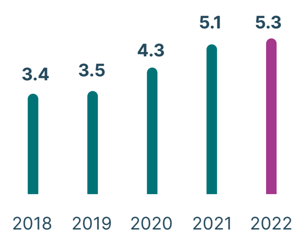
In the 2022 financial year, we made progress on a large number of future-oriented projects. These included the highly automated central warehouse in Bad Oldesloe, which will enable us to raise the entire Group's procurement and logistics to a new level and better protect ourselves against future price fluctuations. We further developed and advanced the processes at our hospitals in line with our digitalisation strategy. For example, the digital patient record is now a permanent feature at our hospitals in Hamburg, and digitalisation has long since found its way into Asklepios' operating theatres.

## The foundations

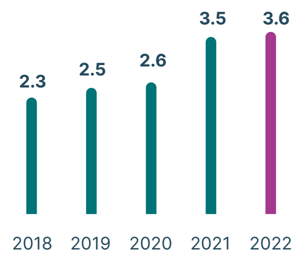
In the 2022 financial year, Asklepios generated revenue of EUR 5,290 million and consolidated net income of around EUR 132 million. Our more than 67,000 employees cared for almost 3.6 million patients, over 2.8 million of whom were outpatients. The number of patients treated shows that we fulfil our responsibility to society even in difficult times.

In July 2022, Asklepios' strategic orientation and economic resilience were substantiated by the early refinancing with a Schuldschein loan agreement on the capital market. The conclusion of a commercial paper programme for active liquidity management in December 2022 also shows that Asklepios is recognised as a valid, solvent company.

**Revenue in EUR million**




**Number of patients in millions**




## Ensuring care with the right conditions

Our economic strength is extremely important in the current demanding regulatory environment. The fundamental problem is that there is an excess supply of inpatient care throughout Germany as a result of too many small, non-specialised hospitals. This results in high resource requirements along with a low quality of treatment without sufficient specialisation.

Although the federal government's proposal for a government commission on structural reform shows in principle that the responsible ministry recognises the problem, in our view, the envisaged reform and the planned changes in the remuneration system will just severely disrupt the economic situation at many hospitals. A de-economisation of the hospital market will not be achieved in this way and would not remedy the situation in any case, as the current reform plan does not solve the systematic underfunding of hospitals, but rather increases financial pressure on small hospitals. In our view, the right approach is to simplify structures in the healthcare system and bring about more competition and cost-effectiveness.

**»We have the tools and resources to handle the current situation and make a positive contribution to shaping the market.«**

Hafid Rifi, CFO

With our stable performance in the 2022 financial year, we are able to make comparatively high proprietary investments and ensure care at our healthcare facilities.


## Smart implementation of digitalisation

In order to shape the future of medical care, digitalisation is a top priority for us, and not just in the treatment of our patients. By automating documents, processes and applications, we free up our employees' available resources and thus increase the time they can dedicate to our patients.

In the 2022 financial year, we fully implemented the digital patient record at our hospitals in Hamburg. All data are stored in a complete and structured form, and the treatment process is documented transparently. The doctors and nurses providing treatment can access the record quickly and easily from any location.

## Responsibility for our employees

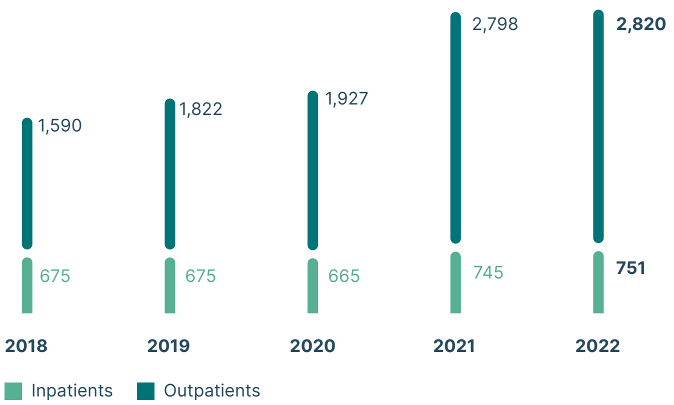
Our employees are our biggest success factor. We know that everyday work at our healthcare facilities involves a very heavy workload due to the ongoing staff shortages and the effects of the coronavirus pandemic. Regulated minimum staffing levels and enormous documentation requirements exacerbate the structural problems.

Asklepios is actively tackling the issue of the shortage of qualified staff. With twelve training centres and almost 3,600 training positions, we are one of the biggest training companies in the German healthcare system. We want to offer our employees initial and ongoing training and of course keep them with us on a long-term basis. We are also delighted to have recruited around 800 international nurses from 39 countries for our hospitals in 2022.

## Responsibility for our patients

Having time for our patients and being close to them is immensely important to us. Optimisation of the care and treatment we offer is always based on our patients' needs and requirements. In this context, expanding outpatient care and developing innovative services is particularly important to us. Our vision is to establish the "outpatient clinic" as a new level of care in order to ensure the provision of medical care in rural regions, too, while also countering the shortage of qualified staff.

**Number of patients in thousands**




## Responsibility for our environment

Our responsibility as a healthcare provider is towards our patients, our employees and the environment. For us, sustainability therefore means combining environmental, social and governance aspects. In the 2022 financial year, we adopted a Group-wide ESG strategy. In addition to $CO_2$ reduction, the goal of climate neutrality, waste reduction and water consumption, this also covers our key topics of patient safety, patient satisfaction and employee health.

## PioNear: progress from a sense of responsibility

We continuously develop our own organisation and the treatments that we offer. With long-term investments and a sustainable perspective, we will play our part in improving our healthcare system – both for the patients and for our employees.

We look forward to continuing to shape medical progress in the future and fulfilling our responsibility as a "PioNear".

**The Management Board of Asklepios Kliniken**
**Hamburg, April 2023**

Kai Hankeln, CEO

Hafid Rifi, CFO

Marco Walker, COO

Dr med. Sara Sheikhzadeh, CMO

Joachim Gemmel, COO

More information in the online report

# Letter from the shareholder

## Ladies and gentlemen,

2022 was a year that began for all of us with hopes of an end to the coronavirus pandemic. The disease has now lost the worst of its terror. And thanks to the enormous, self-sacrificing dedication of all of our colleagues in the healthcare sector, particularly in our hospitals, the provision of healthcare to people in our country was never at risk. While the challenges posed by the coronavirus have receded, the Russian war of aggression on Ukraine, energy shortages and inflation have presented us with completely new challenges.

As the shareholder of Asklepios Kliniken, it is extremely important to me – particularly in times like these – for Asklepios to remain an absolutely, unconditionally reliable institution both for its patients and for its employees. Whether it's about prevention, precautions or the best possible medical care, our patients' well-being is always our top priority. At the same time, we also bear in mind our employees' needs as a responsible employer and provide relief in their everyday work wherever this is within our power, including in difficult conditions.

Ever since Asklepios was founded in 1985, we have focused on our three values: medical quality, innovation and social responsibility – always staying close to our patients and working in their interests. These fundamental values are also reflected in the key topic for this year's annual report: "PioNear". Asklepios Kliniken sees itself as a trailblazer. Our employees work towards medical progress and drive forward innovations as pioneers. Meanwhile, the concept of proximity is sometimes even more important. The company was founded with the vision of doing good, promoting health and being there for people. This vision is still what we base our actions on and measure them against today.

Asklepios has since developed into a large group. To continue managing this group successfully, our long-term focus and future-oriented investments lay the foundations for reliable, high-quality care for our patients.

I would like to thank all of the employees who are doing their utmost for our patients every day in these very challenging times. And last but not least, my thanks go to all the patients who place their trust in Asklepios. We see this both an affirmation and as motivation to keep working to provide the best possible healthcare.

Best regards,

Dr Bernard große Broermann

# Group management report

# A) Key figures of the Asklepios Group

Group key figures

| | | 2022 | 2021 | Changes in % |
|---|---|---|---|---|
| Number of patients | | 3,570,976 | 3,542,346 | +0.8 |
| Cost weight | | 597,092 | 609,734 | −2.1 |
| Number of beds | | 30,749 | 31,197 | −1.4 |
| Employees (full-time equivalents) | | 49,103 | 49,967 | −1.7 |
| Net cash from operating activities | EUR million | 323.3 | 449.6 | −28.1 |
| Revenue | EUR million | 5,290.0 | 5,117.6 | +3.4 |
| EBITDA | EUR million | 532.6 | 503.4 | +5.8 |
| **Operating EBITDA margin in %** | | **10.1** | **9.8** | |
| EBIT | EUR million | 197.5 | 184.8 | +6.9 |
| **Operating EBIT margin in %** | | **3.7** | **3.6** | |
| Consolidated net income (EAT) | EUR million | 131.9 | 106.3 | +24.0 |
| **Operating EAT margin in %** | | **2.5** | **2.1** | |
| Investments in property, plant and equipment and intangible assets (own funds)[1] | EUR million | 218.3 | 242.2 | −9.9 |
| **Own funds ratio in %** | | **69.5** | **72.8** | |
| Total assets | EUR million | 6,870.7 | 6,572.3 | +4.5 |
| Equity | EUR million | 2,043.1 | 1,746.9 | +17 |
| **Equity ratio in %** | | **29.7** | **26.6** | |
| Financial liabilities | EUR million | 2,231.4 | 2,179.0 | +2.4 |
| Cash and cash equivalents | EUR million | 634.6 | 647.2 | −2.0 |
| Short-term time deposits | EUR million | 220.0 | 167.0 | +31.7 |
| Net financial debt[2] | EUR million | 1,376.8 | 1,364.8 | +0.9 |
| Net debt ratio | | 3.5x | 3.6x | |
| Interest coverage factor (EBITDA/net interest income) | | 12.6x | 10.0x | |

[1] In relation to investments at hospital locations
[2] Not including lease liabilities

# B) A challenging 2022 financial year

The 2022 financial year was a challenging year for Asklepios Kliniken GmbH & Co. KGaA, being dominated, as it was, by political and economic world affairs. In addition to the aftermath of the coronavirus pandemic and the impact of the Ukraine war, inflation has significantly impacted the healthcare sector and hospital operators. As a large healthcare group, Asklepios was still able to absorb critical changes in the market to a manageable extent.

At 3.4% year-on-year, revenue growth was nonetheless gratifying. Around 3.6 million patients chose to be treated in the approximately 170 healthcare facilities in the 2022 financial year (previous year: 3.5 million). The continuous increase in the number of patients choosing to use our services shows that Asklepios has chosen the right path in terms of strategy. Consolidated net income (EAT) amounted to EUR 131.9 million (previous year: EUR 106.3 million). Equity was EUR 2,043.1 million as at 31 December 2022, higher than the figure as at 31 December 2021 (previous year: EUR 1,746.9 million). The equity ratio changed to 29.7% (previous year: 26.6%). Asklepios employed 49,103 full-time equivalents on average in the 2022 financial year (previous year: 49,967).

# C) Basis of the Group

## 1. Business model of the Group

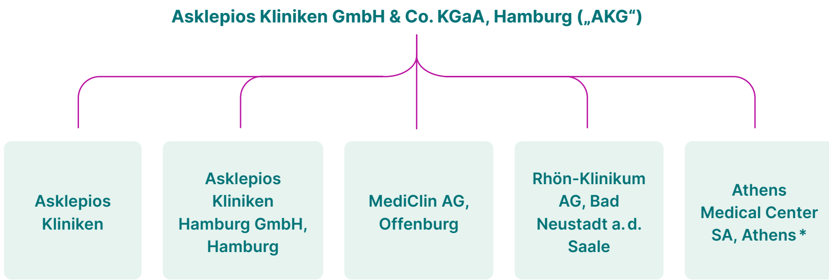
The healthcare group Asklepios was established in 1985 and since then has stood for quality, innovation and social responsibility. The acquisition of the hospitals owned by the City of Hamburg in 2004 and the majority acquisition of MediClin AG in September 2011 are key milestones in the company’s development. The Asklepios Group has also been a majority shareholder of Rhön-Klinikum AG since 2020. Since its foundation, Asklepios has developed from a hospital operator to a future-oriented and digital company that has embraced a holistic, integrated treatment approach. Asklepios is one of the leading private hospital operators in Germany with approximately 170 healthcare facilities in total in 14 German states.

The close-knit network of hospitals and healthcare facilities allows for integrated treatment chains and the establishment of medical clusters. The Asklepios Group covers the entire range of medical care services, with specialist hospitals with specific specialities – the Centres of Excellence – operating far beyond their own regions in addition to university hospitals and maximum, basic, standard and priority care. As an operator of rehabilitation clinics, Asklepios is able to guarantee full inpatient care from a single source. Patients find outpatient treatment in the Group’s medical centres.

In addition to the Pulso Group, the Asklepios e-health portfolio comprises Fürstenberg Institut GmbH, which focuses on mental & corporate health. The e-health platform Minddistrict focuses on prevention and rehabilitation for patients with mental illnesses. Insite-Intervention GmbH implements and operates Employee Assistance Programs (EAP).

The Asklepios Group’s focus is on the non-cyclical acute market. Roughly 87.2% of the business volume related to acute care hospitals and the remaining share of 12.8% to the rehabilitation sector and other medical facilities. However, the Asklepios value chain has been significantly extended in recent years. Alongside prevention, outpatient and inpatient treatment and aftercare for our patients, Asklepios offers online-based therapy and treatment.

The structure of the Group as at 31 December 2022:




* Accounting using the equity method

Asklepios Kliniken GmbH & Co. KGaA acts as the management company of the Asklepios Group. The operating entities Asklepios Kliniken, Asklepios Kliniken Hamburg GmbH, MediClin AG and Rhön-Klinikum AG are fully consolidated subsidiaries in each case. Athens Medical Center SA is accounted for using the equity method. Asklepios Kliniken GmbH & Co. KGaA is responsible for the areas of Group development and strategy as well as for monitoring, management and controlling functions. In addition, Asklepios leverages functional synergies, for example in the areas of accounting, taxes and controlling, corporate finance & treasury, medical law, insurance & compliance, quality management, medicine and science, procurement, care and information technology. Standard intercompany agreements on the exchange of services and cooperation agreements have been entered into between the Group entities.

## 2. Objectives and strategies

Asklepios aims to integrate medical care more closely with digital services to achieve a sustained improvement in the quality of patients’ medical treatment. Asklepios strategically focuses its services on future needs and concentrates on digitalisation and the shift towards outpatient care. This requires sound business development and stable internal financing to invest constantly in medical facilities from our own funds.

## 3. Management system

The Asklepios Group is managed and controlled by its Group management, which is the responsibility of Asklepios Kliniken Management GmbH as the general partner. The other executive bodies of the company are the Supervisory Board and the Annual General Meeting. The Supervisory Board monitors and consults the management work by the general partner. The Annual General Meeting adopts resolutions on the approval of the annual financial statements, official approval of the actions of the general partner and the Supervisory Board and the appropriation of profits.

Asklepios is centrally organised, while operational responsibility for achieving targets is transferred to the regional units, which also look after the patients in organisational terms. The organisational structure of Asklepios is based on the following centrally controlled Group departments: Outpatient Medicine, Purchasing & Supply, Hospital Financing & Revenue Management, ESG & Sustainability, Information Technology, Medicine & Science, Medical Law, Insurance & Compliance, Human Resources, Care, Quality, Risk Management & Audit, Legal, Accounting, Taxes & Controlling, Corporate Communications & Marketing.

Starting from the 2023 financial year, Asklepios’ internal management at company level is no longer based on earnings before interest, taxes, depreciation and amortisation (EBITDA), but instead on earnings before interest and taxes (EBIT). Group management is dependent on earnings after taxes (EAT).

Asklepios uses the equity ratio, which expresses the ratio of equity to total assets as a percentage, as another significant, control-related financial performance indicator.

The number of cost weights is a significant, control-related, non-financial performance indicator for Asklepios. Cost weights are a key figure used to bill medical services in hospitals. Cost weights are given for each diagnosis-related group (DRG) in combination with the case mix index (index of the average severity of cases). Multiplying the cost weights by the base rate produces the amount that a health insurance fund has to pay to a hospital for a case such as this. This performance indicator provides Asklepios with important information on both case numbers and the assessment of quality.

Asklepios also uses year-on-year organic percentage growth to manage its own performance.

As part of the reporting system, these KPIs are aggregated at the level of the Group, prepared for individual facilities and monitored by management. Asklepios uses planning and control processes to calculate these KPIs.

The internal audit as a management tool supports management in its control function by providing targeted, independent reviews. It includes regular monitoring of the proper functioning of the internal control system and of risk management.

Group management bears overall responsibility for the internal control and risk management system with regard to the financial reporting processes of the companies included and for the Group financial reporting process. All consolidated entities are included using defined management and reporting structures.

## 4. Quality management

There are a number of legal requirements and guidelines on quality management and quality assurance that apply to hospitals. Quality is of paramount importance to Asklepios. There is a structured quality management system in place at all Asklepios hospitals, which is continuously developed and adapted to current legal requirements, independently of the targets of individual certification procedures.

The Asklepios QM system focuses on legally required QM tools in accordance with QM guidelines set out by the Federal Joint Committee and the standards the Group has outlined for improving patient safety. These requirements are the minimum standard for all hospitals.

In addition to quality management and quality assurance, there is also a clinical risk management system set up across Asklepios hospitals. Group standards for improving patient safety are implemented across all hospitals. These include the use of WHO operating safety checklists, patient armbands to prevent procedural mix-ups, secure patient identification and measures to enhance safety during medical treatment. In all of these areas, the Group takes into account the recommendations for action issued by the German Coalition for Patient Safety. An error reporting system (CIRS) is in place across all Asklepios hospitals and ensures that any lessons learned from errors are applied throughout the Group.

The internal Asklepios audit programme developed by the Quality department has replaced external certifications. The programme includes an annual audit of all hospitals conducted by the Quality department, in addition to individual hospital audits and risk audits on priority issues.

A standard patient survey is used across all Asklepios hospitals to determine customer requirements. The results are used to continuously improve the quality of hospital treatment. The introduction of "treatment indexes" made it much easier to set targeted priorities in the derivation of measures. All Asklepios rehabilitation clinics are certified in accordance with the IQMP-kompakt certification procedure recognised by the Federal Association for Rehabilitation.

# D) Economic report

## 1. General economic and sector-specific conditions

### General economic conditions

The German government expects economic growth of 1.4% in its autumn forecast for the current year. In 2023, the German government expects a fall of 0.4% that is the result, in particular, of the impact of the Russian war of aggression.[1] In view of inflation, the shortage of qualified staff, the uncertain energy supply and uncertainties in the supply chain, Asklepios also assumes that business development will be affected overall.

### General sector conditions

The healthcare industry is one of the largest sectors in the German economy and is therefore of key economic importance for Germany. The healthcare industry is divided into three core segments. The largest comprises inpatient and non-inpatient facilities. The industrial healthcare industry comprises the production of pharmaceuticals, medical technology and medical products, as well as the trading and sale of these goods. The third sub-segment of the healthcare industry includes health insurance and public administration; independent healthcare; sport, wellness and tourism services and investments.

The healthcare market was also affected by the COVID-19 pandemic that has been ongoing since March 2020 and the access restrictions applicable to inpatient facilities, in particular, in the 2022 financial year. Following a pandemic wave at the beginning of 2022, coronavirus case numbers fell over the course of the financial year, while significant regional variations in incidence rates in the population as a whole had a delayed impact on hospital occupancy during the year. Performance figures have stabilised generally speaking and facilities are again reporting rising performance figures year-on-year. The compensation payments via flat-rate allowances for keeping capacity available from 2020 and 2021 were continued until 18 April 2022, while the group of entitled hospitals had already been significantly curtailed. Hospitals that did not receive flat-rate allowances and experienced a downturn in performance in the first quarter of 2022 compared with the first quarter of 2019 were able to bill flat-rate discounts from May 2022, as in the previous year.

Hospitals could charge a flat rate in the form of a care surcharge for each patient infected with SARS-COV2 admitted up to 30 June 2022 who stayed for at least 2 days, which was based on the amount of the previous flat-rate allowance multiplied by the average nationwide period spent in hospital of 13.9 days per COVID case. Revenue from the flat-rate allowances, discount payments that may have been billed for hospitals that did not receive flat-rate allowances and revenue from the care surcharge are subject to overruns or shortfalls in revenue being offset for psychiatric and somatic hospitals. In this offset, the actual revenue from 85% of the flat-rate allowances, 100% of the separate discount payments, 50% of the care surcharge in 2022, DRGs (excluding care) and additional fees is contrasted with the corresponding actual revenue in 2019.

As in 2021, revenue overruns must be repaid in full up to 85% of the revenue from the compensation payments in this offset for the year as a whole. A hospital may retain all the revenue resulting from this only if it exceeds the 2019 service volume, while the pro rata revenue from flat-rate allowances and the care surcharge would have to be repaid in full. To calculate the revenue shortfall, the actual revenue in 2022 is compared with the actual revenue in 2019 reduced to 98%. If this results in a revenue shortfall, only 85% is offset.

When calculating both revenue overruns and revenue shortfalls, variable material costs are left out of the calculation. The calculation system leads to hospitals with revenue shortfalls not having their fixed costs reimbursed in full but having to repay revenue overruns in full. In a small range, hospitals will neither have any shortfall in revenue offset nor have to repay any revenue overrun. The offsets will be negotiated with the health insurance funds in 2023, whereby the key criterion for receiving shortfalls in revenue from hospitals is to provide evidence that the drop in revenue was caused by COVID.

Further COVID aid was significantly reduced in 2022 compared with the first two years of the pandemic. Alongside the continuing remuneration of COVID tests depending on the type of tests, only invoice payment by health insurance funds within five days of invoices being issued remained.

[1] https://www.bundesregierung.de/breg-de

After various requirements and the implementation of additional structural requirements was deferred until 2022 in 2020, hospitals were considerably affected by the bureaucratic costs of the new regulations despite the ongoing pandemic situation, especially with regard to the structural assessments of complex treatments that can only be agreed and billed from 2022 if the assessments have received a positive response. There were also the budget negotiations from 2020 and 2021, which had practically ground to a halt in the dispute about the definition of excluding nursing costs despite a new federal agreement and changes to legal requirements in previous years. Furthermore, a maximum of 60% of German hospitals will have achieved a budget agreement for 2020 by the end of 2022.

The nursing staff thresholds were also extended to orthopaedics, gynaecology and obstetrics as well as neonatal paediatrics in 2022. Paediatrics was differentiated into general paediatrics and specialist paediatrics (neuro/social paediatrics, diabetology, rheumatology, dermatology). The nursing staff thresholds were not suspended at any time. Considerably more stringent requirements in intensive care, for example, in addition to the general lack of nurses led to wards being closed in many national hospitals.

Otorhinolaryngology, urology and rheumatology will be included as additional areas requiring higher levels of staffing from 2023. Given the simultaneous massive staff shortages in healthcare, the significant increases in personnel requirements associated with the nursing staff thresholds will lead to a further reduction in hospital locations and centralisation of services, as the legislators would like.

The costs of nursing staff that have to be excluded from hospital budgets and financed in separate care budgets from 2020 also had a considerable impact on negotiations in 2022. The allocations specified in the federal agreement, which the legislators retrospectively specified as mandatory for 2020 as well in 2021, could still not entirely resolve the basic conflict of how care activities are defined. The federal agreement stipulated that the personnel to be included in the German regulation for the threshold of nursing staff is recognised as unlimited in care on wards. In addition to nurses examined annually and triennially, this also includes medical assistants and emergency paramedics. Other personnel and personnel with no vocational qualifications – such as personnel providing care to help patients care for themselves, nursing assistants and ward assistants – should be recognised only to the extent of the level of employment determined for 2018.

Meanwhile, over 80% of the hospitals in the Asklepios Group have concluded an agreement for 2020; as far as those hospitals that have not yet reached agreement are concerned, it is only a matter of individual points in the area of the care budget, albeit of fundamental significance and clarification in arbitration boards may be required. It is apparent that once agreement is reached for 2020, subsequent years can be agreed very quickly. Following an amendment to the GKV-Finanzstabilisierungsgesetz (German law to stabilise the financial situation of the statutory health insurances), employees in other professions, such as midwives, therapists and personnel with no vocational qualifications are no longer to be financed via the care budgets but via DRGs once more from 2025. Following a national petition, it was agreed in the Krankenhauspflegeentlastungsgesetz (German law to reduce the pressures on nursing staff in hospitals) that midwives and male midwives will be taken fully into account in the care budget regardless of their work on wards or in delivery rooms from 2025.

This is a key step to securing the nursing care and quality that absolutely must be extended to other professional groups providing therapeutic and nursing care in hospitals. Therapeutic specialists have been making a crucial contribution to nursing care and easing the pressure on examined care staff for years.

For the cost increases triggered as consequence of the Ukraine war and inflation, hospitals will receive separate financing of the additional costs incurred of EUR 6 billion in total for the period from October 2022 to April 2024; inpatient facilities will receive EUR 2 billion. Hospitals are expected to receive EUR 4.5 billion for individual additional costs, for which evidence must be provided, for natural gas, district heat and electricity and an additional EUR 1.5 billion for costs caused indirectly by the increase in energy costs (laundry, kitchen etc.), which will be paid as a lump sum for which evidence is not required.

### Psychiatry and rehabilitation

The psychiatric and rehabilitation situation was equally impacted by the coronavirus pandemic, which meant that occupancy in rehabilitation and in psychiatry decreased compared with 2019 in 2022. While the psychiatric hospitals at least received discount payments in the same way as somatic facilities, rehabilitation centres received only minimal support and had to accept statutory short-time work, etc.

Since 2020, psychiatric hospitals have no longer had to comply with the German Personnel Regulations for Psychiatric Hospitals (Psychiatrie-Personalverordnung) but with the German Guideline for Personnel Assessment in Psychiatric Hospitals and Psychosomatic Medicine (Richtlinie für die Personalbemessung in der Psychiatrie und Psychosomatik – PPP-RL) with quarterly verification of personnel and minimum personnel requirements for the therapeutic staff to be employed in psychiatric wards – similarly to the nursing staff thresholds in somatic hospitals. However, compared with the Psychiatrie-Personalverordnung, the PPP-RL also now contains requirements for therapeutic staff in psychosomatic specialist departments and more stringent personnel requirements especially for children's and adolescent psychiatric units, partly for the nursing service and partly for psychologists as a professional group.

The lack of sanctions for staff shortfalls was extended until the end of 2023; service provision is permissible even if the minimum requirements are not met. The reports required by the quarterly obligation to provide verification, which had been suspended by the Federal Joint Committee because of the coronavirus pandemic in 2020, had to be submitted in full for 2022. Against the backdrop of the particular situation in which psychiatric hospitals have found themselves because of the coronavirus pandemic, most hospitals were able to agree with the health insurance funds on a blanket continuation of the 2019 budget for 2020 and on a partial adjustment to actual services at least for 2021 and 2022.

# E) Net assets, financial position and results of operations

## 1. Business performance and results of operations

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | EUR million | % | EUR million | % |
| Revenue | 5,290.0 | 100.0 | 5,117.6 | 100 |
| Other operating income | 474.3 | 9.0 | 421.0 | 8.2 |
| Cost of materials | −1,284.2 | −24.3 | −1,235.5 | −24.1 |
| Staff costs | −3,459.2 | −65.4 | −3,314.5 | −64.8 |
| Other operating expenses | −488.3 | −9.2 | −485.1 | −9.5 |
| **EBITDA** | **532.6** | **10.1** | **503.4** | **9.8** |
| Depreciation, amortisation and impairment | −335.1 | −6.3 | −318.6 | −6.2 |
| **EBIT** | **197.5** | **3.7** | **184.8** | **3.6** |
| Income from equity investments | 11.6 | 0.2 | 6.6 | 0.1 |
| Net interest expenses | −42.4 | −0.8 | −50.2 | −1 |
| Income taxes | −34.8 | −0.7 | −34.9 | −0.7 |
| **Consolidated net income (EAT)** | **131.9** | **2.5** | **106.3** | **2.1** |

The Asklepios Group's consolidated revenue amounted to EUR 5,290.0 million in the 2022 financial year (previous year: EUR 5,117.6 million) and was therefore 3.4% up on the previous year. 87.2% (previous year: 87.5%) of revenue was generated in acute care hospitals, 11.4% (previous year: 11.3%) in rehabilitation clinics and 1.4% (previous year: 1.2%) in social welfare facilities and other facilities.

Other operating income of EUR 474.3 million (previous year: EUR 421.0 million) includes income from services and from ancillary, additional and other operations.

| Development of case numbers | 2022 | 2021 | Absolute Change | Relative Change |
|---|---|---|---|---|
| No. of inpatient cases | 751,033 | 744,616 | +6,417 | +0.9% |
| No. of outpatient cases | 2,819,943 | 2,797,730 | +22,213 | +0.8% |
| Number of patients | 3,570,976 | 3,542,346 | +28,630 | +0.8% |
| Number of cost weights | 597,092 | 609,734 | −12,642 | −2.1% |
| **Number of beds*** | **30,749** | **31,197** | **−448** | **−1.4%** |

* Beds in place

A total of 3,570,976 patients visited the Asklepios Group's facilities in the 2022 financial year. The trend compared with the previous year (3,542,346 patients) was positive. The number of inpatient cases totalled 751,033 (previous year: 744,616). The number of outpatient cases amounted to 2,819,943 (previous year: 2,797,730) and was higher than in the previous year. The number of cost weights amounted to 597,092 (previous year: 609,734). As a non-financial performance indicator, cost weights were therefore below our forecast as at 31 December 2021. This was the result of staff absences due to coronavirus and an increased sick rate in the second half of the year, leading to limited bed and surgical capacity. The development of cost weights was also influenced by catalogue effects and the trend towards outpatient care. Average inpatient care case income rose from EUR 5,999.16 to EUR 6,151.40. Corrected for the share of flat-rate allowances for keeping capacity available and the care surcharge, average case income comes to EUR 5,874.40 (previous year: EUR 5,612.20).

The individual ratios of cost and earnings to revenue developed as follows:

| | 2022 | 2021 |
|---|---|---|
| | % | % |
| Cost of materials ratio | 24.3 | 24.1 |
| Staff costs ratio | 65.4 | 64.8 |
| Other expenses ratio | 9.2 | 9.5 |
| **EBITDA** | **10.1** | **9.8** |
| Depreciation and amortisation expense ratio | 6.3 | 6.2 |
| **EBIT** | **3.7** | **3.6** |
| **Consolidated net income (EAT)** | **2.5** | **2.1** |

Absolute cost of materials rose by EUR 48.7 million to EUR 1,284.2 million (previous year: EUR 1,235.5 million), representing an increase of 3.9% year-on-year. In addition to inflation-driven price increases, the cost of materials was influenced by the rise in the medical requirement for hygiene and protective clothing for employees and patients. There were also increased expenses for pharmaceuticals as well as for anaesthetics and other surgical supplies. Overall, the cost of materials ratio worsened by 0.2 percentage points year-on-year to 24.3% (previous year: 24.1%).

Absolute staff costs climbed by EUR 144.7 million to EUR 3,459.2 million, mainly on the basis of collective agreements, while the staff costs ratio rose to 65.4% (previous year: 64.8%). The number of full-time equivalents changed from 49,967 in the previous year to 49,103 on average in 2022.

Other operating expenses rose by only EUR 3.2 million or 0.7% in absolute terms to EUR 488.3 million (previous year EUR 485.1 million). The ratio was 9.2% (previous year: 9.5%).

Operating EBITDA amounted to EUR 532.6 million in the financial year and was higher than in the previous year (EUR 503.4 million). The EBITDA margin came to 10.1% (previous year: 9.8%). As a key financial performance indicator, EBITDA is within the forecast set out in the consolidated financial statements as at 31 December 2021.

The depreciation and amortisation expense ratio was 6.3% in the past financial year and thus higher than the previous year's level (6.2%).

The EBIT of EUR 197.5 million generated in 2022 meant a margin of 3.7% (previous year: EUR 184.8 million and 3.6%).

Income from equity investments was up year-on-year at EUR 11.6 million (previous year: EUR 6.6 million). Income from equity investments includes shares of investments accounted for using the equity method.

Negative net interest income amounted to EUR 42.4 million (previous year: EUR 50.2 million). Interest income increased to EUR 21.2 million (previous year: EUR 8.0 million) as a result of changes in interest rates on non-current provisions. Interest expenses rose by EUR 5.4 million to EUR 63.6 million in the financial year (previous year: EUR 58.2 million). The change in interest expenses was attributable to movements in the general level of interest rates and the adjustment to key interest rates by the ECB, as well as to the associated effects on floating-rate schuldschein loan agreements.

At EUR 34.8 million, income tax expenses were down on the previous year's figure of EUR 34.9 million.

Consolidated net operating income (EAT) amounted to EUR 131.9 million and was thus above the comparable figure for the previous year of EUR 106.3 million and our forecast as at 31 December 2021. This increase was due to the comparatively lower income tax expenses in relation to the higher EBITDA, as well as higher interest income due to changes in interest rates. The operating EAT margin was 2.5% in the financial year (previous year: 2.1%).

## 2. Overall management statement

Overall, the financial year has been challenging for Asklepios but its business remains sound. In addition to the aftermath of the coronavirus pandemic, 2022 was also affected by the Ukraine war and the price increases that it triggered. As a large hospital group, Asklepios was able to react comparatively flexibly to changes in the market and to absorb negative influences to a manageable extent.

Revenue rose by 3.4% from EUR 5,117.6 million to EUR 5,290.0 million, with the increase being almost entirely organic in nature. Growth was thus within our forecast for the financial year, which specified revenue growth of between 2.5% and 4.5%. At EUR 532.6 million, EBITDA was up on the previous year's figure of EUR 503.4 million. EBIT amounted to EUR 197.5 million (previous year: EUR 184.8 million). EAT amounted to EUR 131.9 million and was higher than the comparable figure for the previous year of EUR 106.3 million.

The equity ratio was 29.7% (31 December 2021: 26.6%). The number of cost weights amounted to 597,092 (previous year: 609,734).

## 3. Financial position and net assets

The financing structure is essentially medium-to long-term in nature and guarantees solvency and sufficient liquidity reserves at all times. To achieve this, we ensure broad diversification of our financing instruments and a balanced maturity profile.

In addition to cash and cash equivalents of EUR 634.6 million, the Group has unutilised credit facilities of around EUR 695.1 million at its disposal (previous year: EUR 788.9 million). There are also short-term time deposits of EUR 220.0 million (previous year: EUR 167.0 million), which with maturities of up to 12 months are invested at various banks with an investment grade rating from a recognised rating agency or comparable credit rating and are recognised in current other financial assets. The high internal financing power and the targeted moderate level of net debt protect the Group from further financial market risks.

Pure financial liabilities not including IFRS 16 amounted to EUR 2,231.4 million (previous year: EUR 2,179.0 million). Financial liabilities mainly comprise the schuldschein loan agreements.

The Group uses the net debt ratio (net financial liabilities/EBITDA) as a means of assessing credit rating, and this figure – adjusted for possible non-recurring effects – should not exceed 3.5x.

The interest coverage factor (EBITDA/net interest income) is used to assess the Group's capacity to service its debts, and this figure – likewise adjusted for possible non-recurring effects – should be at least 4.5x. The interest coverage factor (EBITDA/net interest income) is 12.6x (previous year: 10.0x).

The following table illustrates how the net debt ratio was calculated in the financial year:

| EUR million | 2022 | 2021 |
|---|---|---|
| Financial liabilities (including lease liabilities) | 2,726.4 | 2,609.1 |
| Cash and cash equivalents | 634.6 | 647.2 |
| Short-term time deposits | 220.0 | 167.0 |
| Net financial debt | 1,871.8 | 1,794.9 |
| EBITDA | 532.6 | 503.4 |
| **Net debt ratio** | **3.5x** | **3.6x** |

The net debt ratio amounts to 3.5x (previous year: 3.6x). The improvement in the net debt ratio compared with the previous year is attributable, in particular, to the year-on-year increase in EBITDA. The increase in net debt in recent years largely resulted from the financing associated with the acquisition of Rhön-Klinikum AG. The increase in lease liabilities in the 2022 financial year is mainly attributable to the conclusion of new lease agreements for MediClin AG. Adjusted for the accounting effects of the new lease agreements, the net debt ratio is 3.3x.

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **Summarised statement of financial position** | **EUR million** | **%** | **EUR million** | **%** |
| Non-current assets | 4,157.6 | 60.5 | 4,216.6 | 64.2 |
| Current liabilities | 2,698.5 | 39.3 | 2,340.6 | 35.6 |
| Assets held for sale | 14.5 | 0.2 | 15.0 | 0.2 |
| **ASSETS** | **6,870.7** | **100.0** | **6,572.3** | **100.0** |
| Equity | 2,043.1 | 29.7 | 1,746.9 | 26.6 |
| Non-current liabilities and provisions | 3,065.8 | 44.6 | 3,179.0 | 48.4 |
| Current liabilities and provisions | 1,758.7 | 25.6 | 1,636.8 | 24.9 |
| Debts associated with assets held for sale | 3.0 | 0.0 | 9.5 | 0.1 |
| **EQUITY AND LIABILITIES** | **6,870.7** | **100.0** | **6,572.3** | **100.0** |

The Group's accounting and financing structures are sound. Asklepios has a long-term and balanced maturity profile, particularly due to the repeated issuance of schuldschein loan agreements. As in the previous year, non-current assets are financed at a rate of over 100% with matching maturities by equity or long-term borrowings. Total assets increased from EUR 6,572.3 million in the previous year to EUR 6,870.7 million.

Non-current assets fell by EUR 59.0 million year-on-year to EUR 4,157.6 million. Equity amounted to EUR 2,043.1 million and was higher than the previous year's figure (31 December 2021: EUR 1,746.9 million). The equity ratio as at 31 December 2022 was above the previous year's figure at 29.7% (31 December 2021: 26.6%) and also exceeded our forecast as at 31 December 2021. The year-on-year increase chiefly results from interest rate effects in pension provisions. Asklepios has permanent interest-free and redemption-free access to subsidies of around EUR 1,174.8 million (31 December 2021: EUR 1,221.4 million). As these subsidies will fall due for repayment only in the hypothetical event of no longer being included in the hospital plan, these funds are in effect similar to equity.

Days sales outstanding (trade receivables turnover rate x 365 days/total revenue) are at 53.9 days (previous year: 52.7 days). Adjusted for MDK provisions, DSO were 49.8 days (previous year: 47.8 days).

Non-current liabilities amounted to EUR 3,065.8 million (31 December 2021: EUR 3,179.0 million). These comprise pension provisions, other non-current provisions, financial liabilities and other liabilities due in more than one year, and deferred taxes. As part of the company's active maturity management, selected notes maturing in 2022 and 2024 to 2027 amounting to EUR 477.0 million were refinanced prematurely in the context of an exchange and increase offer in July 2022.

In addition to cash and cash equivalents of EUR 634.6 million, the Group has unutilised credit facilities of around EUR 695.1 million at its disposal. The Group therefore has financial reserves available at short notice of EUR 1,330.1 million.

As part of its active liquidity management, the Group set up a commercial paper programme worth EUR 500.0 million for the first time in December 2022. Bearer bonds with terms of up to 364 days can be issued under the commercial paper programme in future.

Internal financing capability is still at a good level. Cash flow from operating activities was influenced by the EBITDA figure of EUR 532.6 million (previous year: EUR 503.4 million) and the health insurance funds' payment performance. Capital expenditure on equipment and new buildings for our hospitals was financed by cash flow from operating activities.

The following table shows the change in cash and cash equivalents over the course of the year:

| EUR million | 2022 | 2021 |
|---|---|---|
| EBITDA | 532.6 | 503.4 |
| Cash flow from operating activities | 323.3 | 449.6 |
| Cash flow from investing activities | −267.8 | −237.3 |
| Cash flow from financing activities | −68.1 | −113.6 |
| **Change in cash and cash equivalents** | **−12.6** | **98.7** |
| Cash and cash equivalents on 1 January | 647.2 | 548.5 |
| **Cash and cash equivalents on 31 December** | **634.4** | **647.2** |

Cash and cash equivalents decreased by EUR 12.6 million to EUR 634.4 million in 2022. Operating cash flow amounted to EUR 323.3 million (previous year: EUR 449.6 million) and was negatively impacted by an increase in working capital.

The operating cash flow is offset by a cash outflow from investing activities of EUR 267.8 million (previous year: EUR 237.3 million). Payments for investing activities essentially comprise investments in fixed assets.

Financing activities resulted in a cash outflow of EUR 68.1 million (previous year: EUR 113.6 million).

## 4. Capital expenditure

Investments in our healthcare facilities on a regular basis are the foundation for long-term healthy growth. Since the state investment subsidy does not cover the entire investment requirements of modern hospitals, the difference is financed from the Group's own funds. Asklepios is able, thanks to its internal financing power, to compensate for the loss of subsidies. Forward-looking business transactions and a stable cash flow again enabled the Asklepios Group to use its own funds averaging 7% to 9% of revenue for maintenance and capital expenditure in the 2022 financial year. As anticipated, the internal financing ratio is at the level of the previous year at 69.5% (previous year: 72.8%).

Capital expenditure was as follows in the 2022 financial year:

| | Capital expenditure in 2022 | | |
|---|---|---|---|
| | Total in EUR million | Of which subsidised | Internal financing ratio |
| Intangible assets | 49.1 | 3.5 | 92.9% |
| Land and buildings | 40.5 | 4.3 | 89.4% |
| Technical equipment | 7.8 | 2.2 | 71.8% |
| Operating and office equipment | 113.3 | 53.8 | 52.5% |
| Assets under construction | 103.4 | 32.1 | 69.0% |
| **Total** | **314.0** | **95.8** | **69.5%** |

The majority of capital expenditure in the financial year related to the following locations:

| Location | Capital expenditure in EUR million |
|---|---|
| Universitätsklinikum Marburg | 14.1 |
| Central IT investments | 11.9 |
| Klinik Harburg (Hamburg) | 10.1 |
| Rhön-Klinikum AG Bad Neustadt | 7.4 |
| Klinik Nord (Hamburg) | 5.6 |
| Zentralklinik Bad Berka | 5.3 |
| Klinik Langen | 4.8 |
| Klinikum Frankfurt (Oder) | 4.2 |
| Universitätsklinikum Gießen | 4.1 |
| Klinikum Müritz | 4.0 |

After deducting subsidised capital expenditure, net capital expenditure amounted to EUR 218.3 million (previous year: EUR 242.2 million) or 4.1% of revenue (previous year: 4.7%). Capital expenditure is fully financed by cash flow from operating activities. Without deducting subsidies, capital expenditure amounted to EUR 314.0 million (previous year: EUR 332.5 million). At EUR 181.3 million in total, expenditure for maintenance and servicing was up on the previous year (EUR 172.9 million). Expressed as a percentage of revenue, 3.4% was invested in ongoing maintenance (previous year: 3.4%). Asklepios used 7.6% of revenue for internally financed capital expenditure and maintenance work (previous year: 8.1%).

# F) Forecast and report on risks and opportunities

## 1. Forecast

The Ukraine war and the associated price increases, the aftermath of the COVID-19 pandemic and inflation will still have an impact on the business development and performance of our healthcare facilities in 2023 at least.

Our hospitals are also affected by a demanding regulatory environment. In December 2022, the government commission looking at hospital services presented proposals for a reform of hospital remuneration aimed at gradually transforming the existing system of flat-rate payments per case in a transition period of five years. According to the commission's proposals, hospitals are to be rewarded in future according to the criteria reserve services, levels of care and service groups. The commission's proposed reforms relate to the following changes to the remuneration system:

- **Remuneration of reserve services:** The commission recommends that a fixed amount is defined in future, which hospitals will receive outside the flat-rate payments per case to ease the economic pressure on hospitals. The amounts will be based on the respective hospital's assignment to certain levels of care (2) or service groups (3).

- **Definition of hospital levels of care:** There are to be three levels of care in future, according to which hospitals will be classified:
  - Basic care – basic medical and nursing care
  - Standard and priority care – hospitals that offer more services in comparison with basic care
  - Maximum care – such as university hospitals

  Uniform minimum requirements will apply to each care level, the aim being to improve the quality of patients' treatment. Hospitals assigned to care level I have to guarantee nationwide care close to patients' homes. They will be divided into hospitals that provide emergency care and those that provide integrated outpatient/inpatient care.

- **Introduction of defined service groups:** Hospitals are to be assigned to more precisely defined service groups in future (for example, "cardiology" instead of "internal medicine"). In future, treatment can be billed only if the hospital has been assigned to the service group. The hospital must meet precisely defined requirements for this purpose, such as having the appropriate staff and equipment. This will also improve the quality of patients' treatment.

Asklepios will react flexibly to the above challenges and effectively handle changes in medical or regulatory requirements to mitigate potential effects. Thanks to strategic investments in digitalisation and the shift towards outpatient care, as well as internally financed capital expenditure on its healthcare facilities, Asklepios has created a sound basis for weathering the challenges well in economic terms. Overall, Asklepios therefore expects stable revenue performance in 2023 and largely positive economic development.

Source: Hospital Reforms: Less economy, more medicine | German government

**Overall management statement**

Against the backdrop of challenging political and economic world affairs, Asklepios expects that its earnings margins will continue to be impacted. For the 2023 financial year, our economic goals nonetheless focus on organic revenue growth in a range of around 3.5% to 4.4% and a slight but sustained increase in EBIT and EAT year-on-year. The equity ratio will remain stable year-on-year in the 2023 financial year. In addition to financial figures, Asklepios also takes account of the number of cost weights as a non-financial performance indicator when managing the company and expects a constant development compared with the previous year.

## 2. Risks and opportunities

### a) Risk and opportunity management report

Asklepios is exposed to a range of challenges and risks, especially locally, due to dynamic growth, the complexity of business interrelations, high regulatory requirements, constant scientific, medical and technological progress, the de facto legal demand for greater efficiency and effectiveness, and the increasing demands of our patients. Systematic recognition of risks and opportunities in equal measure enables Asklepios to ensure long-term economic success, satisfy our patients' requirements and secure our employees' jobs. The rapidly changing health policy, structural, social and economic conditions must be identified and managed.

Managing the associated risks and opportunities is an ongoing challenge and an important element of managing the hospitals and the Group. Risk management is firmly established at Asklepios and both satisfies and exceeds legal requirements.

### Risk and opportunity management system process

- The risk management system (system, responsibilities, structure, formal processes, integration and automation) is characterised by a strong degree of professionalism and institutionalisation. The homogeneous risk assessment structures are uniformly supported by standardised, automated procedures throughout the Group. Risk management is therefore not just practised operationally, but also used as an instrument for strategic management. The structures established in this way allow for a comprehensive risk management approach as a result of the combined risk assessment comprising both bottom-up and top-down approaches. This facilitates not only early detection of risks but also early identification of opportunities. The risk and opportunity management system is rounded off by systematic measures management, which forms the basis for the effective and efficient management of risks and opportunities. These processes receive technical support from appropriate risk management software to which all affected reporting units are connected. The effectiveness and efficiency of risk management is strengthened by the institution of the Risk Management Committee. The Strategic Risk Management Committee forms an essential pillar of the risk and opportunity management system.
- The aim of the risk and opportunity management process is to enable the early identification, assessment and management of risks and opportunities that have a significant influence on the achievement of targets at hospital and Group level. To this end, a standardised process was established that allows close integration of elements of the bottom-up and top-down approach. In addition to regular reporting (e.g. financial reporting, reports on the quality of medical care), risks and opportunities are usually reported on a quarterly basis at the level of the hospitals (and Group departments), the sub-groups and the Group as a whole. An ad hoc reporting process has been established in order to escalate very critical issues. Risks and opportunities are always viewed in terms of the current financial year. This view constitutes a combination and aggregation of quantitative factors (probability of occurrence, effect on the achievement of planned EBITDA or on liquidity) and qualitative factors (e.g. information from supplementary reporting). In cooperation with the local risk managers and possibly also technical experts (known as risk sponsors) the risk officers – usually the managers in the hospitals and the heads of the Group departments – carry out the bottom-up elements for identifying and evaluating risks and opportunities. Based on the information gathered, corresponding risk management strategies and opportunity-taking strategies are developed and backed up with specific measures. Risks are categorised according to their potential adverse effects as "acceptable", "requiring monitoring", "requiring action" or "very critical". Opportunities are allocated to one of four opportunity categories from "low expectations" to "very high expectations".
- Risks that are categorised as at least "requiring action" in the bottom-up process are examined again by Group management as part of the top-down approach. This procedure enables early support for reporting units by means of central measures. This allows for systematic management of risks and opportunities. Identified and documented risks and opportunities are monitored continuously with regard to their development. This monitoring includes tracking the risk and opportunity measures resolved in terms of their risk mitigation effect (effectiveness) and their cost and implementation status (efficiency). In addition, the Strategic Risk Management Committee analyses long-term developments early on to identify and assess their risk and opportunity potential for the company and to resolve appropriate action options.
- Ecological and social issues relating to the external impact of Asklepios' business activities are becoming increasingly important. In this context, the Asklepios Group sees corporate social responsibility (CSR) as an integral component of its corporate philosophy. Asklepios summarises the non-financial risks according to section 289 (3) of the German Commercial Code (HGB) and additional possible CSR risks that may affect third parties under the heading of ESG or sustainability risks and allocates them in line with the five aspects (environmental matters, employee matters, social matters, respect for human rights, as well as combating corruption and bribery) stipulated in the CSR RUG. The software-based assessment of non-financial risks based on their probability and their possible effects was implemented in the 2022 financial year ("ESG risk reporting"). Established, active management measures are taken into account when assessing these risks and the assessment is carried out on the basis of the key CR topics by the Group departments mentioned on 30 September each year and the assessment is then updated on 1 January of the following year. The period under review includes both the current financial year and a five-year outlook. Specific reporting takes place in the Corporate Responsibility Report.

### Internal control system with regard to the Group financial reporting process

With regard to the financial reporting processes of the companies included and the Group financial reporting process, we consider those aspects of the internal control and risk management system that have a material influence on Group accounting and the overall view conveyed by the consolidated financial statements and Group management report to be significant. These include the following aspects in particular:

- Identification of major areas of risk and aspects to be monitored that are relevant to the Group-wide financial reporting process
- Monitoring of the Group-wide financial reporting process and examination of the results at the level of management and at the level of the entities included in the consolidated financial statements
- Controls in the finance and accounting of the Group and the individual consolidated companies, and in operating business processes that generate the key figures for the preparation of the consolidated financial statements and Group management report, including the separation of functions for predefined approval processes in the relevant areas
- Measures to ensure the proper computerised processing of content and data relating to Group financial reporting

## b) Risks

Risks are categorised in line with the assessment at the level of the reporting units according to their potential adverse effects as "acceptable", "requiring monitoring", "requiring action" or "very critical". Major areas of risk are outlined below; the order in which they are presented reflects the current estimate of the relative degree of risk for Asklepios.

### Ukraine conflict and coronavirus pandemic

The ongoing Ukraine conflict and the associated effects on the global economy, particularly with regard to supply chains and the price increases triggered as a result, including in the energy sector, may lead to a deterioration of the results of operations, financial position and net assets. In addition, access to qualified medical staff is limited by the aftermath of the coronavirus pandemic. The EU sanctions resolved in February 2022 in the areas of energy, finance and transport, export controls and visa restrictions remain in place and are continuing to have a negative impact on the domestic economy in Germany.

### IT risks and cyber risks

Asklepios is dependent on a functional IT infrastructure. The successful course of treatment of a patient (from admission through diagnosis and treatment to documentation) also depends on an integrated IT system. Basic IT procedures, system stability and the security of the IT infrastructure are significant in this regard. The focus is on patient safety and the effectiveness of treatment as the protection objectives of information security. Disruptions in IT integration and infrastructure or in related processes can have a corresponding impact on the net assets, financial position and results of operations. In this context, risk management in the IT department is being continuously developed.

The general IT risk situation was heightened on account of a global increase in cyber attacks in the past few years. At the same time, the IT infrastructure is increasingly complex and there is more networking with networks outside Asklepios, which increases the possible scope for cyber attacks. In order to appropriately counter this trend, Asklepios continues taking measures to further improve IT security and to continue recognising and defending against possible cyber attacks moving ahead. The data centre is certified according to a functioning information security management system, and also performs independent internal and external audits and tests that review the effectiveness of our security measures.

### Personnel risks

On the healthcare market, there are always HR risks that can lead to a deterioration of the results of operations, financial position and net assets. The introduction of the German regulation for the threshold for nursing staff is a key challenge for the entire healthcare market. The individual risks include the shortage of qualified staff, the migration of key personnel and the development of staff costs.

Asklepios uses extensive centralised and decentralised recruitment measures (including in foreign countries) and personnel development programmes to meet the requirements of the regulation for the threshold for nursing staff and to prevent the risk of a shortage of staff. The Group provides Asklepios employees with the kind of opportunities that would not be possible in smaller structures. In addition, training and education of specialist staff and managers are a high priority for us. By ensuring optimal training of our employees, we guarantee high innovation potential and forward-looking processes, not just in the field of first-class medicine, but also in relation to our business activities. In addition, we implement targeted staff retention measures in order to get qualified and motivated employees enthusiastic about Asklepios in the long term. We can thus systematically prevent a shortage of qualified staff. Using this approach, we fulfil both our economic and our social responsibility and strengthen our brand.

The trend in staff costs is heavily dependent on changes to the collective agreements governing staff wages. In particular, the remuneration of examined nursing specialists, who account for a large part of our employees, has increased sharply in recent years because of the nationwide shortage of qualified staff in this area. To reduce external dependency and to allow for the option of actively shaping future developments, Asklepios has significantly reduced the risks by using more flexible company agreements adopted to fit local circumstances, work and welfare regulations and other alternative remuneration models. These models are reviewed by the relevant Group departments before the agreements are entered into, in principle all collective agreements are negotiated by the Human Resources department. Asklepios' goal is to agree the longest possible terms in collective bargaining in order to achieve sufficient planning certainty. In view of the negotiated staff cost increases that are still to be expected Asklepios is paying particular attention to the required staffing levels.

#### Income, documentation and budget risks

The high level of state regulation means that Asklepios is exposed to risks in the day-to-day documentation and billing of cases and in the medium-term development of revenue budgets. This currently applies not only to the fact that the health insurance funds are slower to pay, the lack of staff due to their having contracted coronavirus but also to new legal requirements, such as for the introduction of structural assessments, the increase in minimum quantities as well as from 2023 the shift from inpatient to outpatient care and details of budgetary law, such as differing opinions on case specifications and remuneration; the assessment of structural requirements; the size of the care budget; pending arbitration proceedings, where in some cases the outcome is impossible to predict; delayed budget negotiations; and potential changes to budgetary law and the supplementary billing regulations. The risks named could cause the results of operations, financial position and net assets to deteriorate.

The size of the Group, its available knowledge and its available data sets mean that it has the opportunity to define standards and to provide effective support to the hospitals locally in the implementation of the above issues. In the area of handling sensitive services, which also generally represent public authority tasks, there is generally an inherent risk that the private sector may be pushed back. A decline in processed contracts would entail a loss of revenue, whereas the effect depends on the product area concerned. With all other things remaining the same, the demographic development forecast in some areas can lead to decreasing case numbers and revenue.

#### Counterparty risks

This risk arises if a customer or another contracting party fails to meet all or some of its contractual obligations or fails to meet them on time. Asklepios is exposed to only a low level of risk from an unexpected loss of cash or income based on counterparty risks. There is a low level of risk of default due to a large portion of debtors consisting of German statutory health insurance funds, complemented by a smaller portion of public social security authorities and private patients. By contrast, the risk of late payment on trade receivables, and thus the risk of an increase in capital being tied up in current assets, can be considered medium. The investment policy on the assets side is conservative and involves broad diversification. The investment counterparties are banks belonging to deposit protection systems. Investments are also monitored continuously and the company reacts with measures to correct any differences compared with its expected targets.

#### Liquidity and financing risks

Asklepios is subject to capital market risks. The management of short-term liquidity risks and longer-term financing risks is the central responsibility of the Corporate Finance & Treasury department, which uses a treasury system for this purpose with a focus on efficient management of current cash and cash equivalents. As a financially conservative company, and on the basis of the investment terms of the assets, Asklepios' financing strategy is long-term in nature and contains manageable short-term refinancing risks. The high levels of cash and cash equivalents, steady cash flow, comparatively low level of debt, broad diversification of financing partners, access to the capital market and extensive unutilised lines of credit show that we are largely independent of general developments on the capital markets and ensure that we have full financial capacity for action, including for growth through acquisitions.

#### Planning and construction risks

On account of the extensive construction work, Asklepios is exposed to risks from changes of use, deviations from standards in the execution and management of construction, business interruptions and delays in construction work with revenue losses and cost overruns in the budgeted construction work as well as deadlines or planning errors. The measures to reduce these risks include the provision of a high level of expertise within the Group with regard to construction planning and implementation. The implementation of standardised instructions and equipment and ongoing quality assurance of projects in conjunction with the identification and analysis of project specific risks as well as continuous close coordination with all those involved in projects in all phases of the projects by the by the Group department responsible is essential to ensure an immediate response to any problems that may arise.

For the construction and extension of our hospitals, Asklepios utilises services from external service providers alongside internal ones. Among other things, these services can cause quality deficits in the planning and execution of our projects but also delivery problems in the supply chains. We therefore base purchasing decisions and procurement on careful and continuous monitoring of all our service providers, construction companies, suppliers and the entire market in order to limit these risks efficiently.

The Construction department will implement an internal project specific risk management system for the 2023 financial year in which the conditions for dealing with project risks deliberately, proactively and sustainably will be comprehensibly defined. By this means, the department will ensure that all possible project risks are recorded systematically at the beginning of the project, assessed and management measures are put in place to prevent risks materialising and any possible losses. The Construction department will also guarantee that all project related processes are standardised and responsibilities are defined clearly and comprehensibly by introducing a Group-wide project management manual. Process related risks inherent in the execution and management of construction are consequently effectively minimised.

### Investment risks

Asklepios understands investment risks as the risk that unimplemented or unprofitable investments result in an ageing infrastructure or one that is not fit for purpose and prevent the utilisation of new market potential. As a result, income targets could be missed (because, for example, use permits expire), market share could be lost to competitors and there is the risk of penalties if purchase contract obligations are not fulfilled. We are presently also observing that the effects of climate change – particularly for hospitals and facilities in exposed geographic locations – can lead to greater investment requirements for compensatory measures in the long term. Management is seeing steadily decreasing subsidy ratios, with corresponding consequences for investing activities. Asklepios is not dependent on the development of subsidies to the same extent as the majority of the competition thanks to its relatively high internal financing power.

We purposefully use our financial strength for a high proportion of proprietary investments. This increases the attractiveness of our facilities and in large measure supports sustainable organic growth. At the same time, investments improve efficiency and result in lower consequential costs. In order to meet its own standard of first-class medicine, Asklepios makes substantial investments in the hospitals at the individual locations. However, investments in our hospitals are being financed with an ever smaller proportion of subsidies, meaning that the subsidy ratio of the federal states is declining. This results in a risk of decreasing cash flow that has to be compensated by efficiency measures in operating business.

### Performance risks

With regard to performance, the statutory regulation of the remuneration system is proving challenging. Performance increases can be remunerated with price deductions; budget shortfalls can also entail deduction risks. In terms of cost development, we face steadily rising costs, especially staff costs and material expenses, which can be higher than growth due to performance increases. This hinders the release of tied-up capital and thus the increase of financing flexibility. There are also process risks in new business models like the billing of medical service centres.

Adequately accounting for resulting income and cost risks is therefore one of the primary tasks of management in order to deal with the gap between income and cost increases that has been widening for years.

### Reputation risks

As one of the largest healthcare providers in Germany, we are subject to a great deal of public scrutiny with our medical offerings. A central task of the Corporate Communication & Marketing department is to maintain and reinforce trust in Asklepios and the reputation of its medical facilities. Nevertheless, the fact that negative reports in print, electronic or digital media, which show a one-sided or inaccurate picture of actual conditions in our facilities or are directed against the privatisation of healthcare for ideological reasons, have an adverse impact on the reputation of our company cannot be ruled out. We counter these risks through effective, transparent and active communication.

To this end, the Corporate Communication & Marketing department coordinates a number of different measures in the areas of press and public relations, marketing, social media, corporate publishing, public affairs as well as internal and online communication. The aim is to achieve a high recognition value for Asklepios through active, strategic, consistent and transparent communication, to distinguish the Group from its competitors and to counter any public criticism of the company and individual facilities in advance.

### Liability and legal risks

Relevant risks that emerge in connection with legal disputes outside medical treatments are continually identified by the relevant Asklepios Group company, evaluated and, if necessary or appropriate, communicated to the Group holding company to the extent permitted by law. In addition, Asklepios is involved in various legal disputes resulting from its core business (medical treatments). It is not always possible to predict the outcome of these disputes; nevertheless, Asklepios expects no material impact on the net assets, financial position and results of operations from the proceedings currently pending. In liability cases, impairment of results of operations, financial position and net assets cannot be ruled out despite all existing precautions. In addition, there is a potential liability risk if subsidies are used in breach of the laws governing subsidies.

It therefore cannot be ruled out that certain practices could require adjustment in future despite having been reviewed by the relevant Group departments.

We are insured against claims from our patients, which are not completely avoidable, using our own model with an appropriate externally arranged deductible. This allows us to partially respond to the steadily rising insurance premiums of external insurers throughout the market, to increase the Group's liquidity and process claim notifications in the interests of patients and the Group itself while also taking account of the increasing claims from largely isolated cases. In addition to patients' willingness to take legal action, there is a risk of frequent recourse claims by payers. Steadily rising premiums are being observed throughout the market for property insurance, particularly due to unfavourable loss ratios in the construction sector. This correlates with the significant rise in our property insurance expenses. Our internal insurance unit actively observes the markets, develops measures aimed at minimising the number and amount of claims where possible, and uses targeted insurance management to control insurability by way of deductibles and premiums.

Our goal is to offer cutting-edge medical services that are geared towards proximity to the patient. This is supported by internal cooperation and targeted network building, with a focus on establishing care structures that are as comprehensive as possible. The Asklepios strategy, which includes targeted offerings in high-demand medical fields, will also contribute to generating above-average growth in future. Sales risks in the healthcare market can nevertheless arise in the areas where location changes have to be made or the quality assessment by patients and referring doctors is lower than for other hospitals in the market. At the same time, we are aware that risks can arise from our patients' treatment processes due to unexpected disruptions. We have taken account of liability and legal risks requiring recognition that we are aware of by setting aside provisions. To cover the potential risk, Asklepios uses liability insurance policies, mostly with deductibles. Appropriate provisions are recognised or adjusted for the deductibles. We are not currently involved in any litigation or defending any claims that could result in major changes to the results of operations.

### Risks from supply chains

Like other industries, the healthcare sector depends on globally interconnected production and supply chains. This applies not only to pharmaceuticals, but also to medical devices, medical consumables and structural measures. There is a fundamental risk that circumstances will arise in which global supply chains are disrupted or obstructed.

Through forward-looking warehousing and a Germany-wide distribution system Asklepios aims to ensure that all locations can be supplied with sufficient pharmaceuticals and medical consumables. In the event of long-term disruptions to production and supply chains or long-term underproduction, however, there is a risk that certain products will become scarce. It is pharmaceutical businesses' responsibility to inform hospitals if they become aware of shortages in the supply of prescription drugs for inpatient care. Asklepios can thus initiate further countermeasures as appropriate or necessary. To ensure the supply of medical consumables and disposals from the operating and administrative requirements areas, Asklepios is in regular contact with its principal suppliers with regard to their ability to supply and agreement on potential alternatives.

As far as the execution of construction is concerned, Asklepios tries to minimise possible risks from supply bottlenecks or disruptions to production supply chains and by ordering materials in advance immediately companies are commissioned. This ensures that resources will be available when needed.

### Market price risk / price increases

As is the case for many economic sectors, the Asklepios Group is also exposed to the risk that cost fluctuations or cost increases in procurement due to the dynamic economic environment may have a negative impact on earnings performance. The trend in prices is driven by rapidly rising energy prices and supply bottlenecks among other factors. The Group is exposed to a market price risk due to an increasing scarcity of resources and a volatile market for certain raw materials needed for medical consumables and pharmaceuticals. This affects medical appliances and corresponding spare parts to an equal extent. Risk buffers are already taken into consideration at an early stage of Asklepios' construction projects when determining costs and possible alternative and cost-saving measures are identified. Not least a compact, simple, cost-effective but sustainable design offers the greatest possible security when hedging against rising costs. A general shortage of qualified staff is also apparent, which affects personnel-intensive services, in particular, and will also affect the trend in prices.

Asklepios counters this risk by concluding long-term delivery and supply agreements and reduces the effects of price increases on earnings performance by rapidly agreeing fixed price contracts for as long as possible with the supply companies it uses.

#### Risks from acquisition and integration

Risks can arise from the integration of acquired hospitals and facilities. Our task is to integrate the processes and the infrastructure of the acquired company as rapidly as possible. To do so, we harmonise processes and logistical procedures. The loss of important managers as part of the integration and careless and inadequate due diligence processes could be critical. We try to minimise risks of acquisition by using the transaction expertise that has built up in the Group over the years and the associated people and methods.

#### Hygiene and infection risks

Potential hygiene and infection risks are countered by way of appropriate hygiene management concepts, structured workflows and processes, and continuous employee training. Our methods take adequate account of hygiene needs and requirements, while the process evaluations and improvements forming part of the quality management processes contribute to the further improvement of our workflow quality and efficiency.

#### Quality risks

The quality of treatment is an important factor for our operating activities. We minimise operating risks firstly by maximising the quality of treatment, which we ensure with our well educated and continually trained staff as part of our predefined courses of treatment. Secondly, our modern hospitals guarantee high-level care in terms of quality and technology. Furthermore, our clinical risk management (e.g. CIRS) and structured quality management ensure that we possess adequate preventive systems that we can use to identify potential sources of errors and to increase quality standards and the safety and efficiency of our processes. This ultimately allows us to achieve a permanent improvement in patient safety in addition to treatment and process quality.

#### Risks from climate change

Risks due to climate change are increasing all over the world and across industries. With regard to Asklepios, we see potential direct negative effects, particularly for hospitals and facilities in exposed geographic locations. In addition to more frequent storm damage to buildings and reduced accessibility (e.g. due to damaged access roads), specific indications also include additional investments needed in order to ensure patients' safety and comfort even in the event of long-term negative developments (e.g. increased air-conditioning costs).

There is also a danger that climate change will result in indirect cost risks, potentially including an increase in energy prices (e.g. due to $CO_2$ pricing) as well as additional regulations for the construction and renovation of buildings. There is also a risk that locations without good public transport links become less attractive to employees, as these workplaces become less economically viable as a result of higher fuel prices.

Asklepios is monitoring climatic and political developments in order to take appropriate measures if necessary.

#### Risks from competition

There are numerous competitors operating in the healthcare sector at local and regional level. There is a risk that the activities of existing competitors or the entrance of new competitors will have a negative impact on our market share. The potential misjudgement of important trends at all market levels can also lead to negative revenue performance. We counter these risks with comprehensive analyses of the competitive situation, the technological and regulatory trends and the general market environment. The continuous improvement of our internal processes enables us to consistently keep the quality of our service provision at the highest level and to continuously optimise it by exploiting new developments.

#### Compliance risks

Compliance risk refers to the lack of legal and organisational compliance with the laws and standards applicable to Asklepios. This is associated with legal and economic risks for Asklepios. This can result in penalties, compensation claims, occupational bans for medical personnel or damage to the Group's reputation and a loss of confidence, which will be associated with financial losses. Existing measures to minimise any compliance risks that have been established are reviewed continuously and refined. A formal compliance management system is in place.

#### Governance risks

In rapidly growing groups of Asklepios' size, there is the risk that structures for Group management and the establishment of control systems (e.g. dual control) are not appropriately effective or first need to be established.

### c) Opportunities

Opportunities are allocated in line with the assessment at the level of the reporting units according to their potential positive effects to one of four opportunity categories from "low expectations" to "very high expectations". Opportunity areas are outlined below; the order in which they are presented reflects the current estimate of the relative expectation for Asklepios.

### Infrastructural opportunities

Infrastructural opportunities are all the issues that have a positive effect on our service provision, but are not located directly in operating activities. In particular, these include the qualification and motivation of our employees, the intelligent use of modern information technology and the technical equipment of our hospitals. By ensuring optimum training of our employees, we guarantee high innovation potential and forward-looking processes – not just in the field of advanced medicine. At the same time, we can acquire highly motivated personnel thanks to our strong brand as an employer. The homogenisation of our IT landscape reduces costs and increases the effectiveness and efficiency of the systems used. With targeted investments, we can respond flexibly to changes in patient demands and thus distinguish ourselves from the competition. Our modern hospitals guarantee high-level care in terms of quality and technology, which also offers opportunities for future performance growth.

### Opportunities from operating activities

Opportunities from operating activities include, in particular, opportunities to enhance the billing process and increase income. They also include opportunities to further improve medical quality by using new processes and technologies and educating our staff. The ongoing development and implementation of cost reduction activities in the context of generated Group-wide synergies enables us to continuously improve our cost situation compared with the competition and to keep medical performance at a constantly high level. Thanks to our favourable cost structures and above-average competence in the area of DRG revenue management, we are well-positioned to transform the change process into an additional competitive edge. Membership in the hospital network "Wir für Gesundheit" gives Asklepios the chance to continue establishing itself in an environment of highly qualified service providers. The hospital network's offer includes a multi-operator, nationwide and quality-oriented supply network with the target of promoting members' growth and increasing case numbers.

### Opportunities from the market and environment

This category of opportunities includes positive developments arising from political or economic trends. The medical sector's strength is its relative independence from economic developments, so we see an opportunity here to maintain our growth even though the economic situation is changing. Opportunities arising from competition are also assigned to this category. Here, we see potential in the establishment and expansion of medical services. In addition to aspects of medical care, opportunities to continue distinguishing ourselves positively from the competition with modern offerings and services also arise throughout our patients' entire hospital stays. We draw on the wealth of experience of our nationwide hospital network and are guided by the needs and the welfare of our patients.

### Opportunities from financial activities

Our broad financing mix and high equity ratio enable us to achieve long-term financing security while responding flexibly to beneficial financing opportunities. In addition, our capital resources make us a popular partner on the capital market, so we are able to benefit from favourable refinancing terms. In addition to general corporate and growth financing, this allows us to reach the capital strength required to take opportunities quickly.

### Strategic opportunities

These comprise all opportunities arising in the long term from global trends and developments. Investment projects, acquisitions, strengthening the brand and entering new business areas count towards this category. We are continuously monitoring the hospital market in Germany and abroad. Our many years of experience in the acquisition and integration of hospitals enable us to identify and make use of investment opportunities and potential for strategic acquisitions at an early stage. By expanding existing hospitals and enhancing the available service range, we are selectively strengthening the Asklepios brand among patients and employees.

# Overall management statement: summary and outlook

With regard to the risks described in this report – taking account of their probability, potential financial impact and present business prospects – the management does not anticipate any individual or aggregate risks that could materially endanger the Group’s ability to continue as a going concern. The management assumes that the company’s earnings power is a solid foundation for future business development and provides the necessary resources.

Hamburg, 24 March 2023

Kai Hankeln

Hafid Rifi

Marco Walker

Dr. med. Sara Sheikhzadeh

Joachim Gemmel

# Consolidated financial statement

# 1 IFRS Consolidated income statement

## for the financial year from 1 January to 31 December 2022

| EUR '000 | Note no. | 2022 | 2021 |
|---|---|---|---|
| Revenue | V.1 | 5,290,045 | 5,117,601 |
| Other operating income | V.2 | 474,270 | 421,016 |
| | | **5,764,315** | **5,538,617** |
| Cost of materials | V.3 | 1,284,220 | 1,235,492 |
| Staff costs | V.4 | 3,459,151 | 3,314,547 |
| Other operating expenses | V.5 | 488,348 | 485,140 |
| **Operating result / EBITDA[1,2]** | | **532,596** | **503,437** |
| **Depreciation, amortisation and impairment** | | | |
| of intangible assets, of property, plant and equipment, and of right-of-use assets | V.6 | 335,138 | 318,613 |
| **Operating result / EBIT[3]** | | **197,458** | **184,824** |
| Income from equity investments | | 11,635 | 6,634 |
| **Net investment income** | V.7 | **11,635** | **6,634** |
| Interest and similar income | V.8 | 21,180 | 7,985 |
| Interest and similar expenses | V.8 | −63,560 | −58,167 |
| **Net interest expenses** | V.8 | **−42,379** | **−50,182** |
| **Net finance costs** | | **−30,745** | **−43,548** |
| **Earnings before income taxes** | | **166,713** | **141,276** |
| Income taxes | V.9 | −34,838 | −34,929 |
| **Consolidated net profit** | | **131,875** | **106,347** |
| of which attributable to the parent company | | 97,686 | 82,459 |
| of which attributable to non-controlling interests | | 34,190 | 23,887 |

[1] EBITDA is negatively impacted by impairments of financial assets and contract assets in the amount of EUR 18.0 million (previous year: EUR 4.3 million)

[2] Operating earnings before interest, taxes and depreciation and amortisation

[3] Operating earnings before interest and taxes

# 2 IFRS Consolidated statement of comprehensive income

## for the financial year from 1 January to 31 December 2022

| EUR '000 | 2022 | 2021 |
|---|---|---|
| **Consolidated net profit** | **131,875** | **106,347** |
| Change in actuarial gains (+) /losses (-) from defined benefit pension commitments and similar obligations | 219,512 | 61,735 |
| Income taxes | −41,158 | −6,758 |
| **Total changes in value not reclassified to profit or loss** | **178,354** | **54,977** |
| **Other comprehensive income (net of tax)** | **178,354** | **54,977** |
| **Total comprehensive income** | **310,229** | **161,324** |
| of which attributable to the parent company | 227,603 | 122,599 |
| of which attributable to non-controlling interests | 82,626 | 38,725 |

# 3 IFRS Consolidated statement of cash flows

## for the financial year from 1 January to 31 December 2022

| EUR '000 | Note no. | 2022 | 2021 |
|---|---|---|---|
| **Consolidated net profit** | | **131,875** | **106,347** |
| Income taxes | V.9 | 34,838 | 34,929 |
| Net interest expenses | V.8 | 42,379 | 50,182 |
| Net investment income | V.7 | −11,635 | −6,634 |
| Amortisation of intangible assets and financial assets and depreciation of property, plant and equipment and right-of-use assets | V.6 | 335,138 | 318,613 |
| **Gross cash flow (EBITDA)** | | **532,596** | **503,437** |
| Other non-cash transactions | | 49,389 | 20,858 |
| Changes in inventories, receivables and other assets | VII.6, 7, 8, 9, 10, 11 | −199,732 | −221,481 |
| Changes in liabilities, provisions and other liabilities | VII.16, 18, 19, 20, 21, 22, 23 | −31,144 | 168,239 |
| Dividends received | V.7 | 640 | 374 |
| Interest income | V.8 | 4,670 | 2,171 |
| Income taxes paid | V.9 | −33,149 | −23,964 |
| **Cash flow from operating activities/net cash flow** | | **323,271** | **449,634** |
| Investments in property, plant and equipment and intangible assets | VII.2, 3 | −314,043 | −332,533 |
| Inflows from grants for the financing of fixed assets | | 95,764 | 90,324 |
| Proceeds from the disposal of non-current assets | | 7,607 | 7,097 |
| Change in investments in fixed deposits | | −53,000 | 0 |
| Acquisitions of subsidiaries net of cash and cash equivalents acquired | VII.1 | −15,466 | −1,715 |
| Investments in other financial assets and equity investments | VII.7 | 0 | −470 |
| Cash inflow from the disposal of subsidiaries and investments | | 11,333 | 0 |
| **Cash flow from investing activities** | | **−267,805** | **−237,297** |
| Proceeds from borrowings | VII.15 | 285,964 | 295,000 |
| Proceeds from the repayment of financial liabilities | | −240,259 | −298,086 |
| Other interest expenses | V.8 | −35,600 | −41,033 |
| Repayment of financial liabilities from right-of-use assets | | −66,045 | −59,266 |
| Interest expenses from right-of-use assets | V.8 | −10,184 | −8,992 |
| Distributions | | −1,963 | −1,247 |
| **Cash flow from financing activities** | | **−68,087** | **−113,624** |
| Change in cash and cash equivalents | | −12,621 | 98,713 |
| Cash and cash equivalents as at 1 January | | 647,204 | 548,491 |
| **Cash and cash equivalents as at 31 December** | VII.12 | **634,583** | **647,204** |

# 4 IFRS Consolidated statement of financial position

## for the financial year ended 31 December 2022

| EUR '000 | Note no. | 31. Dec. 2022 | 31. Dec. 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | VII.2 | 1,090,817 | 1,082,487 |
| Property, plant and equipment | VII.3 | 2,410,270 | 2,478,387 |
| Right-of-use assets | VII.4 | 447,636 | 405,317 |
| Investments accounted for using the equity method | VII.5 | 48,283 | 43,437 |
| Financial assets | VII.7 | 10,294 | 9,328 |
| Receivables under German Hospital Financing Act | VII.6 | 62,495 | 67,430 |
| Other financial assets | VII.7 | 2,055 | 1,670 |
| Trade receivables | VII.9 | 309 | 533 |
| Other assets | VII.11 | 67 | 61 |
| Deferred taxes | VII.23 | 85,400 | 127,981 |
| **Total non-current assets** | | **4,157,627** | **4,216,631** |
| **Current liabilities** | | | |
| Inventories | VII.8 | 114,782 | 115,880 |
| Receivables under German Hospital Financing Act | VII.6 | 218,754 | 115,536 |
| Trade receivables | VII.9 | 780,615 | 738,709 |
| Current income tax assets | VII.10 | 21,998 | 19,321 |
| Other financial assets | VII.7 | 893,934 | 679,867 |
| Other assets | VII.11 | 33,826 | 24,087 |
| Cash and cash equivalents | VII.12 | 634,583 | 647,204 |
| **Total current assets** | | **2,698,492** | **2,340,603** |
| **Assets held for sale** | VII.13 | **14,537** | **15,040** |
| **Total assets** | | **6,870,656** | **6,572,274** |

| EUR '000 | Note no. | 31. Dec. 2022 | 31. Dec. 2021 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to the parent company** | | | |
| Issued capital | VII.14a | 101 | 101 |
| Reserves | VII.14b | 1,302,720 | 1,088,616 |
| Consolidated net profit | VII.14 | 97,686 | 82,459 |
| Non-controlling interests | VII.14c | 642,598 | 575,681 |
| **Total equity** | VII.14 | **2,043,104** | **1,746,857** |
| **Non-current liabilities** | | | |
| Trade payables | VII.16 | 113 | 59 |
| Financial liabilities | VII.15 | 2,071,206 | 2,021,357 |
| Lease liabilities | VII.17 | 456,924 | 362,454 |
| Pensions and similar obligations | VII.21 | 110,676 | 330,729 |
| Other provisions | VII.22 | 287,774 | 314,892 |
| Liabilities under German Hospital Financing Act | VII.18 | 39,176 | 39,543 |
| Deferred taxes | VII.24 | 54,742 | 54,231 |
| Other financial liabilities | VII.19 | 38,729 | 47,149 |
| Other liabilities | VII.20 | 6,485 | 8,617 |
| **Total non-current liabilities** | | **3,065,826** | **3,179,032** |
| **Current liabilities** | | | |
| Trade payables | VII.16 | 129,158 | 115,644 |
| Financial liabilities | VII.15 | 160,151 | 157,623 |
| Lease liabilities | VII.17 | 38,070 | 67,631 |
| Pensions and similar obligations | VII.21 | 3,472 | 7,827 |
| Other provisions | VII.22 | 353,811 | 389,625 |
| Current income tax liabilities | VII.23 | 22,343 | 26,201 |
| Liabilities under German Hospital Financing Act | VII.18 | 436,167 | 265,868 |
| Other financial liabilities | VII.19 | 224,811 | 209,465 |
| Other liabilities | VII.20 | 390,731 | 396,920 |
| **Total current liabilities** | | **1,758,714** | **1,636,804** |
| **Debts associated with assets held for sale** | VII.13 | **3,012** | **9,580** |
| **Total equity and liabilities** | | **6,870,656** | **6,572,274** |

# 5 IFRS Consolidated statement of changes in equity

## for the financial year from 1 January to 31 December 2022

| | Equity attributable to the parent company | | | | | | |
|---|---|---|---|---|---|---|---|
| EUR '000 | Issued capital | Capital reserves | Retained earnings | Consolidated net profit | Total | Non-controlling interests | Equity |
| **As at 1 January 2021** | **101** | **243,162** | **895,315** | **−86,822** | **1,051,756** | **540,794** | **1,592,550** |
| Net income | 0 | 0 | 0 | 82,459 | 82,459 | 23,887 | 106,346 |
| Other comprehensive income | 0 | 0 | 40,140 | 0 | 40,140 | 14,837 | 54,977 |
| **Total comprehensive income** | **0** | **0** | **40,140** | **82,459** | **122,599** | **38,724** | **161,324** |
| Payment obligations and distributions | 0 | 0 | 0 | 0 | 0 | −1,247 | −1,247 |
| Changes in the consolidated group | 0 | 0 | −10 | 0 | −10 | 10 | 0 |
| Change in equity interests in consolidated companies | 0 | 0 | −463 | 0 | −463 | −164 | −627 |
| Allocation to reserves | 0 | 0 | −86,822 | 86,822 | 0 | 0 | 0 |
| Other changes | 0 | 0 | −2,706 | 0 | −2,706 | −2,435 | −5,141 |
| **Total transactions recognised directly in equity** | **0** | **0** | **−90,001** | **86,822** | **−3,179** | **−3,836** | **−7,015** |
| **As at 31 Dec. 2021** | **101** | **243,162** | **845,454** | **82,459** | **1,171,176** | **575,681** | **1,746,857** |
| **As at 1 January 2022** | **101** | **243,162** | **845,454** | **82,459** | **1,171,176** | **575,681** | **1,746,857** |
| Net income | 0 | 0 | 0 | 97,686 | 97,686 | 34,190 | 131,875 |
| Other comprehensive income | 0 | 0 | 129,918 | 0 | 129,918 | 48,436 | 178,354 |
| **Total comprehensive income** | **0** | **0** | **129,918** | **97,686** | **227,603** | **82,626** | **310,229** |
| Payment obligations and distributions | 0 | 0 | 0 | 0 | 0 | −1,963 | −1,963 |
| Changes in the consolidated group | 0 | 0 | 129 | 0 | 129 | 9 | 138 |
| Change in equity interests in consolidated companies | 0 | 0 | 2,424 | 0 | 2,424 | −12,265 | −9,841 |
| Allocation to reserves | 0 | 0 | 82,459 | −82,459 | 0 | 0 | 0 |
| Other changes | 0 | 0 | −825 | 0 | −825 | −1,492 | −2,317 |
| **Total transactions recognised directly in equity** | **0** | **0** | **84,187** | **−82,459** | **1,728** | **−15,711** | **−13,983** |
| **As at 31 Dec. 2022** | **101** | **243,162** | **1,059,559** | **97,686** | **1,400,506** | **642,598** | **2,043,104** |

# 6 Notes to the consolidated financial statements

for the 2022 financial year
in accordance with International Financial Reporting Standards

# I. Basis of the consolidated financial statements

## Group structure: principles and business segments

The name of the company is Asklepios Kliniken GmbH & Co. KGaA, Rübenkamp 226, Hamburg, Germany (hereinafter also referred to as "AKG", "the Group" or "the company"), and it is entered in the commercial register at the Hamburg Local Court under HRB 149532. The company was formed on 7 June 2004.

Asklepios Kliniken GmbH & Co. KGaA and its subsidiaries operate predominantly on the German market in the clinical acute care and rehabilitation sectors and, to a very limited extent, in the nursing sector. The purpose of the company is the acquisition and operation of healthcare facilities and the provision of consulting services.

The Group operates facilities in numerous federal states in Germany. The Group structure is geared towards regional differences in terms of personnel and company law. The operating entities are essentially the Asklepios hospitals of AKG in which investments are held directly and the equity investments of the sub-group financial statements included in the consolidated financial statements, Asklepios Kliniken Hamburg GmbH, Hamburg (74.90% equity investment); MediClin AG, Offenburg (52.73% equity investment); and Rhön-Klinikum AG (94.20% equity investment), included in the consolidated financial statements since 3 July 2020.

Asklepios acquired a further 0.49% of shares in Rhön-Klinikum AG, Bad Neustadt an der Saale in 2022. The remaining 49.00% of shares in HKW Hamburger Krankenhauswäscherei GmbH and of 24.90% in Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH were acquired in the course of the financial year. Asklepios Handelsgesellschaft mbH, Asklepios Klinik Dienste Nordhessen GmbH, Asklepios Science & Research GmbH, Asklepios Therapie Dienstleistungen GmbH and Asklepios Zentrallager Besitzgesellschaft GmbH were newly established in the financial year. The Group structure was also expanded through the acquisition of BUK Familienbewusstes Personalmanagement GmbH and IBT-Orthopädie GmbH. However, the newly acquired companies are of minor significance for the consolidated financial statements. Asklepios Stadtkrankenhaus Seesen GmbH was also merged with Asklepios Harzkliniken GmbH in the financial year. The company also sold 74.90% of its shares in Care-Bridge GmbH, Bonn, and 75.12% of its shares in Zentralinstitut für Transfusionsmedizin GmbH, Hamburg.

The Group also has selected foreign operations. They relate almost exclusively to the investment in Greece (Athens Medical Center S.A.), Mind District Holding BV in the Netherlands, which operates in the e-mental health sector, and Pulso Europe BV in Belgium. AKG acquired the remaining shares of 15.00% of PULSO EUROPE BV, Löwen (Belgium) in August 2022.

In addition, the Rhön-Klinikum AG sub-group founded MVZ Rhön Diagnostik GmbH.

The MediClin AG sub-group founded the companies MediClin Rehabilitationsforschung gGmbH and MediClin Psychiatrie Pflege Dienstleistungen GmbH. Both companies were included in the sub-group, which was, however, still not operational in 2022.

# II. Accounting principles

## 1) Regulations applied

The consolidated financial statements of the company and its subsidiaries as at 31 December 2022 were prepared in accordance with the requirements of section 315e (3) of the German Commercial Code (HGB), the International Financial Reporting Standards (IFRS) and the related interpretations of the IASB (IFRIC), as applicable in the European Union as per Regulation (EC) No. 1606/2002 of the European Parliament and of the Council. All standards and interpretations that are mandatory for the 2022 financial year were applied.

The consolidated financial statements were prepared on the basis of historical cost. The consolidated financial statements were prepared on a going concern basis.

The Group therefore did not to prepare any consolidated financial statements in accordance with the German Commercial Code (HGB). The IFRS consolidated financial statements and the Group management report for the smallest group of companies were published in the German Federal Gazette (Bundesanzeiger). Asklepios Kliniken GmbH & Co. KGaA was included in the IFRS consolidated financial statements of Broermann Holding GmbH, Königstein im Taunus, which prepares the consolidated financial statements for the largest group of companies. These consolidated financial statements and Group management report were published in the German Federal Gazette (Bundesanzeiger).

For detailed information on the consolidation and accounting policies applied, please refer to the notes in section IV "Consolidation and accounting policies" below.

## 2) New standards and standards to be applied for the first time

### Financial reporting standards applied for the first time

The IASB has revised and published the financial reporting standards. The standards replace all or part of earlier versions of these standards/interpretations or are entirely new standards/interpretations. The Group applied the following standards in full or the relevant amended requirements for the first time in accordance with the relevant transition provisions and – where required – adjusted the comparative information in line with the new financial reporting standards:

| | |
|---|---|
| Amendments to IFRS 3 | Reference to the Conceptual Framework |
| Amendments to IAS 37 | Onerous Contracts – Cost of Fulfilling a Contract |
| Amendments to IAS 16 | Property, Plant and Equipment – Proceeds before Intended Use |
| AIP 2018–2020 | Annual Improvements to IFRSs (2018–2020 Cycle) with amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 |

### IFRS 3: Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework, add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework), and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments came into effect on 1 January 2022. The Asklepios Group does not record any significant impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

### IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The changes in 'Onerous Contracts – Cost of Fulfilling a Contract' (Amendments to IAS 37) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments came into effect on 1 January 2022. The Asklepios Group does not record any significant impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

### IAS 16: Property, Plant and Equipment – Proceeds before Intended Use

"Property, Plant and Equipment – Proceeds before Intended Use" (Amendments to IAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments to IAS 16 shall be applied for annual periods beginning on or after 1 January 2022. An entity applies the amendments retrospectively only to items of property, plant and equipment and intangible assets that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The amendments came into effect on 1 January 2022. The Asklepios Group does not record any impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

### Annual Improvements to IFRSs (2018–2020 Cycle) with amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41

The amendment permits a subsidiary that applies paragraph D16 (a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

The amendment to IFRS 9 clarifies which fees an entity includes when it applies the '10%' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments came into effect on 1 January 2022. The Asklepios Group does not apply the standards IFRS 1 and IAS 41. The Asklepios Group does not record any significant impact on the Group's net assets, financial position and results of operations from the amendments to IFRS 9 and IFRS 16.

| | Publication | Effective Date |
|---|---|---|
| Amendments to IFRS 17: Insurance Contracts and amendments to IFRS 17 deferring the date of initial application* | May 2017/ June 2020 | 1 January 2023 |
| Amendments to IAS 1: Disclosure of Accounting Policies* | February 2021 | 1 January 2023 |
| Amendments to IAS 8: Definition of Accounting Estimates* | February 2021 | 1 January 2023 |
| Amendments to IAS 12: narrowing the scope of the initial recognition exemption* | May 2021 | 1 January 2023 |
| Amendments to IFRS 17: expedients for entities that first apply IFRS 9 and IFRS 17 at the same time* | December 2021 | 1 January 2023 |
| Amendments to IAS 1: Classification of Liabilities as Current or Non-current, including postponement of the date of initial application published in July 2020** | January 2020 | 1 January 2024 |
| Amendments to IFRS 16: Requirements for seller-lessees in leases as part of a sale and leaseback** | September 2022 | 1 January 2024 |
| Amendments to IAS 1: Non-current liabilities with covenants** | October 2022 | 1 January 2024 |

*Endorsed
**Not yet endorsed

### IFRS 17 Insurance Contracts

On 18 May 2017, the International Accounting Standards Board (IASB) published IFRS 17 Insurance Contracts, which will replace IFRS 4 Insurance Contracts.

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

The standard contains three central approaches for the accounting treatment of insurance contracts:

- The Building Block Approach (BBA) is the general model for the accounting treatment of insurance contracts. It is applicable for all insurance contracts within the scope of IFRS 17, unless one of the following exceptions is applied.
- The Premium Allocation Approach (PAA) is a simplification of the Building Block Approach, which may be applied to contracts provided that measurement of these contracts using the PAA does not result in any material deviations compared with the BBA or if they are of a short-term nature.
- The Variable Fee Approach (VFA) is another variation of the Building Block Approach for insurance contracts whose payments are contractually linked to income deriving from certain reference values (direct participating features).

The version published in May 2017 stipulated initial application for annual reporting periods beginning on or after 1 January 2021. The Amendments to IFRS 17 issued on 25 June 2020 deferred the date of initial application of IFRS 17 to 1 January 2023.

The standard is irrelevant for the Asklepios Group.

### Amendments to IAS 1: Disclosure of Accounting Policies

The amendments comprise amendments to IAS 1 and IFRS Practice Statement 2 and are intended to help preparers of financial reporting by specifying the material information regarding accounting policies to make things easier for the preparers of financial reporting.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

### Amendments to IAS 8: Definition of Accounting Estimates

The amendments to IAS 8 aim to help entities to distinguish between accounting policies and accounting estimates. Accounting estimates are redefined as "monetary amounts in financial statements that are subject to measurement uncertainty".

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

### Amendments to IAS 12: narrowing the scope of the initial recognition exemption

The amendments to IAS 12 narrow the scope of the initial recognition exemption, according to which deferred tax assets or liabilities are not recognised at the date of initial recognition of an asset or liability. According to the amendment to IAS 12, the initial recognition exemption can no longer be used if equal amounts of deductible and taxable temporary differences arise on initial recognition, so deferred tax assets and liabilities must be recognised.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

### Amendments to IFRS 17: expedients for entities that first apply IFRS 9 and IFRS 17 at the same time

The amendment provides expedients for entities that first apply IFRS 9 and IFRS 17 at the same time. It permits entities to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

### Amendments to IAS 1: Classification of Liabilities as Current or Non-current (not yet endorsed)

On 23 January 2020, the International Accounting Standards Board (IASB) issued an amendment to IAS 1 regarding the classification of liabilities, which sets out criteria for the classification of liabilities as current or non-current. An entity shall apply the amendments retrospectively for annual periods beginning on or after 1 January 2023.

The amendments to the classification of liabilities as current or non-current affect only the presentation of liabilities in the statement of financial position- not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items.

The amendments also add guidance for interpreting the "right to defer settlement of the liability by at least twelve months" and explanations regarding "settlement".

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

**Amendments to IFRS 16: Requirements for seller-lessees in the case of leases as part of a sale and leaseback (not yet endorsed)**

The amendment relates to requirements for the subsequent measurement of leases as part of a sale and leaseback for seller-lessees. This amendment aims in particular to standardise the subsequent measurement of lease liabilities and therefore to prevent the realisation of inappropriately substantial profits resulting from the fact that payments expected when the lease started no longer have to be taken into account. This means that the lease liability will be reduced by the expected payments in subsequent periods and only the difference to actual payments will be recognised through profit and loss.

The Asklepios Group does not expect any impact on the Group's net assets, financial position and results of operations from the amendment.

**Amendments to IAS 1: Non-current liabilities with covenants (not yet endorsed)**

The amendment to the standard emphasises that when classifying liabilities as non-current or current, only covenants that the company must comply with on or before the reporting date are of relevance for the classification. The company is also obliged to disclose information regarding this in the notes to the financial statements, which will allow users to estimate the risk of the extent to which non-current liabilities could be repayable within twelve months.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

## 3) Presentation and reclassifications

Assets and liabilities and expenses and income are offset in accordance with IAS 1.32 when this is explicitly required or permitted in a standard or interpretation and reflects the substance of the transaction.

The consolidated income statement, which is presented as a separate component of the consolidated financial statements pursuant to the option under IAS 1 (rev. 2011), was prepared in line with the nature of expense method. There were no changes in presentation in the financial year.

If no other currency unit is specified, all amounts in the consolidated financial statements are shown in thousands of euro (EUR thousand) or millions of euro (EUR million).

## 4) Financial year

The financial year is the calendar year.

## 5) Approval of the financial statements

The company's consolidated financial statements were approved for publication by management signature.

# III. Currency translation

The consolidated financial statements are presented in euro, the functional and reporting currency of the Group.

The financial statements of all Group companies whose functional currency is not the euro are translated into the reporting currency as follows:

- Assets and liabilities are translated at the reporting date of each statement of financial position presented.
- Income and expenses are translated at the average exchange rate for each statement presenting profit or loss and other comprehensive income (except where it is a reasonable approximation of the cumulative effect of a translation on the transaction dates; in this case, income and expenses are translated at the exchange rates applicable at the transaction date).
- All gains and losses from currency translation are recognised in other comprehensive income.

All exchange differences relating to the translation of net investments in foreign operations are recognised in other comprehensive income. On the disposal of a foreign operation, the exchange differences recognised in equity are reclassified to the consolidated income statement.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Gains and losses resulting from the settlement of such transactions or from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate prevailing on the reporting date are recognised in the consolidated income statement.

# IV. Consolidation and accounting policies

The annual financial statements of companies included in the consolidated financial statements of the company were prepared using uniform accounting policies. The financial statements of all the companies included in consolidation were prepared at the same date as the consolidated financial statements.

## 1) Consolidated group

### a) Subsidiaries

In addition to Asklepios Kliniken GmbH & Co. KGaA as the ultimate parent company, the consolidated group also includes the subsidiaries directly or indirectly controlled by AKG. The Group controls a subsidiary when it is exposed to variable returns from its investment in the subsidiary or has rights to these returns and has the ability to use its power over the subsidiary to affect these returns. The subsidiaries are consolidated from the day the Group obtains control. The subsidiaries are deconsolidated when the Group loses control.

In the event of loss of control over a subsidiary, the assets and liabilities of the former subsidiary are derecognised and any investment retained is recognised at its fair value. The investment and any amounts the former subsidiary owes to the Group or that the Group owes to the former subsidiary are subsequently accounted for in accordance with relevant IFRSs. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, where applicable, the cost on initial recognition of an investment in an associate or joint venture. Gains and losses from the loss of control are recognised in the income statement. This also applies to amounts that were formerly accounted for in the statement of comprehensive income.

Business combinations are accounted for using the acquisition method. The cost of a company acquisition is calculated as the sum total of the transferred consideration, measured at its fair value at the acquisition date, and the noncontrolling interests in the acquired company. For each business combination, the acquirer measures the non-controlling interests in the acquired company either at fair value or on the basis of the proportionate share in the identifiable net assets of the acquired company. Costs incurred in connection with the business combination are recognised as expense.

The agreed contingent consideration is recognised at fair value at the date of the acquisition. Subsequent changes to the fair value of a contingent consideration representing an asset or a liability are measured at fair value in accordance with IFRS 9 and recognised through profit or loss in the income statement. Contingent consideration to be classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

In subsequent periods, unrecognised gains and losses identified upon the fair value measurement of assets and liabilities during first-time consolidation are remeasured, amortised or reversed in line with the changes in the assets and liabilities. In subsequent periods, goodwill is tested for impairment at least once a year and, if impairment is identified, written down to the lower recoverable amount.

If interests are acquired in stages, the difference between the purchase cost and the share of equity is recognised as goodwill. In this case, the equity interest formerly held by the acquirer shall be remeasured at its acquisition date fair value and the resulting gain or loss shall be recognised through profit or loss.

Intragroup expenses and income and receivables and liabilities between consolidated companies were eliminated as part of the consolidation of debt, expenses and income. Intercompany profits and losses are eliminated where material. For consolidation measures affecting profit or loss, income tax effects are recognised and deferred taxes are reported accordingly.

### b) Associates

Associates are entities over which the Group has significant influence but no control. Investments in associates are initially measured at cost and accounted for using the equity method. The share of the Group in associates contains the goodwill incurred on acquisition.

The Group's share of the profits and losses of associates is recognised in the consolidated income statement at the date of acquisition, and the share of the changes in reserves of associates are recognised in the Group reserves. The cumulative changes after acquisition are recognised against the carrying amount of the investment.

Dividend payments are deducted from the amount recognised in equity accordingly. If the Group's share of the loss in an associate is equal to or greater than the Group's interest in this entity, including other unsecured receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits is greater than the share of losses not recognised.

Unrealised profits arising from transactions between Group companies and associates are eliminated in accordance with the Group's interest in the associate. Unrealised losses are also eliminated, unless the transaction indicates impairment of the transferred asset. The accounting policies of associates were changed, where necessary, to ensure the application of uniform policies throughout the Group.

### c) Other investments

The Group's other investments, which are neither fully consolidated subsidiaries (IFRS 10) nor consolidated associates (IAS 28), are carried at amortised cost if they are of minor significance and measured at cost on initial recognition. Transaction costs are considered as part of the purchase price on initial recognition.

### d) Transactions with non-controlling interests

Non-controlling interests are the portion of the profit or loss and net assets attributable to equity interests that are not held by the shareholders of the parent company. Non-controlling interests are presented separately in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of financial position. They are reported within equity in the consolidated statement of financial position.

If there are changes to the Group's ownership interest in a subsidiary and the Group does not lose control over the subsidiary, these transactions are treated as equity transactions. This relates to transactions with owners in their capacity as owners.

The Group recognises directly in equity any difference between the amount by which the non-controlling interests change and the fair value of the consideration paid or received.

### e) Consolidated group

The following companies were part of the group of consolidated companies as at 31 December 2022. Also presented are the amount of the interest (direct or indirect) and information on the extent to which the company is exempt from the obligation to prepare a management report and disclose information under section 264 (3) and section 264b HGB.

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| AKG Klinik Hohwald GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| AKG Klinik Parchim GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| AKG Kliniken GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Ambulantes Gesundheitszentrum Schwedt GmbH, Schwedt | 100.00 | 100.00 | Yes |
| AMR Holding GmbH, Königstein im Taunus | 91.75 | 91.75 | No |
| Angiologikum GmbH, Hamburg | 100.00 | 100.00 | No |
| Aponova GmbH, Hamburg | 100.00 | 100.00 | No |
| Asklepios - ASB Krankenhaus Radeberg GmbH, Radeberg | 94.00 | 94.00 | No |
| Asklepios Abrechnung Bayern GmbH, Lenggries | 100.00 | 100.00 | No |
| Asklepios Business Services GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Business Services Hamburg GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios Connecting Health Hamburg GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios Dienstleistungsgesellschaft Hamburg mbH, Hamburg | 100.00 | 100.00 | No |
| Asklepios Dienstleistungsgesellschaft mbH, Gauting | 100.00 | 100.00 | Yes |
| Asklepios Einkauf und Versorgung Hamburg GmbH, Hamburg | 94.00 | 94.00 | Yes |
| Asklepios EYE GmbH, Hamburg (formerly: Asklepios Privita GmbH, Hamburg) | 100.00 | 100.00 | No |
| Asklepios Fachkliniken Brandenburg GmbH, Brandenburg | 100.00 | 100.00 | Yes |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Asklepios Fachklinikum Stadtroda GmbH, Stadtroda | 94.00 | 94.00 | Yes |
| Asklepios Facility Services Hamburg GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios Gesundheitszentrum Bad Tölz GmbH, Bad Tölz | 100.00 | 100.00 | Yes |
| Asklepios Großhandelsgesellschaft mbH, Königstein im Taunus (formerly: Asklepios Service Einkauf und Versorgung GmbH, Königstein im Taunus) | 100.00 | 100.00 | Yes |
| Asklepios Hamburg Personalservice GmbH, Hamburg | 100.00 | 100.00 | No |
| Asklepios Handelsgesellschaft mbH, Königstein im Taunus | 100.00 | 0.00 | Yes |
| Asklepios Harzkliniken GmbH, Goslar | 94.00 | 94.00 | Yes |
| Asklepios International Beteiligungsgesellschaft mbH, Königstein im Taunus | 100.00 | 100.00 | No |
| Asklepios International GmbH, Königstein im Taunus | 100.00 | 100.00 | No |
| Asklepios IT-Services Hamburg GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios Katharina-Schroth-Klinik GmbH, Bad Sobernheim | 94.00 | 94.00 | Yes |
| Asklepios Klinik Alsbach GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Bad Griesbach GmbH & Cie OHG, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Bad Salzungen GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Bad Wildungen GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Dienste Nordhessen GmbH, Schwalmstadt | 100.00 | 0.00 | Yes |
| Asklepios Klinik Fürstenhof Bad Wildungen GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Gauting GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Lich GmbH, Lich | 94.00 | 94.00 | Yes |
| Asklepios Klinik Lindau GmbH, Lindau | 100.00 | 100.00 | No |
| Asklepios Klinik Lindenlohe GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Asklepios Klinik Pasewalk GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinik Sankt Augustin GmbH, Sankt Augustin | 94.00 | 94.00 | Yes |
| Asklepios Klinik Schaufling GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Klinik Schildautal Seesen GmbH, Seesen (formerly: Asklepios Klinik Sobernheim GmbH, Königstein im Taunus) | 94.00 | 94.00 | Yes |
| Asklepios Klinik Service Göttingen GmbH, Göttingen | 100.00 | 100.00 | Yes |
| Asklepios Klinik Service Nordhessen GmbH, Schwalmstadt | 100.00 | 100.00 | No |
| Asklepios Klinik Service Potsdam GmbH, Brandenburg an der Havel | 100.00 | 100.00 | Yes |
| Asklepios Klinik Service Stadtroda GmbH, Stadtroda | 100.00 | 100.00 | Yes |
| Asklepios Klinik Service Wiesen GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Klinik Weißenfels GmbH, Weißenfels | 94.00 | 94.00 | Yes |
| Asklepios Klinik Wiesbaden GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Kliniken Hamburg GmbH, Hamburg | 74.90 | 74.90 | No |
| Asklepios Kliniken Langen-Seligenstadt GmbH, Langen | 94.00 | 94.00 | Yes |
| Asklepios Kliniken Management- und Verwaltungsgesellschaft Nord-Ost mbH, Königstein im Taunus (formerly: Asklepios Medical Healthcare China Holding GmbH, Königstein im Taunus) | 100.00 | 100.00 | No |
| Asklepios Kliniken Management- und Verwaltungsgesellschaft Rhein-Main mbH, Wiesbaden (formerly: Asklepios Gesundheitszentrum GmbH, Königstein im Taunus) | 100.00 | 100.00 | Yes |
| Asklepios Klinikum Bad Abbach GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Klinikum Uckermark GmbH, Schwedt | 94.00 | 94.00 | Yes |
| Asklepios Krankenpflegeschulen gGmbH, Königstein im Taunus | 95.00 | 95.00 | No |
| Asklepios Lindau Beteiligungs GmbH, Lindau | 100.00 | 100.00 | No |
| Asklepios Medical School GmbH, Hamburg | 100.00 | 100.00 | No |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Asklepios MVZ Bayern GmbH, Cham | 100.00 | 100.00 | Yes |
| Asklepios MVZ Brandenburg GmbH, Brandenburg | 100.00 | 100.00 | Yes |
| Asklepios MVZ Hessen GmbH, Seligenstadt | 100.00 | 100.00 | Yes |
| Asklepios MVZ Mitteldeutschland GmbH, Stadtroda | 100.00 | 100.00 | Yes |
| Asklepios MVZ Niedersachsen GmbH, Goslar | 100.00 | 100.00 | Yes |
| Asklepios MVZ Nord GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios MVZ Nord SH GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios MVZ Rheinland-Pfalz GmbH, Kandel | 100.00 | 100.00 | Yes |
| Asklepios MVZ Sachsen GmbH, Königstein im Taunus (formerly: Asklepios Klinik Service Langen, Langen) | 100.00 | 100.00 | No |
| Asklepios MVZ Sachsen-Anhalt GmbH, Weißenfels | 100.00 | 100.00 | Yes |
| Asklepios MVZ Schleswig-Holstein GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Nordseeklinik Westerland GmbH, Königstein im Taunus | 93.00 | 93.00 | Yes |
| Asklepios Objektbetreuung Hamburg GmbH, Hamburg | 100.00 | 100.00 | Yes |
| Asklepios OP-Zentrum GmbH, Hamburg (formerly: Asklepios Aponova GmbH, Hamburg) | 100.00 | 100.00 | Yes |
| Asklepios Pflegeheim Weserblick GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Psychiatrie Langen GmbH, Langen | 100.00 | 100.00 | Yes |
| Asklepios Psychiatrie Niedersachsen GmbH, Göttingen | 100.00 | 100.00 | Yes |
| Asklepios Psychiatrie Verwaltungsgesellschaft mbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Reha - Klinik Bad Schwartau GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Rehaklinik Bad Oldesloe GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt | 94.00 | 94.00 | No |
| Asklepios Science & Research GmbH, Königstein im Taunus | 100.00 | 0.00 | Yes |
| Asklepios Service Entlassmanagement GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Service Hotellerie GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Service IT GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Service Reinigung GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Service Technik GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Stadtklinik Bad Tölz GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Asklepios Südpfalzkliniken GmbH, Burglengenfeld | 94.00 | 94.00 | Yes |
| Asklepios Therapie Dienstleistungen GmbH, Königstein im Taunus | 100.00 | 0.00 | Yes |
| Asklepios Therapie GmbH, Königstein im Taunus | 100.00 | 100.00 | No |
| Asklepios Verwaltungs- und Management-GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Asklepios Weserbergland-Klinik GmbH, Höxter | 94.00 | 94.00 | Yes |
| Asklepios Westklinikum Hamburg GmbH, Hamburg | 74.98 | 74.98 | Yes |
| Asklepios Zentrallager Besitzgesellschaft GmbH, Königstein im Taunus | 100.00 | 0.00 | No |
| Beteiligungsgesellschaft Prof. Mathey, Prof. Schofer GmbH, Hamburg | 100.00 | 100.00 | No |
| BGL Grundbesitzverwaltungs-GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| Blomenburg Holding GmbH, Kiel | 94.00 | 94.00 | Yes |
| BUK Familienbewusstes Personalmanagement GmbH, Essen | 100.00 | 0.00 | No |
| DHZ Deutsches Herzklappenzentrum GmbH, Hamburg | 100.00 | 100.00 | No |
| Digital Infusion GmbH, Berlin | 100.00 | 100.00 | No |
| Dr. Hoefer-Janker GmbH & Co. Klinik KG, Bonn | 100.00 | 100.00 | Yes |
| ELAN Arzt- und Klinikservice GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| ESB - Gemeinnützige Gesellschaft für berufliche Bildung mbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Fachklinik Rhein/Ruhr für Herz/Kreislauf- und Bewegungssystem GmbH & Co. Kommanditgesellschaft, Essen | 100.00 | 100.00 | Yes |
| Fachklinik Rhein/Ruhr für Herz/Kreislauf- und Bewegungssystem Verwaltungs Gesellschaft mit beschränkter Haftung, Essen | 100.00 | 100.00 | No |
| Fachklinikum Wiesen GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Fürstenberg Institut GmbH, Hamburg | 80.00 | 80.00 | No |
| Gemeinnützige Gesellschaft zur Förderung der klinischen Forschung auf dem Gebiet der Humanmedizin und zur Betreuung von Patienten an den Universitäten Gießen und Marburg mbH, Marburg | 100.00 | 100.00 | No |
| German health tv GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| GFB medi GmbH, Alsbach | 100.00 | 100.00 | No |
| GKB Klinikbetriebe GmbH, Königstein im Taunus | 94.00 | 94.00 | Yes |
| Haus Saaletal GmbH, Bad Neustadt a. d. Saale | 100.00 | 100.00 | Yes |
| HDG-Harzkliniken Dienste GmbH, Goslar | 100.00 | 100.00 | Yes |
| Health Care Concept GmbH, Hamburg | 100.00 | 100.00 | No |
| Herzzentrum Lahr/Baden GmbH & Co. KG, Bad Rappenau | 94.80 | 94.80 | Yes |
| HKW Hamburger Krankenhauswäscherei GmbH, Hamburg | 100.00 | 51.00 | Yes |
| IBT-Orthopädie GmbH, Föhren | 100.00 | 0.00 | No |
| INSITE-Interventions GmbH, Frankfurt am Main | 100.00 | 100.00 | Yes |
| INSTITUT FÜR KLINISCHE FORSCHUNG Semmelweis Universität, Campus Hamburg gGmbH, Hamburg | 100.00 | 100.00 | No |
| KB Krankenhausbeteiligungsgesellschaft mbH & Co. KG, Essen | 100.00 | 100.00 | Yes |
| KB Krankenhausbeteiligungsverwaltungsgesellschaft mbH, Essen | 100.00 | 100.00 | No |
| Kinderhort Salzburger Leite gemeinnützige Gesellschaft mbH, Bad Neustadt a. d. Saale | 100.00 | 100.00 | No |
| KLINIK "HAUS FRANKEN" GMBH Bad Neustadt/Saale i.L., Bad Neustadt a. d. Saale | 100.00 | 100.00 | No |
| Klinikum Frankfurt (Oder) GmbH, Frankfurt (Oder) | 100.00 | 100.00 | Yes |
| KLS – Facility Management GmbH, Langen | 100.00 | 100.00 | No |
| Kraichgau-Klinik Aktiengesellschaft, Bad Rappenau | 94.80 | 94.80 | No |
| Kraichgau-Klinik Bad Rappenau GmbH & Co. KG, Bad Rappenau | 94.80 | 94.80 | Yes |
| Lungenpraxis am Wördemannsweg GmbH, Hamburg | 100.00 | 100.00 | No |
| MAH Medizinische Akademie Hamburg GmbH, Hamburg | 100.00 | 100.00 | No |
| Marburger Ionenstrahl-Therapie Betriebs-Gesellschaft mbH, Bad Neustadt a. d. Saale | 100.00 | 100.00 | No |
| MC Kliniken Geschäftsführungs-GmbH, Offenburg | 94.80 | 94.80 | No |
| MC Service GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin à la Carte GmbH, Offenburg | 100.00 | 100.00 | Yes |
| MediClin Aktiengesellschaft, Offenburg | 52.73 | 52.73 | No |
| MediClin Betriebs GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin Energie GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin Fachklinik Rhein/Ruhr Therapie & Pflege GmbH, Essen | 100.00 | 100.00 | No |
| MediClin Geschäftsführungs-GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin GmbH & Co. KG, Offenburg | 100.00 | 100.00 | Yes |
| MediClin Immobilien Verwaltung GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin Medizinisches Versorgungszentrum GmbH, Offenburg | 100.00 | 100.00 | Yes |
| MediClin Pflege GmbH, Offenburg | 100.00 | 100.00 | Yes |
| MediClin Psychiatrie Pflege Dienstleistungen GmbH, Offenburg | 100.00 | 0.00 | No |
| MediClin Rehabilitationsforschung gGmbH, Offenburg | 100.00 | 0.00 | No |
| MediClin Therapie GmbH, Offenburg | 100.00 | 100.00 | No |
| MediClin-IT GmbH, Offenburg | 100.00 | 100.00 | Yes |
| medicum Hamburg MVZ GmbH, Hamburg | 100.00 | 100.00 | Yes |
| MEDILYS Laborgesellschaft mbH, Hamburg | 100.00 | 100.00 | Yes |
| Medizinisches Versorgungszentrum Prof. Mathey, Prof. Schofer GmbH, Hamburg | 100.00 | 100.00 | No |
| Mind District Holding B.V., Amsterdam (Netherlands) | 100.00 | 100.00 | n.a. |
| Minddistrict B.V., Amsterdam (Netherlands) | 100.00 | 100.00 | n.a. |
| Minddistrict Development B.V., Amsterdam (Netherlands) | 100.00 | 100.00 | n.a. |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Minddistrict GmbH, Berlin | 100.00 | 100.00 | No |
| Minddistrict LTD, London (England) | 100.00 | 100.00 | n.a. |
| MVZ Bad Neustadt/Saale GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| MVZ des Klinikums Frankfurt (Oder) GmbH, Frankfurt (Oder) | 100.00 | 100.00 | No |
| MVZ Hanse Histologikum GmbH, Hamburg | 51.00 | 51.00 | No |
| MVZ Innere Medizin Bad Wildungen GmbH, Bad Wildungen | 100.00 | 0.00 | No |
| MVZ MED GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| MVZ MediClin Bonn GmbH, Bonn | 100.00 | 100.00 | No |
| MVZ MEDILYS Laborgesellschaft mbH, Hamburg (formerly: MVZ Onkologie Barmbek GmbH, Hamburg) | 100.00 | 100.00 | No |
| MVZ Rhön Diagnostik GmbH, Gießen | 95.00 | 0.00 | No |
| MVZ Sobernheim GmbH, Bad Sobernheim | 100.00 | 100.00 | Yes |
| MVZ UKGM GmbH, Marburg | 95.00 | 100.00 | No |
| MVZ Vorpommern GmbH, Pasewalk | 100.00 | 100.00 | Yes |
| MVZ Zentralklinik GmbH, Bad Berka | 100.00 | 100.00 | Yes |
| Norddeutsches Herz- und Gefäßzentrum Hamburg GmbH, Hamburg | 100.00 | 100.00 | No |
| Nordseeklinik Neubau GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| OT-Rhein-Main GmbH, Föhren | 100.00 | 100.00 | No |
| PMD Präventivum GmbH, Hamburg | 100.00 | 100.00 | No |
| Poly Z Med GmbH, Königstein im Taunus | 100.00 | 100.00 | Yes |
| Prof. Mathey, Prof. Schofer Vermietungsgesellschaft mbH & Co. KG, Hamburg | 100.00 | 100.00 | No |
| ProFuß GmbH, Föhren | 80.00 | 80.00 | No |
| Psychosomatische Klinik GmbH Bad Neustadt/Saale, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| PTZ GmbH, Marburg | 100.00 | 100.00 | No |
| PULSO EUROPE BV, Leuven (Belgium) | 100.00 | 85.00 | n.a. |
| Pulso Europe LDA, Lisbon (Portugal) | 60.00 | 60.00 | n.a. |
| Pulso France SAS, Paris, France | 60.00 | 60.00 | n.a. |
| Pulso South East Europe P.C., Athens (Greece) | 55.00 | 55.00 | n.a. |
| Reha - Klinik Schildautal Investgesellschaft mbH, Königstein im Taunus | 99.00 | 99.00 | Yes |

| Name, registered office | Interest held in % 2022 | Interest held in % 2021 | Section 264 (3) and section 264b HGB 2022 |
|---|---|---|---|
| Rehabilitationszentrum Gernsbach/Schwarzwald GmbH & Co. KG, Bad Rappenau | 94.80 | 94.80 | Yes |
| RHÖN-Cateringgesellschaft mbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| RHÖN-Innovations GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| RHÖN-Klinikum AG, Bad Neustadt a.d. Saale | 94.20 | 93.71 | No |
| RHÖN-KLINIKUM Business Services GmbH, Schweinfurt | 100.00 | 100.00 | Yes |
| RHÖN-KLINIKUM Energie für Gesundheit GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| RHÖN-KLINIKUM IT Service GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| RHÖN-KLINIKUM Service Einkauf + Versorgung GmbH, Schweinfurt | 100.00 | 100.00 | Yes |
| RHÖN-KLINIKUM Services GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| RHÖN-Kreisklinik Bad Neustadt GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | Yes |
| RK Klinik Betriebs GmbH Nr. 35 i.L., Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| RK Reinigungsgesellschaft Nordost mbH i.L., Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| Rückenzentrum St. Georg GmbH, Hamburg | 100.00 | 100.00 | No |
| Sächsische Schweiz Kliniken GmbH, Sebnitz | 100.00 | 100.00 | No |
| Samedi Austria GmbH, Vienna (Austria) | 100.00 | 100.00 | n.a. |
| Samedi GmbH, Berlin | 100.00 | 100.00 | No |
| Samedi Switzerland AG, Bern (Switzerland) (formerly: ProCuraMed AG, Bern (Switzerland)) | 100.00 | 100.00 | n.a. |
| Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim | 100.00 | 75.10 | No |
| TheraPro GmbH, Hamburg (formerly: MVZ Hamburg-Ost HOG GmbH, Hamburg) | 100.00 | 100.00 | No |
| UKGM Service GmbH, Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| Universitätsklinikum Gießen und Marburg GmbH, Giessen | 95.00 | 95.00 | No |
| Wolfgang Schaffer GmbH i.L., Bad Neustadt a.d. Saale | 100.00 | 100.00 | No |
| Zentralklinik Bad Berka GmbH, Bad Berka | 87.50 | 87.50 | No |

The following companies, which are of minor importance, are carried at cost because no market price can be deter-mined for them:

| Name, registered office | Interest held in % | Equity in EUR thousand | Net profit/loss in EUR thousand |
|---|---|---|---|
| 4QD-Qualitätskliniken.de GmbH, Berlin* | 45.11 | 217.00 | −66.00 |
| Bad Griesbacher Tunnelanlagen GmbH & Co. Betriebs-KG, Bad Griesbach* | 38.42 | 1,391.00 | −110.00 |
| Bäderland Bayerische Rhön GmbH & Co. KG, Bad Kissingen* | 0.10 | 15.00 | 7.00 |
| Care Bridge GmbH, Bonn* | 25.10 | −1,689.00 | −1,437.00 |
| CLEW Medical Inc., Delaware (USA)** | 8.80 | 4,044.00 | −4,725.00 |
| HOSPIZ MITTELHESSEN gemeinnützige GmbH, Wetzlar* | 13.60 | 542.00 | 11.00 |
| Inovytec Medical Solutions Ltd., Hod Hasharon (Israel)** | 10.20 | 9,037.00 | −949.00 |
| movival GmbH, Achern* | 45.45 | 106.00 | 2.00 |
| Müritz-Klinikum Service GmbH, Waren | 51.00 | 353.00 | 146.00 |
| Seniorenpflegeheim GmbH Bad Neustadt a.d. Saale, Bad Neustadt a.d. Saale* | 25.00 | 1,290.00 | −196.00 |
| Spitality GmbH, Charlottenburg* | 15.55 | 1,191.00 | −377.00 |
| Telesofia Medical Ltd., Tel Aviv (Israel)** | 12.20 | −52.00 | 69.00 |
| Wir für Gesundheit GmbH, Berlin* | 5.00 | 128.00 | −798.00 |
| ZIT* | 24.90 | −1,974 | 550 |

* Equity and net profit/loss from 2021
** Equity and net profit/loss from 2021, translated at the reporting date rate/average rate 31 December 2022

The profit from the disposal of equity investments amounted to EUR 5.5 million in 2022 (previous year: EUR 0.0 million) and is reported in net investment income.

The following companies are accounted for using the equity method:

| Name, registered office | Interest held in % |
|---|---|
| Athens Medical Center SA, Athens | 36.48 |
| COLLM KLINIK OSCHATZ GmbH, Oschatz | 25.00 |
| Energiezentrale Universitätsklinikum Gießen GmbH, Giessen | 50.00 |
| Meierhofer AG, Munich | 40.00 |

### Assets held for sale

75.1% of the shares in ZIT - Zentralinstitut für Transfusionsmedizin GmbH were sold as planned in the first half of 2022. The intention is to sell Dr. Hoefer-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH, which were already held for sale in the 2021 financial statements, by way of share deals. The intention is also to sell the Oberviechtach site, hitherto part of Asklepios Klinikum Bad Abbach GmbH, within the first half of 2023. In line with the amendment to IFRS 5 the assets and liabilities held for sale (disposal group) were reclassified accordingly in the statement of financial position. No impairment is required on the fair value. The profit from the disposal of ZIT is of minor significance for the Group and is reported under other operating income. For further information, please refer to section VI.13) "Assets held for sale and liabilities in connection with assets held for sale".

## 2) Intangible assets

Intangible assets are measured at cost on initial recognition. The cost of an intangible asset acquired in a business combination corresponds to its fair value at the acquisition date.

After initial recognition, intangible assets are recognised at amortised cost.

Entities shall first assess whether the intangible assets have a finite or indefinite useful life. Intangible assets with finite useful lives are amortised on a straight-line basis over their economic useful lives and are examined for possible impairment if there is any indication that the intangible asset might be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. If there has been a change in the expected useful life of the asset or the expected pattern of consumption of the future economic benefits embodied in the asset, another amortisation period or amortisation method, respectively, is selected. Such changes are treated as changes in estimates.

| | Useful life in years |
|---|---|
| Software and licences | 3 – 10 |
| Customer bases | 10 – 20 |

Impairment is recognised in the income statement under "Amortisation of intangible assets and depreciation of property, plant and equipment".

Intangible assets with indefinite useful lives are tested for impairment annually or if there are indications of impairment, if facts or changes in circumstances indicate that the carrying amount may be impaired. The Group recognises a brand with an indefinite useful life, which relates to the purchased Asklepios (umbrella) brand. The carrying amount of this brand was EUR 87.6 million at the end of the reporting period. The assumption of an indefinite useful life is based on the duration of intended use and the control of the brand as the public-facing umbrella brand for nearly all of our core business. The brand is tested for potential impairment annually. As the brand itself does not generate any independent cash flows, for the purposes of the impairment test it is allocated to the group of cash-generated units that appear under the brand. For information on the underlying parameters of impairment testing, please refer to the notes in IV.3) "Goodwill". The impairment test of the brand revealed no change in any material assumption deemed to be realistic that would lead to a decrease in value.

## 3) Goodwill

Goodwill from business combinations is initially measured at cost, which is calculated as the excess of the cost of the business combination over the Group's interest in the fair value of the acquired identifiable assets, liabilities and contingent liabilities. After initial recognition, the goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment at least once a year or if there are indications of impairment, if facts or changes in circumstances indicate that the carrying amount may be impaired.

For the purposes of impairment testing, starting from the acquisition date the goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) or groups of cash-generating units that benefit from synergy effects from the business combination. This applies irrespective of whether other assets or liabilities of the acquirer are allocated to these cash-generating units or groups of cash-generating units. A cash-generating unit or group of cash-generating units to which goodwill is allocated is the lowest level (medical facility or group of facilities) within the entity at which the goodwill is monitored for internal management purposes.

The impairment is determined by establishing the recoverable amount of the cash-generating unit (group of cash-generating units) to which that goodwill relates. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. If the recoverable amount of the cash-generating unit (group of cash-generating units) is below its carrying amount, impairment is recognised. If impairment is higher than the carrying amount of goodwill, the difference shall be distributed proportionally to the assets within the CGU. If the reasons for impairment no longer apply, goodwill is not reversed. Impairment is recognised in the income statement under "Amortisation of intangible assets and depreciation of property, plant and equipment".

The following parameters were used for all CGUs when testing for impairment:

| | 2022 | 2021 |
|---|---|---|
| Planning horizon | 3 years | 3 years |
| Growth reduction in perpetuity | 0.25% | 0.25% |
| Risk-free interest rate | 1.50% | 0.10% |
| Pre-tax discount rate | 7.14% | 5.20% |
| Post-tax discount rate (WACC) | 6.97% | 5.11% |

Where the CGU under consideration is significantly affected by the accounting effects of IFRS 16, this was taken into account by way of an adjustment to the impairment model and the effects of IFRS 16 were included in the budget planning, the carrying amount of the CGU and WACC (6.97%). This did not change the impairment of the affected CGU.

The average revenue growth for the key companies to which goodwill has been assigned is between 0% and around 30% in the 2023 to 2025 planning period.

Our business model includes the turnaround of lossmaking hospitals/facilities, which generally takes up to five years in the industry.

As part of planning, the Asklepios management determines the assumptions for the current legal, macroeconomic and market-specific developments and framework conditions as well as the assessment of development, which provide the foundation for corporate planning and the Asklepios Group's three-year plan. For performance and revenue planning, the respective base rates at state level are calculated centrally and specified for each state. The assumptions made regarding cost development result from the economic performance of the facilities and the societal conditions. Effects of the COVID-19 pandemic such as price increases in certain areas were implicitly taken into account in the planning underlying the impairment test, but did not have any material impact.

The calculation of the value in use (= recoverable amount) includes our strategic orientation, our past experience and general developments in the industry.

Below, the cash-generating units with the most significant goodwill are compared with the total carrying amount of goodwill:

| EUR million | 2022 | 2021 |
|---|---|---|
| RHÖN-KLINIKUM AG | 282.5 | 281.8 |
| MediClin AG | 234.0 | 234.0 |
| Asklepios Kliniken Hamburg GmbH | 100.5 | 100.5 |
| Other goodwill | 262.7 | 255.0 |
| **Total** | **879.7** | **871.3** |

In a goodwill sensitivity analysis, a change in the discount rate (WACC) or EBIT would have had the following effects on impairment:

| EUR million | Difference between value in use and carrying amount | Impairment from increase in the discount rate (WACC) by in % points | EBIT in the perpetuity | Impairment from decrease in EBIT by in % |
|---|---|---|---|---|
| RHÖN-KLINIKUM AG | 291 | 3 | 136 | −21 |
| MediClin AG | 471 | 19 | 64 | −70 |
| Asklepios Kliniken Hamburg GmbH | 552 | 9 | 89 | −58 |

For the other goodwill, no change in any material assumption that would lead to a decrease in value is considered to be realistic.

## 4) Property, plant and equipment

Property, plant and equipment are carried at cost less cumulative depreciation and cumulative impairment losses. Straight-line depreciation is based on the following useful lives:

| | Useful life in years |
|---|---|
| Right-of-use assets for land | 60 years |
| Residential and operational buildings | 20–52 years |
| Exterior installations | 10–20 years |
| Machinery | 6–30 years |
| Other equipment, operating and office equipment | 1–15 years |

The carrying amounts of property, plant and equipment are tested for impairment as soon as there is an indication that the carrying amount of an asset may exceed its recoverable amount.

Property, plant and equipment is either derecognised at the time of disposal or when no further economic benefit is expected to arise from the further use or sale of the asset. Gains or losses resulting from derecognition of the asset are determined as the difference between the net amounts realised and the carrying amount, and are recognised through profit or loss in the consolidated income statement in the period in which the item is derecognised.

Residual amounts of the assets, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted where necessary.

Costs of repairs to property, plant and equipment, such as ongoing maintenance expenses, are recognised in profit or loss.

## 5) Investment property

Investment property comprises land and buildings that are held to earn rentals or for capital appreciation and are not used for the provision of services, for administrative purposes or for sale in the ordinary course of business. Investment property is measured at cost less cumulative depreciation.

As beneficial ownership of leased properties remains with Asklepios Kliniken GmbH & Co KGaA or its subsidiaries as lessor (operating lease), these properties are shown under financial assets in the statement of financial position. Leased assets are recognised at cost and depreciated according to the accounting principles for property, plant and equipment. Rental income is recognised on a straight-line basis over the term of the lease.

## 6) Government grants

The company receives government grants for various government subsidy programmes. Government grants are accounted for in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) only if there is reasonable assurance that the conditions attached to them will be met and that the grants will be received. Where government grants were issued for the procurement of property, plant and equipment, they are generally offset against the cost of the asset in line with IAS 20.24. Furthermore, the company receives grants that are earmarked for financing ongoing expenses. These grants are recognised in profit or loss and deducted from the relevant expenses on an accrual basis.

Assistance that companies of the Group have been provided in the form of an interest rate advantage for the granting of non-interest-bearing or low-interest-bearing loans is measured at the time it is granted and likewise deducted from the cost of the subsidised assets.

## 7) Leases

A lease exists when the lessor contractually conveys to the lessee the right to control the use of an identifiable asset for an agreed period of time and the lessor receives consideration from the lessee in exchange.

### Accounting by the lessee

The lessee recognises a right-of-use asset and a lease liability at the inception date of the lease. The right-of-use asset is accounted for at cost and is depreciated over the shorter of the lease term and the economic life of the asset. The asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, for payments on or before the inception of the lease, and for restoration and similar obligations. The right-of-use asset is recognised against a lease liability under equity and liabilities in the statement of financial position. The present value of all future lease payments is included in the measurement of the lease liability. These payments are discounted using the interest rate implicit in the lease if it can be determined reliably. If the interest rate cannot be determined, the incremental borrowing rate is used instead. The incremental borrowing rate for Asklepios Kliniken GmbH & Co. KGaA was determined on the basis of risk-appropriate and term-specific credit spreads on the market for corporate schuldschein loan agreements. The term-specific mid swap rate on the reporting date was used as the base interest rate.

Variable lease payments that depend on an index or rate are initially included in the measurement of the lease liability. They are initially measured using the index or rate as at the commencement date. Residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss during the period in which they are incurred.

A lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two types of leases:

- Short-term leases with a lease term of twelve months or less and containing no purchase options
- Leases for which the underlying asset is of low value (low-value asset)

The Group utilises these options.

The lease liability is remeasured to reflect changes to the lease payments: a) if there is a change in the lease term; b) if there is a change in the assessment of an option; c) if there is a change in the expected payments in connection with residual value guarantees; d) or if there is a change in future lease payments resulting from a change in an index or a rate.

**Accounting by the lessor**

Lessors distinguish between finance and operating leases for each lease.

Leases for which a significant share of the risks and rewards of ownership of the leased asset remain with the lessor are classified as operating leases. In this case, payments made are recognised on a straight-line basis over the lease term and reported in the income statement.

Leases for which the Group bears the significant risks and rewards of ownership of the leased asset are classified as finance leases.

## 8) Research and development costs

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the technical and commercial implementation of research findings. Research costs are recognised as an expense when they occur. The portion of the development costs for which the requirements for capitalisation as intangible assets under IAS 38 (Intangible Assets) are fully met is recognised as an intangible asset.

There were no capitalised development costs in either the financial year or the previous year. Research costs are subsidised and are therefore recognised in other comprehensive income.

## 9) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset (IAS 23.11). Borrowing costs of EUR 1.2 million (previous year: EUR 1.5 million) were capitalised in connection with construction projects in the 2022 financial year. The capitalised amount was calculated as a surcharge rate from the capitalisation rate for loans taken out (2.8% on average; previous year: 3.2% on average).

All other borrowing costs are expensed in the period in which they are incurred (IAS 23.8).

## 10) Impairment of non-financial assets

Other intangible assets and property, plant and equipment are subject to impairment testing by the company in accordance with IAS 36.

An impairment loss is charged on other intangible assets and property, plant and equipment if, as a result of certain events or developments, the carrying amount of the asset is no longer covered by the expected proceeds from the sale or the discounted net cash flow from further use. If it is not possible to determine the recoverable amount for individual assets, the cash flows are determined from the next higher cash-generating unit.

Impairment losses are reversed if the reason for impairment ceases to apply in subsequent years. The reversal of impairment losses is limited to the maximum amount of amortised cost that would have resulted had the impairment losses not been charged.

The test for impairment is carried out annually. If there are indications that could result in potential impairment, tests are carried out more frequently. Net cash flows are determined on the basis of forecasts for the individual reporting units; for subsequent years, the net cash flow trend is determined. The expected net cash flows are discounted using a risk-adjusted interest rate. Other parameters are derived from standardised industry figures. We use the expertise of independent advisory firms for this purpose.

## 11) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognised as financial assets or as financial liabilities are presented separately. Financial instruments are recognised when a Group company becomes party to a contract for the financial instrument. Financial instruments are initially measured at fair value. Transaction costs (except transaction costs for financial assets measured at fair value through profit or loss) are considered as part of the purchase price on initial recognition. The classification of financial assets on initial measurement is dependent on the characteristics of the contractual cash flows of the financial assets and on the business model.

A distinction is made between the business models "hold", "hold and sell" and "other". Financial assets that contain interest and principal payments as described in IFRS 9 where the objective is to collect the contractual cash flows are assigned to the "hold" business model. Financial assets that are held in order to collect contractual cash flows but also to be sold are assigned to the "hold and sell" business model. Financial assets that are held with trading intent or that do not meet the criteria of "hold" or "hold and sell" are assigned to the "other" business model.

For purposes of subsequent measurement, financial assets are classified in four categories as specified in IFRS 9:

- Financial assets measured at amortised cost (debt instruments)
- Financial assets measured at fair value through other comprehensive income (debt instruments)
- Financial assets measured at fair value through other comprehensive income (debt instruments)
- Financial assets measured at fair value through profit or loss

Financial assets are derecognised if the rights to the payments expire or are transferred and the Group has transferred substantially all the risks and rewards incidental to ownership.

### a) Financial assets measured at amortised cost (debt instruments)

Financial assets shall be measured at amortised cost if both of the following conditions are met:

- the financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows, and
- the contractual terms of the financial asset result in cash flows at specified dates that are only repayments of portions of the nominal amount and interest on those portions of the nominal amount that have not yet been repaid.

Financial assets measured at amortised cost are subsequently measured using the effective interest method and are tested for impairment. Gains and losses are recognised in consolidated profit or loss when the asset becomes impaired, is modified or is derecognised. Interest rate effects from using the effective interest method are also recognised in profit or loss. The Group allocates trade receivables, other financial assets and cash and cash equivalents to this category.

### b) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets are to be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial assets are held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and
- the contractual terms of the financial asset result in cash flows at specified dates that are only repayments of portions of the nominal amount and interest on those portions of the nominal amount that have not yet been repaid.

In the case of debt instruments measured at fair value through other comprehensive income, interest income, remeasurements of gains and losses on currency translation, and impairment losses or reversals are recognised in the consolidated income statement. Other changes in fair value are recognised in equity. When a financial asset is derecognised, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to the consolidated income statement. There were no such financial assets in the Group as at 31 December 2022.

The Group defines the classification of its financial assets upon initial recognition and reviews it at the end of each financial year, where permitted and appropriate.

The carrying amount of cash and cash equivalents, receivables and current liabilities is approximately equivalent to the fair value given the short-term nature of these instruments. The fair value of investments in equity instruments that are traded on organised markets is determined by the quoted market price at the end of the reporting period.

### c) Financial assets measured at fair value through other comprehensive income (equity instruments)

On initial measurement, an entity shall decide whether to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they satisfy the definition of equity in IAS 32 and are not held for trading. Gains and losses from these financial assets are not reclassified to the consolidated income statement. Dividends are recognised in the consolidated income statement under other income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment. There were no such financial assets in the Group as at 31 December 2022.

### d) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss on initial recognition and financial assets that must be measured at fair value. Financial assets such as shares or interest-bearing securities are classified as held for trading if they are held with the intention of sale in the short term. As specified by the provisions of IFRS 9, derivative financial instruments are generally measured at fair value through profit or loss if they are not used as hedging instruments in hedge accounting. Examples of derivative financial instruments include options, futures and forwards, and interest rate swaps. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model. Gains and losses from these financial assets are recognised in profit or loss. One exception to this is financial instruments designated for hedge accounting; gains and losses resulting therefrom are reported under equity in other comprehensive income. For further information, please refer to the additional disclosures on financial instruments in section VII. 25).

### e) Financial liabilities

Financial liabilities as defined in IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or as other financial liabilities.

The Group defines the classification of its financial liabilities upon initial recognition and reviews it at the end of each financial year, where permitted and appropriate.

Financial liabilities measured at fair value through profit or loss are recognised at fair value upon initial recognition. Gains and losses from changes in fair value are recognised in profit or loss as incurred. There was no classification of financial liabilities as "financial liabilities measured at fair value through profit or loss" within the Group at the end of the reporting period, as was the case in the previous year.

Each financial liability that is assigned to the category of "financial liabilities measured at amortised cost" is initially measured at the fair value of the consideration received less any transaction costs attributable to borrowing. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. They are reported under other financial liabilities.

A financial liability is derecognised if the underlying obligation relating to the liability is discharged, cancelled or expires.

### f) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset if there is a currently enforceable legal right for the Group to offset the recognised amounts, and if the Group intends to settle the financial assets and financial liabilities on a net basis or to realise the asset and settle the liability simultaneously. The legal right must not be contingent on a future event and must be enforceable in the normal course of business.

### g) Determination of fair value

Financial instruments measured at fair value are analysed in terms of measurement method. The different levels are as follows:

- Level 1: Market prices (unadjusted) used on the active market for identical assets and liabilities
- Level 2: Other information, apart from the level 1 market prices, that is observable for the assets and liabilities either directly (i.e. as price) or indirectly (i.e. derived from price)
- Level 3: Other information for assets and liabilities not based on market data, as no market price can be determined for them

The fair value of financial instruments that are traded on the active market is based on the quoted market price at the end of the reporting period. The market is considered active if quoted prices are readily and regularly available from an exchange, dealer, industry group, pricing service or regulatory agency, and those prices represent current and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded on an active market is calculated using a measurement method. Fair value is thus estimated on the basis of the results of a measurement method that makes maximum use of market inputs, and relies as little as possible on entity-specific inputs. If all inputs required for measuring fair value are observable, the instrument is assigned to level 2.

If at least one significant input is not based on observable market data, the instrument is assigned to level 3.

There are no financial instruments that could be allocated to one of these categories in the Group.

### h) Net results by measurement category

| | From subsequent measurement | | | |
|---|---|---|---|---|
| EUR million | From interest results | Loss allowance | 2022 | 2021 |
| Financial assets measured at amortised cost | 1.4 | −42.2 | −40.8 | −37.5 |
| Financial liabilities measured at amortised cost | −1.8 | 0.0 | −1.8 | −2.4 |

The net result from the subsequent measurement of financial assets measured at amortised cost primarily comprises income and expenses from loss allowances on trade receivables.

## 12) Income taxes

### a) Current tax assets and liabilities

Current tax assets and current tax liabilities for current and prior periods should be measured at the amount expected to be recovered from or paid to the tax authorities. Tax risks currently exist primarily on the basis of differing legal opinions on the part of the German federal financial authorities and Asklepios. The Group recognises appropriate provisions for potential tax receivables as at the end of the reporting period. At present, this does not result in material risk.

### b) Deferred taxes

Deferred taxes are recognised using the asset and liability method for all temporary differences at the end of the reporting period between the carrying amount of an asset or liability in the consolidated statement of financial position and the tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which an asset is realised or a liability is settled. This is based on the tax rates (and tax laws) applicable at the end of the reporting period. Future changes in the tax rates must be taken into account at the end of the reporting period if the material conditions for effectiveness in a legislative process are fulfilled.

Deferred tax assets are recognised for deductible temporary differences and unused tax loss carryforwards to the extent that it is likely that there will be sufficient taxable income against which the deductible temporary differences and unused tax loss carryforwards can be utilised.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer likely that sufficient taxable income will be available against which the deferred tax asset can be at least partly utilised. Unrecognised deferred tax assets are tested at the end of each reporting period and recognised to the extent that it has become likely that future taxable income will allow the realisation of deferred tax assets.

The calculation of deferred taxes as at 31 December 2022 is again subject, as it was in the previous year, to a corporate income tax rate of 15% plus a solidarity surcharge of 5.5% on corporate income tax. The operating clinics are generally exempt from trade tax.

Income taxes that relate to items of other comprehensive income are also recognised in other comprehensive income and not in the consolidated income statement. This related to the change in pension commitments of EUR –41,158 thousand in the financial year (previous year: EUR –6,758 thousand).

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable claim to set off actual tax assets and liabilities and these relate to income taxes levied on the same taxable entity by the same tax authority. Deferred taxes are not discounted.

## 13) Inventories

As specified in IAS 2, inventories are measured at the lower of cost and net realisable value, with weighted average costs used as a simplified measurement method. All discernible risks in inventories arising from longer storage periods and reduced utility are appropriately accounted for with write-downs.

## 14) Trade receivables

Receivables are not secured and there is a risk that all or some of them will default. Specific loan loss allowances are recognised in a separate impairment account if particular circumstances mean that trade receivables are no longer expected to be collected. Receivables are derecognised directly if the receivable is definitively classified as uncollectible.

Impairment losses take into account all discernible risks on the basis of individual risk assessments and historical credit loss experience.

Contract assets relate to patients whose treatment is not yet complete as at the end of the reporting period. We do not report any partial profits from the measurement of inpatients as at the end of the reporting period (zero profit method); please refer to IV.22) Estimates and assumptions. The Group makes an inventory of the number of patients in hospital as at the end of the reporting period. If at the end of the reporting period we are to assume that contract costs will exceed contract revenue, we initially write down the estimated contract costs.

## 15) Receivables and liabilities under German Hospital Financing Act

Receivables under the German Hospital Financing Act (KHG) include claims to subsidy payments that are committed by decision of the relevant funding authorities. The liabilities to be recognised in this context are depleted as the funds are used for the intended purpose. Receivables and liabilities under the German Hospital Financing Act are stated without netting.

## 16) Recognition of revenue and income

Revenue mainly results from hospital operations and therefore solely constitutes revenue from the provision of services. Like all hospitals in the Federal Republic of Germany, our hospitals are subject to legally imposed fee schedules (including the German Hospital Fees Act (KHEntgG), the German National Hospital Rate Ordinance (BPflV) and the German Hospital Financing Act (KHG)). The hospital services provided and the prices charged to payers (predominantly health insurance funds) are governed by a number of laws and regulations at national and state level. Inpatient hospital services should be remunerated through budgets negotiated prospectively with the statutory health insurance funds. However, budget negotiations do not actually take place until mid-way through a financial year and some of these negotiations are not concluded until after the end of a financial year. In these instances, there is uncertainty over the agreed service volumes and/or remuneration amounts, which we offset with reasonable estimates. Health insurance fund payments for patients are usually collected after the relevant service has been provided.

The costs for patient care are removed from the DRGs in accordance with section 17b (4) sentence 2 of the German Hospital Financing Act (KHG) and thus remunerated separately. In connection with this, separate budgets must be negotiated with the health insurance funds. According to this scheme, these budgets will ultimately be financed by the taxpayer. There are major uncertainties regarding the calculation of care fee figures, put simply the costs of patient care per day.

The majority of our revenue results from billing flat-rate payments per case, DRGs as per the German Hospital Fees Act in our acute care hospitals, and the flat-rate fee system for psychiatric and psychosomatic facilities (PEPP) as per the German National Hospital Rate Ordinance in our psychiatric care facilities. In some departments, remuneration is determined by negotiated budgets based on daily nursing rates in line with state regulations.

The negotiated budgets, which are generally capped, are based on the total of service volume and price. The budgets are negotiated between our hospitals and the payers. At the end of the year, each hospital compares the billed service volume (number and type of service) against the respective budget for the hospital negotiated with the health insurance funds, which sometimes reveals overruns or shortfalls in revenue, which can generally be offset by the health insurance fund deducting an additional amount from or paying an additional amount to the hospital. As part of this, only the variable costs additionally incurred or not incurred are paid or deducted in the amount of defined lump sums. The resulting receivables (contract assets) or liabilities (contract liabilities) are recognised in the consolidated statement of financial position with a corresponding adjustment of revenue.

Contract assets constitute conditional rights on the part of the Asklepios Group to receive cash and cash equivalents and relate to services performed by Asklepios that have not been billed by the end of the reporting period. These primarily relate to claims arising under the German Hospital Fees Act and the German National Hospital Rate Ordinance for patient treatments that are not yet complete as at the end of the reporting period. These patients are measured by multiplying the respective base rate at state level by the case mix index (CMI) allocable to the individual patients present at the end of the reporting period, with the CMI share for the main service being allocated to the year in which the service was actually performed. The remaining share is then allocated to the respective financial years according to the number of days stayed. Contract assets are reclassified to trade receivables when the Group's claims become unconditional. As a rule, this occurs in the following financial year. On the other hand, revenue is already recognised on recognition of the contract assets. Loss allowances for credit risks on contract assets are recognised according to the accounting principles for trade receivables.

Contract liabilities result from advance payments received by the Group in the form of cash or cash equivalents before the end of the reporting period. On first-time recognition in the statement of financial position, these are measured at the fair value of the consideration received, as third parties have acquired a claim to service fulfilment. This usually occurs together with the revenue recognition in the next financial year.

The coded revenue is also subject to regular audits by the German Medical Service of the Health Insurance Funds (MDK). If the MDK reduces revenue, there will be changes to the transaction price. For Asklepios, there is a fundamental risk after MDK audits of receiving lower remuneration for treatments performed, in some circumstances resulting in refunds. The measurement of trade receivables and revenue from hospital services provided takes into account estimates regarding the MDK complaints quota, and relevant revenue adjustments are made based on historical experience. In accordance with IFRS 15, a refund liability is recognised in the amount of the expected refund. The final outcome of the MDK audits in turn influences the payment or deduction of amounts for the respective financial year.

The legislators reacted to the COVID-19 pandemic with various laws and regulations, which have been amended since 2020 to continue supporting hospitals in treating patients suffering from COVID-19.

The flat-rate allowances paid for each free hospital bed compared with the previous year's average was divided into five stages of EUR 360 to EUR 760 from July 2021 to the end of September 2021. The flat-rate allowances for keeping capacity available were reintroduced in November 2021 and linked to the seven-day incidence rate, available capacity and the emergency care level. This regulation applied until 18 April 2022.

In addition, the German Infection Protection Act also introduced a "care surcharge to prevent economic disadvantages for hospitals". This applies if COVID-19 patients are treated for longer than two days between 1 November 2021 and 30 June 2022. The care surcharge is paid from the liquidity reserve of the health fund.

In 2021, the German Hospital Future Act stipulated that hospitals' overruns or shortfalls in revenue due to coronavirus will be offset pro rata. Under this compensation scheme, 85% of flat-rate allowances for keeping capacity available and 50% of the care surcharges were taken into account, meaning that a repayment was due if the total revenue from 2019, adjusted for inflation, was exceeded. Hospitals that did not receive any compensation payments in the first quarter and where occupancy was lower than in 2019 due to coronavirus, are entitled to discount payments on the offset for the whole of 2022 to help with their cash flow. This compensation scheme also applies to 2022.

A surcharge for additional costs triggered by the pandemic, especially for personal protective equipment, was no longer available in 2022. Additional fees can be charged for PCR, PoC-PCR or other methods.

The compensation payments for prevention and rehabilitation facilities under the SodEG (German Social Service Providers Deployment Act) expired on 30 June 2022. The same applies to the coronavirus hygiene surcharge.

Dividend income is recognised at the time the right to receipt of payment arises and is reported in net investment income. Interest income is recognised using the effective interest method.

## 17) Other receivables and other assets

Other receivables and other assets are carried at amortised cost. Appropriate specific loan loss allowances are made for high-risk items.

## 18) Cash and cash equivalents

Cash and cash equivalents shown in the statement of financial position comprise short-term, highly liquid money market investments with an original term of less than three months from the date of acquisition. Cash and cash equivalents are consistent with the cash and cash equivalents item in the consolidated statement of cash flows.

## 19) Other provisions

A provision is recognised if the Group has a current (legal, contractual or constructive) obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation is possible. The expense from recognising the provision is reported in the consolidated income statement net of the highest probable amount recognised for a reimbursement.

Non-current provisions are discounted. If provisions are discounted, the increase in the provision that is required over time is recognised as interest expense.

## 20) Pension provisions

The Group has various pension plans. The plans are financed through payments to insurance companies or pension funds or through the recognition of provisions, the amount of which is based on actuarial calculations. The Group has both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan for which the Group makes fixed contributions to an independent company (insurance company or pension fund). In this case, the Group pays contributions to public or private pension insurance schemes as a result of a contractual or statutory obligation and bears no other payment obligations beyond the payment of the contributions. The contributions are recognised in staff costs when they become due.

A defined benefit plan is a pension plan that does not fall under the definition of a defined contribution plan. It is typically characterised by the fact that it prescribes a pension benefit amount that an employee will receive upon retirement the level of which typically depends on one or several factors such as age, length of service and salary. The provision for defined benefit plans reported in the statement of financial position corresponds to the present value of the defined benefit obligation (DBO) on the reporting date less the plan assets held to cover the obligation.

The DBO is calculated annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the estimated future cash outflows using the interest rate for corporate bonds with high credit ratings with a maturity matching that of the pension obligation. Pension obligations are measured on the basis of actuarial pension reports taking into account the assets held to cover these obligations.

Actuarial gains and losses, which are based on experience-based adjustments and changes in actuarial assumptions, are recognised immediately. They are reported as components of comprehensive income outside the consolidated income statement in the statement of comprehensive income, and after initial recognition in comprehensive income are transferred immediately to retained earnings, so there is no effect on profit or loss in subsequent periods.

IAS 19 (rev. 2011) introduced the concept of net interest expense (income). Net interest expense (income) is calculated by multiplying the net defined benefit liability (asset) by the discount rate. The calculation of net interest expense (income) as per IAS 19 (rev. 2011) also applies the discount rate implicitly to plan assets. The difference between (expected) net interest expense (income) and actual expense (income) is recognised under remeasurements in other comprehensive income.

As a result of collectively agreed regulations, the Group pays contributions to a public-sector pension scheme (supplementary pension fund for municipalities, ZVK) for a certain number of employees. The contributions are collected using a pay-as-you-go system. This scheme is a multi-employer scheme (IAS 19.8 (rev. 2011)) in which the participating companies share both the credit risk and the biometric risk.

The ZVK pension scheme is essentially to be classified as a defined benefit plan (IAS 19.30 (rev. 2011)). Because the information required for a detailed calculation of the share of future payment obligations attributable to the Group is not available, the requirements of IAS 19.34 (rev. 2011) apply. Funding for the ZVK scheme is based on a pay-as-you-go system, whereby the contribution rate for a certain coverage period is determined for the entire pool of insured companies and not for each individual insured risk. This means that Asklepios is also exposed to the risks (biometric, investment) borne by the other ZVK sponsoring employers. The obligations are therefore to be accounted for as defined contribution plans. There are no agreements as defined by IAS 19.36 (rev. 2011), which means that no corresponding assets or liabilities are recognised. The recognition of any liability item in the statement of financial position is subordinate to warrantor obligations of public-sector entities. Ongoing contributions to ZVK are recognised as pension expenses for the respective years and are reported as post-employment benefit obligations under staff costs.

Pension provisions also include indirect obligations covered by provident funds, where Asklepios Kliniken GmbH & Co. KGaA or its subsidiaries meet the obligations by paying corresponding contributions to the pension providers. The obligations are accounted for by deducting the provident fund plan asset. There are also commitments to civil servants of the city of Hamburg and individual contractual obligations to retired board members of subsidiaries.

## 21) Share-based payment transactions

Share-based payment transactions are generally accounted for in accordance with IFRS 2. Active and former Management Board members of RHÖN-KLINIKUM AG had a 0.0% share (as in the previous year) in the share capital of RHÖN-Innovations GmbH, founded in March 2016. In the 2020 financial year, the payments made for the shares when the company was founded totalling EUR 0.3 million – of which EUR 0.1 million was attributable to the Management Board members – were recognised under other liabilities as cash-settled share-based payment transactions in accordance with IFRS 2. The Management Board members were granted a put option to offer the shares to RHÖN-KLINIKUM AG after five years, for the first time as at 31 December 2020.

It was also possible to return the shares on termination of employment. The shares were measured at fair value, but at least at the nominal amount of the shares. It was not possible to sell the shares freely. The current and former Management Board members offered their shares with effect as at 31 December 2020. The purchase prices of EUR 0.4 million were paid out in 2021. The fair value measurement was adjusted once more in 2022. The profit or loss for the reporting year includes EUR 0.3 million (previous year: EUR 0.0 million) in connection with this.

## 22) Estimates and assumptions

When preparing the consolidated financial statements, certain assumptions or estimates must be made for the measurement of items in the statement of financial position, the reporting of contingent liabilities, and the recognition of income and expenses.

The main forward-looking assumptions and other main sources of estimation uncertainties as at the reporting date that entail a considerable risk that significant adjustments will have to be made to the carrying amounts of assets and liabilities within the next financial year are explained below (for the carrying amounts of receivables and liabilities and more detailed explanations, please refer to the information in VII. "Notes on items of the consolidated statement of financial position").

- Acquisitions: Assumptions and estimates have an impact on acquisitions as part of purchase price allocation. Contingent purchase price liabilities are carried at fair value as part of purchase price allocation.
- Goodwill impairment: The Group tests goodwill for impairment annually. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. To determine the value in use, the Group has to estimate the expected future cash flows of the cash-generating unit and the discount rates to calculate the present value of these cash flows.

As at 31 December 2022, the carrying amount of goodwill was EUR 879.7 million (previous year: EUR 871.3 million).

For more information on this, please refer to the notes on goodwill and impairment testing under IV.3) Goodwill.

- Fair value of derivative and other financial instruments: The fair value of financial instruments that are not traded on an active market is calculated using suitable measurement methods, which are selected from a number of methods. The assumptions applied are largely based on prevailing market conditions on the reporting date.
- Fair value of investments accounted for using the equity method: If the fair value of financial assets recognised in the statement of financial position cannot be determined using data from an active market, it is determined using measurement parameters including the discounted cash flow method. The input parameters included in the model are based as far as possible on observable market data and on assumptions of growth rates and interest rates. The carrying amount of investments accounted for using the equity method was EUR 48.3 million as at 31 December 2022 (previous year: EUR 43.4 million).
- Inpatients at end of reporting period (contract assets): As part of our patient billing process, we receive fixed fees based on the respective DRGs, which are calculated using the standard base rates for the respective German state and the national coding system. The Group makes an inventory of the number of patients in hospital as at the end of the reporting period. This is based on the milestones 'length of stay' in relation to the national average length of stay and the date of the operation. As the costs per inpatient at the end of the reporting period cannot be reliably determined due to the difficulty of identifying patient numbers and projecting the development of the course of treatment for these patients, the Group calculates the costs per inpatient at the end of the reporting period using the fixed fees that Asklepios receives. Given the unreliable estimate of costs per inpatient at the end of the reporting period, the Group does not report any partial profits from the measurement of inpatients as at the end of the reporting period. Asklepios reports revenue only in the amount of the estimated contract costs incurred (zero profit method) by applying a discount to the estimated costs per inpatient at the end of the reporting period. The carrying amount was EUR 77.3 million as at 31 December 2022 (previous year: EUR 75.3 million).
- Pensions and other obligations: The amount of pension provisions depends on a number of actuarial assumptions. These mainly relate to:
  - discount rates
  - future salary increases

Due to the long-term nature of these provisions, such estimates are subject to significant uncertainty. Please refer to our explanations under VII.21) Provisions for pensions and similar obligations. The carrying amount was EUR 114.1 million as at 31 December 2022 (previous year EUR 338.6 million).

- Taxes: Taxable profits are calculated on the basis of an assessment of the circumstances based on applicable legal standards and interpretations thereof. Amounts recognised as tax expense, tax liabilities and tax receivables are based on the assumptions made. The capitalisation of tax loss carryforwards in particular requires estimates regarding the amount of existing loss carryforwards and the taxable income that will be available in the future to offset these loss carryforwards. There is uncertainty primarily in the interpretation of these complex tax regulations. Differences from the assumptions that occur at a later stage are recognised in the period in which they occur. Expenses and income from such differences are recognised in the period in which they occur. Please refer to V.9) Income taxes.
- Recognition of revenue: Our inpatient hospital services should be remunerated through budgets negotiated prospectively with the statutory health insurance funds. However, budget negotiations do not actually take place until mid-way through a financial year and some of these negotiations are not concluded until after the end of a financial year. In these instances, there is uncertainty over the agreed service volumes and/or remuneration amounts, which Asklepios offsets with reasonable estimates. Past experience shows that the intrinsic inaccuracy of each estimate in this case is insignificant in relation to revenue. Since the 2020 financial year, Asklepios hospitals have also had to agree budgets with the health insurance funds with regard to nursing staff. The approach in these cases was the same as that described above.
- Other provisions: Estimates of amount, probability of occurrence and timing are required for provisions.

A number of Group companies are responsible for covering and managing the loss events that have occurred and are expected to occur up to a specified level of loss. If this level is exceeded, other external insurance policies come into play. The provisions recognised in the financial year are estimates of future payments for reported loss events and for losses that have been incurred but have not yet been reported. The estimates are based on historical experience and current claims behaviour. This experience includes both the rate of claims incidence (number) and claim severity (cost) and is combined with individual claim expectations to estimate the reported amounts. Obligations for payment of compensation were calculated on the basis of actuarial methods by an external actuary.

The amount of the provisions recognised is determined in particular by specified actuarial parameters, the level of loss in the individual case and the timing of the required payments arising from the loss events. The provision includes both individual losses and claims adjustment expenses. Past experience shows that the intrinsic inaccuracy of the estimate is insignificant. For more information on the presentation of provisions, please refer to the statement of provisions in VII.22) Other provisions.

- Trade receivables: Identifiable risks are accounted for by impairment losses. They are measured by the probability of default based on past experience and maturity structure as a percentage according to the time they have been outstanding and the risk of non-recognition.

# Disclosures on financial risk management

## 23) Financial risk management system

Financial risks are defined as risks that originate from a company's investing and financing activities and its interactions with financial markets. The Group has various financial assets, essentially comprising cash and cash equivalents, trade receivables and other receivables, which arise directly from its operating activities. The financial liabilities reported by the Group essentially comprise trade payables, liabilities to banks and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operating activities.

The main risks arising from the company's operating activities can be divided into the following three risk clusters:

1. Liquidity risks
2. Credit risks
3. Interest rate risks

Group-wide financial risk management aims to minimise potential adverse effects of developments on the financial markets on the financial position of the Group. As risk management is a central management function, the company's management has set relevant targets and strategies that apply to the whole Group. Management identifies, assesses, manages and controls financial risks in close cooperation with the Group's operating units and risk managers. In this regard, the company's management issues guidance for both general risk management and management of certain types of risk, such as the handling of interest rate and credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

## 24) Liquidity risks

Liquidity risks stem from a possible lack of financing to settle liabilities as they fall due in terms of volume and maturity. The latter fact in particular leads to the need to accept unfavourable financing conditions in the event of potential liquidity bottlenecks. The management of short-term liquidity risks and longer-term financing risks is the central role of the Corporate Finance & Treasury department, which prepares rolling liquidity planning using a Group-wide integrated treasury management system with a focus on efficient management of current cash and cash equivalents.

To ensure the solvency of the Asklepios Group at all times and the proactive provision of liquidity is the management's aim to guarantee a significant degree of flexibility within the financing strategy.

Against this backdrop, the management has ensured that sufficient bilateral and syndicated lines of credit are in place, access to the money and capital markets is possible and a conservative approach is pursued when investing cash short-term. Contractual agreements are also complied with continually.

The table below shows the maturities of liabilities based on minimum contractual obligations (without discounting).

| EUR million | 31 Dec. 2022 Total | Up to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Trade payables | 129.3 | 129.2 | 0.1 | 0.0 |
| Financial liabilities | 2,475.5 | 202.8 | 1,613.5 | 659.2 |
| Lease liabilities | 733.5 | 49.0 | 177.4 | 507.1 |
| Liabilities under German Hospital Financing Act | 475.4 | 436.2 | 39.2 | 0.0 |
| Other financial liabilities | 263.5 | 224.8 | 28.4 | 10.3 |

| EUR million | 31 Dec. 2021 Total | Up to 12 months | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Trade payables | 115.7 | 115.6 | 0.1 | 0.0 |
| Financial liabilities | 2,375.8 | 184.5 | 1,455.7 | 735.6 |
| Lease liabilities | 472.2 | 63.4 | 228.9 | 179.9 |
| Liabilities under German Hospital Financing Act | 305.4 | 265.9 | 39.5 | 0.0 |
| Other financial liabilities | 256.7 | 209.5 | 33.6 | 13.6 |

## 25) Credit risks

Credit risks (including customer or customer default risk) arise when a debtor fails to meet all or some of its contractual obligations.

Asklepios is exposed to only a low level of risk from an unexpected loss of cash or income. Firstly, Asklepios has a low del credere risk thanks to the high share of debtors that are German (statutory) health insurance companies, supplemented with a smaller share of public welfare authorities and some private patients. Secondly, financial contracts are entered into only selectively and exclusively for the purpose of hedging risk exposures.

The cash investment policy, which is largely short term, follows the principle of "security over yield" and spreads excess Group liquidity across various banks with an investment grade rating from a recognised rating agency.

There is also a risk that individual receivables will not be recognised after audits are conducted by the MDK. Refund liabilities are recognised for this risk of non-recognition (validity risk) instead of impairment losses as defined in IFRS 9.

Loss allowances are recognised as soon as there is the expectation that at least some of the receivables are uncollectible.

As in the previous year, there are no significant concentrations of risk as at 31 December 2022. With respect to the other financial assets held by the Group, the maximum exposure to credit risk arising from default of the counterparty is equal to the carrying amount of the corresponding instruments.

For all payment transactions processed using an automated payment management system, at the very least the principle of dual control applies. The conclusion of financial contracts is also regulated in a volume-weighted approval catalogue.

## 26) Interest rate risks

Fluctuations in market interest rates affect future interest payments for floating-interest liabilities. Material increases in the base interest rate can therefore impair the Group's profitability, liquidity and financial position. The same applies to the foreign currency risks, which are very limited.

There is no interest rate risk within the meaning of IFRS 7 for financial instruments that are subject to fixed interest rates during the term of the financial instrument. Changes to market interest rates that occur during the term of the instruments therefore have no impact on operating cash flow and consolidated net profit.

The interest rate risk is presented by way of sensitivity analyses in accordance with IFRS 7. They present the effects of changes in market interest rates on interest income and expenses, on other components of profit or loss, and on equity.

The average balance was used as measurement of variable rate liabilities at the year-end is not entirely reliable for calculating the interest rate sensitivities of floating-interest liabilities. The average balance was taken to be the arithmetic mean of the monthly closing balances.

| | 31 Dec. 2022 | | 31 Dec. 2021 | |
|---|---|---|---|---|
| EUR '000<br>Variable: interest rate | +100 basis points | −100 basis points | +100 basis points | −100 basis points |
| Earnings before income taxes | −638 | −2,923 | 3,924 | −7,881 |

As the benchmark rate in variable-rate loan agreements usually has a floor, interest rate decreases in a negative interest rate environment have only a limited effect on the interest expenses calculated in the sensitivity analysis.

## 27) Capital management

The top priority for the Group in terms of capital management is to support and secure its operating activities. The foundation for this is a stable equity ratio and a good credit rating, which are indicators of the Group's financial and economic stability.

As at 31 December 2022, the equity ratio amounted to 29.7% (previous year: 26.6%) and was therefore up on the previous year.

The Group uses the net debt ratio (net financial liabilities/EBITDA) as a means of assessing credit rating, and this figure – adjusted for possible non-recurring effects – should not exceed 3.5x. The interest coverage factor (EBITDA/net interest income) is used to assess the Group's capacity to service its debts, and this figure – likewise adjusted for possible non-recurring effects – should be at least 4.5x.

The following table illustrates how the net debt ratio was calculated in the financial year:

| EUR million | 2022 | 2022* | 2021 |
|---|---|---|---|
| Financial liabilities | 2,726.4 | 2,236.3 | 2,609.1 |
| Cash and cash equivalents | −634.6 | −634.6 | −647.2 |
| Short-term time deposits | −220.0 | −220.0 | −167.0 |
| Net financial debt | 1,871.8 | 1,381.7 | 1,794.9 |
| EBITDA | 532.6 | 497.0 | 503.4 |
| **Net debt ratio** | **3.5x** | **2.8x** | **3.6x** |

* Excluding effects from the application of IFRS 16 Leases

The net debt ratio amounts to 3.5x (previous year: 3.6x) and is therefore at roughly the previous year's level. The interest coverage factor (EBITDA/net interest income) is 12.6x (previous year: 10.0x).

As at the end of the reporting period, the Group has cash reserves of EUR 634.6 million (previous year: EUR 647.2 million) in the form of cash and cash equivalents and unutilised lines of credit for a further EUR 695.1 million (previous year: EUR 788.9 million).

# V. Notes to the consolidated income statement

## 1) Revenue

Revenue breaks down by business segment as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Clinical acute care | 4,612.9 | 4,476.6 |
| Post-acute and rehabilitation clinics | 601.2 | 579.3 |
| Social and welfare facilities | 18.4 | 17.0 |
| Miscellaneous | 57.5 | 44.7 |
| **Total** | **5,290.0** | **5,117.6** |

The Asklepios Group facilities treated a total of 3,570,976 patients in the 2022 financial year. This corresponds to an increase compared with the previous year (3,542,346 patients) of 0.8%. The trend in inpatient cases, at 751,033 (previous year: 744,616), and outpatient cases, at 2,819,943 (previous year: 2,797,730), is also slightly positive. In total, revenue of EUR 5,290.0 million (previous year: EUR 5,117.6 million) is slightly up on the previous year's level.

EUR 151.5 million (previous year: EUR 298.4 million) was recognised within revenue as service performance under the various laws and regulations in connection with COVID-19. EUR 121.6 million (previous year: EUR 243.0 million) of this is attributable to revenue relating to compensation payments for the provision of bed capacity. The other main components are the flat fee for additional costs and the compensation payments for rehabilitation clinics, which are likewise deemed to be remuneration for services and recognised under revenue.

## 2) Other operating income

Other operating income is broken down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Income from services | 195.9 | 191.0 |
| Income from ancillary, additional and other operations | 77.8 | 78.7 |
| Income from cost reimbursements | 48.0 | 43.7 |
| Income from other grants | 33.3 | 20.6 |
| Miscellaneous | 119.2 | 86.9 |
| **Total** | **474.3** | **421.0** |

Other operating income included subsidies granted under section 26f KHG of EUR 8.5 million (previous year: EUR 0.0 million). Other own work capitalised, which is also allocated to income from services, amounts to EUR 12.7 million (previous year: EUR 13.7 million) in the Group as a whole.

## 3) Cost of materials

| EUR million | 2022 | 2021 |
|---|---|---|
| Medical supplies | 981.7 | 981.3 |
| Water, energy, fuel | 121.7 | 119.3 |
| Business supplies and purchased services | 117.2 | 80.7 |
| Food and purchased services | 63.3 | 53.9 |
| Other cost of materials | 0.3 | 0.3 |
| **Total** | **1,284.2** | **1,235.5** |

At 24.3%, the Asklepios Group's cost of materials ratio in relation to revenue was virtually at the level of the previous year (previous year: 24.1%) as at 31 December 2022. In absolute terms, cost of materials increased by EUR 48.7 million to EUR 1,284.2 million year-on-year. The reasons for the increase within business supplies and purchased services particularly include the increase of EUR 19.6 million in expenses for external personnel and the general price increases during the year.

As a result of the tense situation in the Ukraine conflict, economic risks could not be ruled out at the time the consolidated financial statements were prepared. The corresponding effects, in addition to making a considerable impact on the global economy, could in particular disrupt supply chains (such as in the energy sector) and significantly limit access to qualified medical staff. Due to the war between Russia and Ukraine, the EU resolved in February 2022 to impose sanctions in the areas of energy, finance and transport, export controls and visa restrictions. These sanctions will also have a significant negative impact on the domestic economy in Germany.

## 4) Staff costs

Staff costs increased by EUR 144.6 million to EUR 3,459.2 million year-on-year. The number of employees fell from 49,967 full-time equivalents in the previous year to 49,103 full-time equivalents. The staff costs ratio in relation to revenue is up slightly year-on-year at 65.4% (previous year: 64.8%).

Staff costs comprise wages and salaries of EUR 2,870.1 million (previous year: EUR 2,743.2 million), social security expenses of EUR 524.8 million (previous year: EUR 506.7 million), and contributions and additions to pension provisions of EUR 64.2 million (previous year: EUR 64.7 million). Staff costs include expenses for defined contribution plans of EUR 63.3 million (previous year: EUR 62.8 million).

Pension expenses include Asklepios Group benefits from defined contribution and defined benefit pension commitments and similar pension obligations. Pension schemes for (former) employees include both pension provisions and claims with supplementary pension funds (ZVK), the Pension Institution of the Federal Republic and the Federal States (VBL), and direct insurance policies. Employees are also covered by the statutory pension scheme.

Ongoing contributions to VBL/ZVK are recognised as pension expenses in operating earnings. Employer contributions to pension insurance schemes are also classified as defined contribution plan benefits.

## 5) Other operating expenses

Other operating expenses relate to:

| EUR million | 2022 | 2021 |
|---|---|---|
| Maintenance and servicing | 181.3 | 172.9 |
| Taxes, dues and insurance | 60.0 | 58.8 |
| Contributions, consulting and audit fees | 58.4 | 45.7 |
| Other administrative and IT expenses | 38.2 | 33.9 |
| Office supplies, postage and telephone charges | 28.9 | 29.1 |
| Advertising and travel expenses | 22.4 | 18.3 |
| Training expenses | 20.3 | 14.1 |
| Rental expenditure | 17.4 | 14.6 |
| Miscellaneous | 61.3 | 97.7 |
| **Total** | **488.3** | **485.1** |

Contributions, consulting and audit fees include expenses for IT projects, annual financial statement audits and other consulting projects. Miscellaneous expenses relate to various items for current business operations.

## 6) Depreciation, amortisation and impairment

Depreciation and amortisation breaks down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Depreciation of property, plant and equipment | 223.8 | 212.4 |
| Amortisation of intangible assets | 52.8 | 47.9 |
| Depreciation of right-of-use assets | 58.5 | 58.2 |
| **Total depreciation and amortisation** | **335.1** | **318.6** |

## 7) Net investment income

Net investment income breaks down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Income from equity investments | 11.6 | 6.6 |
| **Net investment income** | **11.6** | **6.6** |

Income from equity investments includes shares of investments accounted for using the equity method, of which EUR 6.1 million resulted from the adjustment of the equity investment in Athens Medical Center SA, Athens (previous year: EUR 4.4 million).

## 8) Net interest expenses

Net interest income breaks down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Interest income | 21.2 | 8.0 |
| Interest expenses | −63.6 | −58.2 |
| **Net interest expenses** | **−42.4** | **−50.2** |

The Group received EUR 4.7 million (previous year: EUR 2.2 million) from reported interest income, while a total of EUR 35.6 million (previous year: EUR 41.0 million) in interest expenses was paid in addition to interest expenses for IFRS 16.

Interest expenses break down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Interest expenses from schuldschein loan agreements | −38.1 | −36.4 |
| Interest expenses from IFRS 16 | −10.2 | −9.0 |
| Loans and overdraft facilities | −6.3 | −6.5 |
| Interest expenses from pensions and similar obligations | −2.9 | −1.9 |
| Interest expenses on provisions | −1.5 | −1.8 |
| Interest expenses from additional tax payment | −0.3 | −0.6 |
| Other interest expenses | −4.3 | −2.0 |
| **Interest expenses** | **−63.6** | **−58.2** |

Interest income breaks down as follows:

| EUR million | 2022 | 2021 |
|---|---|---|
| Interest income from compounding interest on provisions | 14.6 | 5.0 |
| Interest income from default interest | 1.1 | 1.1 |
| Other interest income | 5.5 | 1.9 |
| **Interest income** | **21.2** | **8.0** |

## 9) Income taxes

Income taxes relate to current and deferred taxes on income. Corporate income tax plus the solidarity surcharge is recognised under income taxes. This item also includes deferred taxes, as per IAS 12, on differences in the tax base between the IFRS and tax accounts and on realisable tax loss carryforwards, which can usually be carried forward indefinitely.

Income taxes break down as follows:

| EUR '000 | 2022 | 2021 |
|---|---|---|
| Current income taxes | −32,976 | −30,795 |
| Deferred income taxes | −1,862 | −4,135 |
| **Total** | **−34,838** | **−34,929** |

Taxes paid in the financial year amounted to EUR 33.1 million (previous year: EUR 24.0 million).

Reconciliation between actual tax expenses and the amount taking account of the German corporate income tax rate on earnings before income taxes is as follows:

| EUR '000 | 2022 | 2021 |
|---|---|---|
| Earnings before income taxes | 166,713 | 141,276 |
| Forecast tax expense* | −26,382 | −22,357 |
| Remeasurement as per IFRS 3 | 0 | 0 |
| Capitalised and non-capitalised loss carryforwards | −1,616 | −1,432 |
| Trade tax | −8,072 | −7,144 |
| Tax refunds/back payments for previous years | 173 | 3,789 |
| Tax increase/reduction due to differing tax rates | −173 | 5 |
| Tax increase/reduction due to adjustments of deferred taxes | 2,349 | −5,028 |
| Tax increases/reductions due to compensation payments | 0 | −66 |
| Tax increases/reductions due to non-tax-deductible expenses | −915 | 1,042 |
| Corporate income tax on settlements of non-controlling interests | −310 | −328 |
| Elimination of items not relevant to taxation | −435 | −1,823 |
| Dividend income, taxed at 5% | −50 | −21 |
| Miscellaneous | 593 | −1,566 |
| **Effective tax expense for the current year** | **−34,838** | **−34,929** |

* Tax rate calculated for 2022 and 2021: 15.825%

The effective tax rate is 20.9% (previous year: 24.7%).

# VI. Notes to the consolidated statement of cash flows

The statement of cash flows is classified by cash flows from operating, investing and financing activities as per IAS 7. Cash flow from operating activities is calculated using the indirect method. Cash and cash equivalents comprise cash and balances with banks.

Cash and cash equivalents decreased by EUR 12.6 million to EUR 634.6 million year-on-year. Cash flow from operating activities amounted to EUR 323.3 million (previous year: EUR 449.6 million) and was influenced by the health insurance funds' payment performance.

The operating cash flow is offset by a cash outflow from investing activities of EUR 267.8 million (previous year: EUR 237.3 million). Payments for investing activities essentially comprise investments in fixed assets. EUR 53.0 million was also invested in fixed deposits (previous year: none) in 2022 in response to the decision to start raising interest rates.

Financing activities resulted in a cash outflow of EUR 68.1 million (previous year: EUR 113.6 million). Cash flow from financing activities was influenced mainly by the early refinancing of various tranches of schuldschein loan agreements in the amount of EUR 227.5 million. Repayment of financial liabilities from right-of-use assets resulted in cash outflow of EUR 66.0 million (previous year: EUR 59.3 million). EUR 2.0 million (previous year: EUR 1.2 million) was paid to non-controlling companies.

# VII. Notes on items of the consolidated statement of financial position

## 1) Business combinations accounted for using the acquisitions method

### Acquisitions in 2022

Alongside various immaterial acquisitions for the Asklepios Group of doctors' practices, Asklepios Kliniken und Co. KGaA acquired IBT-Orthopädie GmbH, Föhren. As the company is of only minor significance, disclosures in accordance with IFRS 3 are not made.

## 2) Intangible assets

| 2022<br>EUR '000 | Goodwill | Other intangible assets | Advance payments on intangible assets | Total |
|---|---|---|---|---|
| **Cost**<br>**As at 1 Jan. 2022** | **885,466** | **419,401** | **8,651** | **1,313,520** |
| Additions from changes in the consolidated group | 6,190 | 12 | 0 | 6,201 |
| Disposals from changes in the consolidated group | 0 | −1,603 | −551 | −2,154 |
| Additions/investments similar to acquisitions | 2,166 | 41,846 | 1,592 | 45,604 |
| Disposals | −115 | −8,764 | −79 | −8,957 |
| Reclassification | 297 | 11,691 | −1,484 | 10,503 |
| Reclassification as per IFRS 5 | 0 | −418 | 0 | −418 |
| **As at 31 Dec. 2022** | **894,004** | **462,166** | **8,130** | **1,364,300** |
| **Cumulative depreciation**<br>**As at 1 Jan. 2022** | **−14,133** | **−213,762** | **−3,138** | **−231,033** |
| Changes in consolidated group | 0 | 1,171 | 0 | 1,171 |
| Amortisation and impairment for the financial year | −288 | −52,510 | 0 | −52,798 |
| Amortisation and impairment on disposals | 97 | 8,727 | 0 | 8,825 |
| Reclassification as per IFRS 5 | 0 | 353 | 0 | 353 |
| **As at 31 Dec. 2022** | **−14,324** | **−256,022** | **−3,138** | **−273,483** |
| **Residual carrying amounts/**<br>**As at 31 Dec. 2022** | **879,680** | **206,145** | **4,992** | **1,090,817** |

| 2021<br>EUR '000 | Goodwill | Other intangible assets | Advance payments on intangible assets | Total |
|---|---|---|---|---|
| **Cost**<br>**As at 1 Jan. 2021** | **875,382** | **387,859** | **7,690** | **1,270,931** |
| Changes in consolidated group | 442 | 8 | 0 | 450 |
| Additions/investments similar to acquisitions | 10,749 | 31,018 | 2,499 | 44,266 |
| Disposals | −487 | −2,101 | −33 | −2,621 |
| Reclassification | 0 | 4,503 | −1,494 | 3,009 |
| Reclassification as per IFRS 5 | −620 | −1,886 | −10 | −2,516 |
| **As at 31 Dec. 2021** | **885,466** | **419,401** | **8,651** | **1,313,520** |
| **Cumulative depreciation**<br>**As at 1 Jan. 2021** | **−14,600** | **−168,208** | **−3,138** | **−185,946** |
| Changes in consolidated group | 0 | −8 | 0 | −8 |
| Amortisation and impairment for the financial year | −288 | −47,659 | 0 | −47,947 |
| Reclassifications | 0 | −3 | 0 | −3 |
| Amortisation and impairment on disposals | 135 | 260 | 0 | 395 |
| Reclassification as per IFRS 5 | 620 | 1,856 | 0 | 2,476 |
| **As at 31 Dec. 2021** | **−14,133** | **−213,762** | **−3,138** | **−231,033** |
| **Residual carrying amounts/**<br>**As at 31 Dec. 2021** | **871,333** | **205,640** | **5,513** | **1,082,487** |

Both software and capitalised customer bases and brands are reported under other intangible assets.

The goodwill recognised by the Group breaks down as follows:

| Goodwill EUR '000 | 2022 | 2021 |
|---|---|---|
| RHÖN-KLINIKUM AG | 282,507 | 281,807 |
| MediClin AG, Offenburg | 234,057 | 234,057 |
| Asklepios Kliniken Hamburg GmbH, Hamburg | 100,532 | 100,450 |
| Asklepios Fachkliniken Brandenburg GmbH, Brandenburg location | 17,957 | 17,957 |
| Asklepios MVZ Bayern GmbH, Cham | 15,793 | 15,793 |
| Asklepios Klinikum Uckermark GmbH, Schwedt | 14,044 | 14,044 |
| Mind District Holding B.V., Amsterdam (Netherlands) | 13,935 | 13,935 |
| INSITE-Interventions GmbH, Frankfurt am Main | 13,304 | 13,304 |
| Samedi GmbH, Berlin | 12,756 | 12,756 |
| Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim | 11,364 | 11,364 |
| Asklepios Klinik Schildautal Seesen GmbH, Seesen (formerly: Asklepios Klinik Sobernheim GmbH, Königstein) | 10,275 | 10,275 |
| Asklepios Klinik Wiesbaden GmbH, Königstein | 10,240 | 10,240 |
| Asklepios Fachkliniken Brandenburg GmbH, Lübben location | 9,729 | 9,729 |
| Asklepios Kliniken Langen-Seligenstadt GmbH, Langen | 9,496 | 9,496 |
| Fürstenberg Institut GmbH, Hamburg | 8,670 | 8,670 |
| Asklepios Harzkliniken GmbH, Goslar | 7,815 | 7,815 |
| Asklepios Südpfalzkliniken GmbH, Burglengenfeld | 6,835 | 6,835 |
| Asklepios Klinikum Bad Abbach GmbH, Königstein | 6,442 | 6,442 |
| Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt | 6,233 | 6,233 |
| Asklepios Fachkliniken Brandenburg GmbH, Teupitz location | 5,750 | 5,750 |
| Miscellaneous | 81,946 | 74,381 |
| **Total** | **879,680** | **871,333** |

The impairment of all goodwill included in the consolidated statement of financial position and assigned to the cash-generating units was recognised in value in use.

## 3) Property, plant and equipment

| 2022 EUR '000 | Land, buildings including buildings on third-party land | Technical equipment and machinery | Operating and office equipment | Assets under construction | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **As at 1 Jan. 2022** | **2,933,087** | **209,958** | **863,074** | **216,320** | **4,222,439** |
| Additions from changes in the consolidated group | 0 | 0 | 40 | 0 | 40 |
| Disposals from changes in the consolidated group | 0 | 0 | −90 | 0 | −90 |
| Additions | 36,173 | 5,654 | 59,528 | 71,319 | 172,674 |
| Disposals | −7,722 | −2,184 | −33,249 | −635 | −43,790 |
| Reclassification | 34,631 | 5,939 | 9,391 | −60,465 | −10,503 |
| Reclassification as per IFRS 5 | −892 | −25 | −893 | −439 | −2,250 |
| **As at 31 Dec. 2022** | **2,995,277** | **219,340** | **897,801** | **226,100** | **4,338,518** |
| **Cumulative depreciation** | | | | | |
| **As at 1 Jan. 2022** | **−1,067,084** | **−118,674** | **−549,651** | **−8,642** | **−1,744,051** |
| Changes in consolidated group | 0 | 0 | 25 | 0 | 25 |
| Depreciation for the financial year | −116,346 | −15,916 | −91,098 | −453 | −223,813 |
| Depreciation on disposals | 3,331 | 2,147 | 32,095 | 0 | 37,574 |
| Reclassifications | 407 | 1 | −408 | 0 | 0 |
| Reclassification as per IFRS 5 | 842 | 16 | 1,160 | 0 | 2,018 |
| **As at 31 Dec. 2022** | **−1,178,851** | **−132,425** | **−607,877** | **−9,094** | **−1,928,247** |
| **Residual carrying amounts** | | | | | |
| **As at 31 Dec. 2022** | **1,816,427** | **86,914** | **289,924** | **217,006** | **2,410,270** |

| 2021<br>EUR '000 | Land, buildings including buildings on third-party land | Technical equipment and machinery | Operating and office equipment | Assets under construction | Total |
|---|---|---|---|---|---|
| **Cost<br>As at 1 Jan. 2021** | **2,832,635** | **206,754** | **815,368** | **235,927** | **4,090,684** |
| Changes in consolidated group | 0 | 35 | 16 | 0 | 51 |
| Additions | 40,622 | 4,407 | 62,493 | 90,421 | 197,943 |
| Disposals | −10,396 | −431 | −20,335 | −1,346 | −32,508 |
| Reclassification | 83,257 | 8,406 | 14,010 | −108,682 | −3,009 |
| Reclassification as per IFRS 5 | −13,030 | −9,213 | −8,478 | 0 | −30,721 |
| **As at 31 Dec. 2021** | **2,933,087** | **209,958** | **863,074** | **216,320** | **4,222,439** |
| **Cumulative depreciation<br>As at 1 Jan. 2021** | **−978,911** | **−113,444** | **−484,586** | **−6,172** | **−1,583,113** |
| Changes in consolidated group | 0 | −26 | −16 | 0 | −42 |
| Depreciation for the financial year | −103,032 | −14,767 | −92,153 | −2,470 | −212,422 |
| Depreciation on disposals | 6,784 | 409 | 19,193 | 0 | 26,386 |
| Reclassifications | 6 | 0 | −2 | 0 | 4 |
| Reclassification as per IFRS 5 | 8,069 | 9,154 | 7,913 | 0 | 25,136 |
| **As at 31 Dec. 2021** | **−1,067,084** | **−118,674** | **−549,651** | **−8,642** | **−1,744,051** |
| **Residual carrying amounts<br>As at 31 Dec. 2021** | **1,866,003** | **91,284** | **313,423** | **207,678** | **2,478,387** |

The amounts recognised under buildings including buildings on third-party land relate to a new building in Barmbek. The lease agreement has a term of 20 years. Once the lease agreement ends, the property will be attributable to Asklepios Kliniken Hamburg GmbH, Hamburg. It was funded by means of a partially subsidised loan. The unsubsidised part is reported under financial liabilities (see VIII.15) Financial liabilities).

Subsidies and government grants used to finance investments are deducted from the cost of the subsidised assets, which results in a reduction in current depreciation. This item relates to subsidies used for the intended purpose that were granted under the German Hospital Financing Act (KHG) with a residual carrying amount of EUR 1,078.6 million (previous year: EUR 1,121.5 million) and other government and third-party grants with a residual carrying amount of EUR 96.2 million (previous year: EUR 99.9 million). The subsidies that were granted under the German Hospital Financing Act will fall due for repayment only if hospital operations are discontinued in accordance with section 8 (1) KHG (no longer being included in the hospital plan).

The Group therefore has long-term interest-free and redemption-free access to subsidies of EUR 1,174.8 million (previous year: EUR 1,221.4 million).

## 4) Leases

### Statement of financial position

The following right-of-use assets and lease liabilities are reported in the statement of financial position:

| Right-of-use assets<br>EUR '000 | 2022 | 2021 |
|---|---|---|
| Land, buildings including buildings on third-party land | 438,821 | 394,111 |
| Technical equipment and machinery | 4,018 | 5,386 |
| Operating and office equipment | 4,477 | 4,712 |
| Intangible assets | 320 | 1,108 |
| **Total** | **447,636** | **405,317** |

| Lease liabilities<br>EUR '000 | 2022 | 2021 |
|---|---|---|
| Current lease liabilities | 38,070 | 67,631 |
| Non-current lease liabilities | 456,924 | 362,454 |
| **Total** | **494,995** | **430,085** |

## Income statement

The income statement shows the following expenses in connection with the leases:

| Depreciation of right-of-use assets EUR '000 | 2022 | 2021 |
|---|---|---|
| Land, buildings including buildings on third-party land | 53,348 | 53,453 |
| Technical equipment and machinery | 1,979 | 1,845 |
| Operating and office equipment | 2,413 | 2,288 |
| Intangible assets | 788 | 658 |
| **Total** | **58,528** | **58,244** |
| Interest expenses | 10,184 | 8,992 |
| Expenses for short-term leases (less than 12 months) | 5,108 | 3,761 |
| Expenses for leases for low-value assets (under EUR 5,000) | 2,288 | 2,312 |
| Expenses for variable lease payments (not included in lease liabilities) | 11,270 | 14,381 |

Total lease payments amounted to EUR 82.0 million in 2022 (previous year: EUR 82.3 million).

### Statement of right-of-use assets by class of property, plant and equipment

| 2022 EUR '000 | Land, buildings including buildings on third-party land | Technical equipment and machinery | Operating and office equipment | Intangible assets | Total |
|---|---|---|---|---|---|
| **As at 1 Jan. 2022** | **394,111** | **5,387** | **4,712** | **1,108** | **405,317** |
| Additions | 106,532 | 636 | 2,529 | 0 | 109,697 |
| Disposals | −8,474 | −25 | −357 | 0 | −8,856 |
| Depreciation, amortisation and impairment | −53,348 | −1,979 | −2,413 | −788 | −58,528 |
| Reclassifications as per IFRS 5 | 0 | 0 | 6 | 0 | 6 |
| **As at 31 Dec. 2022** | **438,821** | **4,018** | **4,477** | **320** | **447,636** |

| 2021 EUR '000 | Land, buildings including buildings on third-party land | Technical equipment and machinery | Operating and office equipment | Intangible assets | Total |
|---|---|---|---|---|---|
| **As at 1 Jan. 2021** | **431,364** | **2,544** | **5,656** | **1,244** | **440,807** |
| Additions | 19,579 | 4,849 | 1,381 | 526 | 26,335 |
| Disposals | −965 | −161 | −12 | −4 | −1,142 |
| Depreciation, amortisation and impairment | −53,453 | −1,845 | −2,288 | −658 | −58,245 |
| Reclassifications as per IFRS 5 | −2,413 | 0 | −24 | 0 | −2,438 |
| **As at 31 Dec. 2021** | **394,111** | **5,387** | **4,712** | **1,108** | **405,317** |

### Leasing activities of the Asklepios Group

The main leased assets are the leased hospital properties of MediClin AG, which up to and including 2018 were accounted for as operating leases. MediClin has agreed on the premature renewal of existing lease agreements for 20 hospital locations with PATRIZIA Frankfurt Kapitalverwaltungsgesellschaft mbH as trustee for OIK-Fonds MediClin. For this purpose, 21 hospital property lease agreements and all additional agreements associated with the lease agreement were terminated by mutual agreement with the agreement dated 26 October 2022, which is effective at the end of 31 December 2022. By concluding the new lease agreements prematurely, the leased properties will continue to operate as hospitals without any disruption to their business. The land and buildings on which the contractual relationship is based will remain in the possession of MediClin in the "logical second" between termination of the previous lease agreements becoming effective and the conclusion of new lease agreements. The extent of the rights of use, especially the extent of the leased space, was not changed. For 17 locations, the lease agreements have a fixed term of 15 years, for one location a term of 25 years and for two locations a term of four years. There is an option of extending the fixed lease term unilaterally by five years once. One location is subject to a special right of termination for the first time at the end of 31 December 2022 subject to notice of one month to the end of the month. The lease relationship was terminated on 31 March 2023 to close this location. The previous lease agreements with the exception of one agreement (residual term 31 December 2047) had a residual term up to 31 December 2027. The terms of the new lease agreements shall apply from 1 January 2023 and will free up liquidity of around EUR 11 million p. a. from 2023. The agreements still provide for an annual rental adjustment equal to the change in the consumer price index for Germany – maximal 2% p. a. The tenant shall also pay 1% of the basic monthly rental for the commercial management of the leased property each month ("flat-rate management fee"). In addition to the index-linked lease payment, property tax and the expenditure for property management are also taken into account when calculating the lease liability.

The renegotiated lease agreements were depicted as a modification of the existing lease terms in accordance with the requirements of IFRS 16.44-46. The carrying amount of the right of use was adjusted by the amount from the remeasurement of the lease liability through other comprehensive income in accordance with IFRS 16.46(b) in conjunction with IFRS 16.308b). The lease liability was remeasured on the basis of term-appropriate modified discount rates 16.45(c) when the agreement was concluded (IFRS 16.45). The incremental borrowing rate was used in accordance with IFRS 16.26. For the properties, this amounts to 4.073% (residual term 4 years), 4.889% (residual term 15 years) and 4.982% (residual term 25 years).

In association with the premature renewal of the lease agreements, as part of an overall agreement, the landlord waived the rental payments for the months of May and June 2020 amounting to EUR 7.9 million suspended on the basis of the "German Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law" dated 27 March 2020 and the rental reduction granted in the years 2005 to 2007, which was recognised in the amount of EUR 21.0 million as a provision for rental adjustment on the basis of the debtor warrant regulation. The objective and economic link between the conclusion of the agreement and the waivers granted mean that there is a leasing incentive as defined in IFRS 16. In accordance with IFRS 16.24(b), the leasing incentives received were deducted from the cost of the right of use.

There are also other longer-term lease agreements for properties, vehicles, printers and medical equipment, but these are immaterial in comparison with the hospital properties.

### Renewal and termination options

A number of the Group's property and equipment lease agreements contain renewal options. Such contractual conditions are designed to give the Group maximum operational flexibility with respect to the assets it uses. If it has become reasonably certain that the respective option will be exercised, the term of the lease is renewed accordingly. The volume of renewal options was EUR 206.5 million as at 31 December 2022 (previous year: EUR 29.0 million), taking into account the maximum utilisation of all options. Potential future cash outflows resulting from termination options that are not a component of the reported lease liability amounted to EUR 0.4 million as at 31 December 2022 (previous year: none).

### Residual value guarantees

The Group grants residual value guarantees in some cases to optimise lease costs during the term of the agreement. The Group estimates the payments from residual value guarantees that are expected to be made and recognises them as part of the lease liability. As at 31 December 2022, it was assumed that an amount of EUR 43 thousand would need to be paid on account of concluded residual value guarantees.

### Obligations under leases not yet commenced

Leases that the Asklepios Group has concluded but have not yet commenced. As in the previous year, there were no such obligations as at 31 December 2022.

## 5) Investments accounted for using the equity method

Changes in investments were as follows:

| EUR '000 | 2022 | 2021 |
|---|---|---|
| Start of the year | 43,438 | 37,582 |
| Dividend payment for the current year | −2,215 | 0 |
| Reversal of impairment losses | 6,189 | 5,855 |
| Switch from the equity method to full consolidation | 871 | 0 |
| **End of the year** | **48,283** | **43,438** |

Market capitalisation of the interests for which there is a published price quotation was EUR 51.9 million on a pro rata basis (previous year: EUR 53.5 million). Total comprehensive income associated with companies accounted for using the equity method for which there is a publicly listed market was EUR 6.1 million in the financial year (previous year: EUR 4.4 million). Other comprehensive income was not reported.

The summarised financial information for the main investment accounted for using the equity method is as follows:

| EUR '000 | 30 June 2022 | 30 June 2021 |
|---|---|---|
| Current liabilities | 152,643 | 170,002 |
| Non-current assets | 259,694 | 259,746 |
| Current liabilities | 138,343 | 238,689 |
| Non-current liabilities | 172,170 | 99,977 |

| EUR '000 | 01.01.–30.06.2022 | 01.01.–30.06.2021* |
|---|---|---|
| Revenue | 117,394 | 114,606 |
| Operating earnings after taxes | 5,880 | 7,879 |

* Revenue 2021: EUR 225,999 thousand; operating earnings after taxes: EUR 15,050 thousand

## 6) Receivables under German Hospital Financing Act

Receivables under German hospital financing law of EUR 281.2 million (previous year: EUR 180.0 million) relate to the claims to state subsidies outstanding at the end of the reporting period. These included receivables due under section 26f KHG of EUR 7.4 million (previous year: EUR 0.0 million).

## 7) Financial and other financial assets

Non-current financial assets of EUR 10.3 million (previous year: EUR 9.3 million) relate primarily to companies in which AKG has a shareholding of between 20% and 51%. These other equity investments are not consolidated for reasons of materiality, but are accounted for at cost. Financial assets also include an investment property RHÖN AG of EUR 0.3 million (previous year: EUR 1.3 million).

Other financial assets break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Receivables under BPflV and KHEntG | 570,213 | 411,499 |
| Receivables from time deposits | 220,000 | 167,000 |
| Receivables from the financing of training centres | 45,633 | 50,830 |
| Receivables from supplier bonuses | 5,839 | 5,956 |
| Receivables from employees | 5,567 | 5,247 |
| Receivables from tax authority/social insurance | 4,702 | 3,147 |
| Receivables from trustor | 3,651 | 3,026 |
| Receivables from pension liability insurance | 1,758 | 1,676 |
| Miscellaneous other financial assets | 38,626 | 33,156 |
| **Other financial assets** | **895,989** | **681,537** |
| Of which non-current | 2,055 | 1,670 |
| Of which current | 893,934 | 679,867 |

The increase in other financial assets is particularly attributable to the receivables under the German National Hospital Rate Ordinance (BPflV) and under the German Hospital Fees Act (KHEntgG), which contain compensation claims and resulted in net receivables of EUR 570.2 million at the end of the financial year (previous year: EUR 411.5 million). Before netting, the company had receivables under BPflV and KHEntgG of EUR 701.8 million (previous year: EUR 538.1 million) and liabilities of EUR 131.6 million (previous year: EUR 126.6 million).

Other financial assets were value-adjusted in the amount of EUR 1.8 million as at the end of the reporting period (previous year: EUR 1.8 million).

## 8) Inventories

Inventories break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Materials and supplies | 112,950 | 111,079 |
| Work in progress | 894 | 3,800 |
| Finished goods and merchandise | 938 | 1,001 |
| **Total** | **114,782** | **115,880** |

Materials and supplies essentially include medical supplies.

Loss allowances of EUR 3.7 million (previous year: EUR 3.7 million) were recognised in the financial year.

## 9) Trade receivables

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Gross receivables | 901,042 | 847,578 |
| Of which inpatients at end of reporting period (contract assets as per IFRS 15) | 77,289 | 75,280 |
| Less impairment | −120,118 | −108,337 |
| Of which individual specific loan loss allowances | −45,585 | −52,037 |
| Of which for expected credit losses | −74,533 | −56,300 |
| **Net receivables** | **780,924** | **739,242** |
| Of which non-current receivables | 309 | 533 |
| Of which current receivables | 780,615 | 738,709 |

Trade receivables are measured at amortised cost, which usually corresponds to the nominal amount, less a reasonable amount for credit losses. An amount of EUR 780.6 million (previous year: EUR 738.7 million) has a remaining term of less than one year. After taking account of individual specific loan loss allowances, an impairment matrix in accordance with IFRS 9 is therefore used (simplified approach). A primary distinction can be made in the groups of receivables between payers of statutory health and pension insurance and self-pay patients. The relevant credit risks are calculated using historical loss rates and historical experience (self-pay patients) and as at 31 December 2022 using Germany's CDS spread (payers of statutory health and pension insurance). The expected loss over the remaining lifetime is calculated as a fixed percentage depending on the respective group of receivables. While the CDS spread for German government bonds is used for receivables from legal institutions, the collective specific loan loss allowance on receivables from other debtors is based on historical credit loss experience in the receivables portfolio. On this basis, a matrix is generated that, adjusted for future-oriented insolvency forecasts, maps the probability-weighted probabilities of default depending on these maturity structure classes. No significant credit losses are expected for inpatients at the end of the reporting period (contract assets).

In the case of trade receivables for which there is a validity risk due to MDK audits, the validity risk is accounted for with refund liabilities.

After taking account of individual specific loan loss allowances relating to a gross receivables volume of EUR 45.6 million (previous year: EUR 52.0 million), the expected credit losses by maturity structure class of the underlying receivables are as follows for each group of receivables:

| EUR '000 | Gross carrying amount | Of which: Not past due as at end of reporting period | Of which: Past due by the following numbers of days as at end of reporting period | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 30 days | Between 30 and 60 days | Between 61 and 90 days | Between 91 and 180 days | Between 181 and 360 days | More than 360 days |
| | As at 31 Dec. 2022 | | | | | | | |
| Trade receivables from health insurance funds | 622,856 | 521,080 | 54,717 | 11,503 | 7,789 | 11,762 | 13,224 | 2,780 |
| Expected credit loss | | 2,970 | 312 | 66 | 44 | 67 | 75 | 16 |
| Trade receivables from other debtors | 155,729 | 67,587 | 8,379 | 4,051 | 3,281 | 5,201 | 8,115 | 59,114 |
| Expected credit loss | | 1,352 | 503 | 506 | 820 | 2,600 | 6,087 | 59,114 |
| | As at 31 Dec. 2021 | | | | | | | |
| Trade receivables from health insurance funds | 554,771 | 401,269 | 50,400 | 15,692 | 11,650 | 17,234 | 20,730 | 37,795 |
| Expected credit loss | | 923 | 116 | 36 | 27 | 40 | 48 | 87 |
| Trade receivables from other debtors | 165,491 | 95,195 | 15,981 | 3,692 | 4,522 | 3,526 | 5,930 | 36,644 |
| Expected credit loss | | 5,712 | 1,598 | 462 | 1,131 | 3,526 | 5,930 | 36,644 |

Write-downs of trade receivables amounted to EUR 120.1 million (previous year: EUR 108.3 million), whereby trade receivables of EUR 27.4 million were derecognised in the financial year (previous year: EUR 22.7 million).

| EUR '000 | 2022 | Of which expected credit loss | Of which individual specific loan loss allowances |
|---|---|---|---|
| Write-downs as at 1 Jan. | 108,337 | 56,300 | 52,037 |
| Addition to consolidated group | 5 | 0 | 5 |
| Additions to write-downs | 30,821 | 26,773 | 4,048 |
| Utilisation and reversal | −19,046 | −8,541 | −10,506 |
| **Write-downs as at 31 Dec.** | **120,118** | **74,533** | **45,585** |

| EUR '000 | 2021 | Of which expected credit loss | Of which individual specific loan loss allowances |
|---|---|---|---|
| Write-downs as at 1 Jan. | 112,335 | 54,700 | 57,635 |
| Additions to write-downs | 39,042 | 11,845 | 27,197 |
| Utilisation and reversal | −43,039 | −10,245 | −32,794 |
| **Write-downs as at 31 Dec.** | **108,337** | **56,300** | **52,037** |

## 10) Current income tax assets

Current income tax assets relate to claims for the reimbursement of corporate income tax against tax authorities.

## 11) Other assets

Other assets break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Receivables from taxes | 2,793 | 664 |
| Doubtful other receivables | 242 | 159 |
| Advance payments made for expenses in the next financial year | 25,373 | 23,327 |
| **Other assets** | **33,893** | **24,149** |
| Of which non-current | 67 | 61 |
| Of which current | 33,826 | 24,087 |

## 12) Cash and short-term deposits

Cash and short-term deposits are subject to variable interest rates. Short-term deposits are made for different periods of time depending on the Group's liquidity requirements. Interest is charged at the respective interest rates applicable for short-term deposits. The fair value of cash and cash equivalents corresponds to their carrying amount. The short-term deposits amounted to EUR 338.4 million on the reporting date (previous year: EUR 252.4 million).

Total cash and short-term deposits includes subsidies received of EUR 127.7 million (previous year: EUR 125.4 million). The subsidies are earmarked for a specific purpose and may be used only for subsidised capital expenditure.

## 13) Assets held for sale and liabilities in connection with assets held for sale

The intention is to sell the companies Dr. Hoefer-Janker GmbH & Co. Klinik KG, MVZ MediClin Bonn GmbH and the Oberviechtach site owned by Asklepios Klinikum Bad Abbach GmbH, Königstein by way of a share deal. In line with the amendment to IFRS 5, the assets and liabilities held for sale (disposal group) attributable to the companies held for sale were reclassified accordingly in the statement of financial position. No impairment was required on the fair value. The cash flow from units held for sale amounted to EUR 3.3 million in 2022.

| EUR '000 | Carrying amounts for Hoefer Janker | Carrying amounts for MVZ Bonn | Carrying amounts for the Ober-viechtach site | Total carrying amounts |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Intangible assets | 13 | 1 | 68 | 82 |
| Property, plant and equipment including right-of-use assets | 4,720 | 1 | 677 | 5,398 |
| Deferred tax assets | 0 | 3 | 6 | 9 |
| **Total non-current assets** | **4,733** | **5** | **751** | **5,489** |
| **Current liabilities** | | | | |
| Inventories | 149 | 0 | 151 | 300 |
| Trade receivables | 1,267 | 344 | 9 | 1,620 |
| Other financial assets | 2,389 | 0 | 0 | 2,389 |
| Other assets | 490 | 0 | 11 | 501 |
| Cash and cash equivalents | 3,719 | 519 | 0 | 4,238 |
| **Total current assets** | **8,014** | **863** | **171** | **9,048** |
| **Total assets held for sale** | | | | **14.537** |

| EUR '000 | Carrying amounts for Hoefer Janker | Carrying amounts for MVZ Bonn | Carrying amounts for the Ober-viechtach site | Total carrying amounts |
|---|---|---|---|---|
| **Non-current liabilities** | | | | |
| Other provisions | 120 | 0 | 0 | 120 |
| Other financial liabilities | 0 | 0 | 4 | 4 |
| Other liabilities | 24 | 1 | 2 | 27 |
| **Total non-current liabilities** | **144** | **1** | **6** | **151** |
| **Current liabilities** | | | | |
| Trade payables | 427 | 3 | 0 | 430 |
| Lease liabilities | 3 | 0 | 0 | 3 |
| Other provisions | 186 | 0 | 0 | 186 |
| Current income tax liabilities | 0 | 67 | 0 | 67 |
| Other financial liabilities | 827 | 234 | 103 | 1,164 |
| Other liabilities | 544 | 109 | 358 | 1,011 |
| **Total current liabilities** | **1,987** | **413** | **461** | **2,861** |
| **Total debts associated with assets held for sale** | | | | **3.012** |

## 14) Equity

In accordance with IAS 1, the development of equity is presented in a statement of changes in consolidated equity, which is a separate component of the consolidated financial statements.

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Equity attributable to the parent company | 1,400,506 | 1,171,176 |
| Non-controlling interests | 642,598 | 575,681 |
| **Total equity** | **2,043,104** | **1,746,857** |

### Components of equity

Please refer to the statement of changes in consolidated equity for information on the breakdown of equity.

#### a) Issued capital

The issued capital is the liable capital under company law of the parent company Asklepios Kliniken GmbH & Co. KGaA. It has been paid in full. The issued capital relates in full to 100,500 bearer shares with voting rights (no-par-value shares) with a notional interest in the share capital of EUR 1.00 per share. There are no restrictions on voting rights or the transfer of shares – even if they result from an agreement between shareholders – or we are not aware of such restrictions. None of our shares have special rights bestowing control.

#### b) Reserves

Reserves include the capital reserves and retained earnings. Retained earnings consist of earnings retained from previous years.

A total of EUR 82.5 million (previous year: EUR –86.8 million) was allocated to retained earnings in the 2022 financial year. Equity increased by EUR 296.2 million to EUR 2,043.1 million (previous year: EUR 1,746.9 million).

#### c) Non-controlling interests

The non-controlling interests contain third-party shares in the equity of consolidated subsidiaries.

Non-controlling interests of approximately 6% relate to the entities that operate hospitals. Please refer to IV.1) Basis of consolidation.

EUR 34.2 million of the consolidated net income for the year is attributable to non-controlling interests (previous year: EUR 23.9 million). Subject to executive approval, a provisional amount of EUR 15.4 million (previous year: EUR 13.9 million), and thus cumulatively EUR 241.1 million, of this net income for the year is attributable to the non-controlling interests of Asklepios Kliniken Hamburg GmbH, Hamburg, in 2022. Non-controlling interests hold 25.1% of the voting rights in Asklepios Kliniken Hamburg GmbH in total. For Asklepios Kliniken Hamburg GmbH, the consolidated financial statements include a total of EUR 964.7 million (previous year: EUR 786.2 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 395.2 million, which were up by EUR 91.2 million year-on-year) and EUR 729.8 million (previous year: EUR 799.4 million) in non-current assets available for generating future income (EUR 1,507.3 million in total in 2022). Non-current liabilities of EUR 221.0 million (previous year: EUR 435.9 million) and current liabilities of EUR 443.4 million (previous year: EUR 339.6 million) were included in the consolidated financial statements for Asklepios Kliniken Hamburg GmbH. In connection with the measurement of non-current liabilities, actuarial gains of EUR 199.7 million (previous year: EUR 56.1 million) before taking account of deferred tax liabilities of EUR 38.0 million (previous year: EUR 5.9 million) were included in the consolidated financial statements in the reporting year, EUR 50.1 million of which was added to non-controlling interests in other comprehensive income (previous year: EUR 14.1 million). Asklepios Kliniken Hamburg GmbH generated cash inflow from operating activities of EUR 138.0 million (previous year: EUR 122.3 million), cash outflow from investing activities of EUR 37.0 million (previous year: EUR 49.8 million) and cash outflow from financing activities of EUR 9.8 million (previous year: EUR 12.6 million). In 2022, the company reports total comprehensive income of EUR 222.9 million (previous year: EUR 105.9 million), of which EUR 0.5 million (previous year: EUR 0.5 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 162.2 million (previous year: EUR 50.3 million).

Subject to executive approval, a provisional amount of EUR 7.7 million of the net loss for the year (previous year: EUR 0.3 million of the net loss for the year), and thus cumulatively EUR 177.3 million, is attributable to the non-controlling interests of MEDICLIN Aktiengesellschaft (MediClin AG), Offenburg, in 2022. Non-controlling interests hold 47.27% of the voting rights in MEDICLIN Aktiengesellschaft in total. There were no distributions to non-controlling interests in the reporting year (previous year: no distributions). For MEDICLIN Aktiengesellschaft, the consolidated financial statements include a total of EUR 262.0 million (previous year: EUR 265.9 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 88.0 million, which were up by EUR 31.5 million year-on-year) and EUR 654.1 million (previous year: EUR 615.3 million) in non-current assets available for generating future income (EUR 722.3 million in total in 2022). Non-current liabilities of EUR 535.9 million (previous year: EUR 484.4 million) and current liabilities of EUR 170.8 million (previous year: EUR 213.4 million) were included in the consolidated financial statements for MEDICLIN Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial gains of EUR 19.7 million (previous year: EUR 5.6 million) before taking account of deferred tax liabilities of EUR 3.1 million (previous year: EUR 0.9 million) were included in the consolidated financial statements in the reporting year, EUR 9.3 million of which was added to non-controlling interests in other comprehensive income. MediClin Aktiengesellschaft generated cash inflow from operating activities of EUR 37.1 million (previous year: EUR 82.0 million), cash outflow from investing activities of EUR 8.7 million (previous year: EUR 7.1 million) and cash outflow from financing activities of EUR 56.2 million (previous year: EUR 55.3 million). In 2022, the company reports total comprehensive income of EUR 26.3 million (previous year: EUR 6.2 million), of which EUR 0.4 million (previous year: EUR 0.1 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 16.6 million (previous year: EUR 4.7 million).

Subject to executive approval, a provisional amount of EUR 6.7 million of the net income for the year (previous year: EUR 6.5 million) attributable to non-controlling interests, and thus cumulatively EUR 15.0 million, is attributable to the non-controlling interests of Rhön-Klinikum AG (Rhön AG), Bad Neustadt an der Saale, in 2022. Non-controlling interests hold 13.4% of the voting rights in Rhön Aktiengesellschaft in total. There were distributions to non-controlling interests in the amount of EUR 625 thousand in the reporting year (previous year: EUR 364 thousand). For Rhön Aktiengesellschaft, the consolidated financial statements include a total of EUR 688.6 million (previous year: EUR 611.1 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 77.3 million, which were down by EUR 49.0 million year-on-year) and EUR 1,016.3 million (previous year: EUR 1,054.5 million) in non-current assets available for generating future income (EUR 1,666.2 million in total in 2022). Non-current liabilities of EUR 162.4 million (previous year: EUR 167.5 million) and current liabilities of EUR 291.1 million (previous year: EUR 273.3 million) were included in the consolidated financial statements for Rhön Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial gains of EUR 99 thousand (previous year: EUR 26 thousand) before taking account of deferred tax liabilities of EUR 16 thousand (previous year: EUR 5 thousand) were included in the consolidated financial statements in the reporting year, EUR 13 thousand of which was added to non-controlling interests in other comprehensive income (previous year: EUR 3 thousand). Rhön AG generated cash inflow from operating activities of EUR 41.3 million (previous year: EUR 97.5 million), cash outflow from investing activities of EUR 86.2 million (previous year: EUR 58.3 million) and cash outflow from financing activities of EUR 4.1 million (previous year: EUR 3.9 million). In 2022, the company reports total comprehensive income of EUR 27.3 million (previous year: EUR 34.9 million), of which EUR 1.8 million (previous year: EUR 1.9 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 0.3 million (previous year: EUR 4.7 million).

There were no material transactions with material non-controlling interests in 2021 or 2022.

### d) Development of other comprehensive income

Other comprehensive income includes the development of actuarial gains from pension provisions of EUR 178.4 million (previous year: EUR 55.0 million).

EUR 48.4 million (previous year: EUR 14.8 million) of the actuarial losses from pension provisions relates to non-controlling interests.

## 15) Financial liabilities

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Current portion | 160,151 | 157,623 |
| Non-current portion | 2,071,206 | 2,021,357 |
| **Total financial liabilities*** | **2,231,357** | **2,178,981** |

* Figures not including lease liabilities as per IFRS 16

EUR 240.3 million was repaid in total in the financial year (previous year: EUR 298.1 million).

Asklepios has a long-term and balanced maturity profile, primarily thanks to the repeated issuance of schuldschein loan agreements. The debut transaction on the schuldschein market in November 2013 had a volume of EUR 300 million. There were further successful placements of schuldschein loan agreements in August 2015 and November 2017, which positioned Asklepios as an established issuer on the schuldschein market. The issue proceeds of the fourth schuldschein loan agreement of EUR 730 million were used in October 2020 for the early refinancing and placement of the RHÖN acquisition financing. In November 2021 and July 2022, various schuldschein loan agreement maturities were refinanced prematurely as part of a policy of active maturity management.

In each case, schuldschein loan agreements were placed with fixed and variable interest and subscribed by both domestic and international investors.

Furthermore, the Group has freely available lines of credit of EUR 695.1 million as at the end of the reporting period. These are primarily attributable to a syndicated line of credit of EUR 550.0 million from 2021 for the purpose of securing liquidity strategically and additional lines of credit that are used for payment transactions as part of the Group's operating activities, in particular. The lines are unsecured and drawings on these credit lines are subject to floating interest.

The non-subsidised portion of a loan to finance a new building with a carrying amount of EUR 10.8 million (previous year: EUR 15.8 million) as at 31 December 2022 had a fair value of EUR 11.3 million (previous year: EUR 17.2 million) as at the same date.

Of the financial liabilities, the following amounts will fall due in the next few years:

| Financial year | Amount in EUR million |
|---|---:|
| 2024 | 394.9 |
| 2025 | 358.1 |
| 2026 | 220.4 |
| 2027 | 499.0 |
| Subsequent years | 598.8 |
| **Total** | **2,071.2** |

Changes in financial liabilities were as follows:

| EUR million | 1 Jan. 2022 | Cash changes | Maturity reclassi-fication | Non-cash changes | Changes in consoli-dated group | 31 Dec. 2022 |
|---|---:|---:|---:|---:|---:|---:|
| Lease payment obligations | 430 | −66 | 0 | 131 | 0 | 495 |
| Current financial liabilities | 158 | −40 | 65 | −22 | 0 | 160 |
| Non-current financial liabilities | 2,021 | 93 | −65 | 22 | 0 | 2,071 |
| **Total** | **2,609** | **−13** | **0** | **131** | **0** | **2,726** |

| EUR million | 1 Jan. 2021 | Cash changes | Maturity reclassi-fication | Non-cash changes | Changes in consoli-dated group | 31 Dec. 2021 |
|---|---:|---:|---:|---:|---:|---:|
| Lease payment obligations | 464 | −59 | 0 | 25 | 0 | 430 |
| Current financial liabilities | 40 | 0 | 120 | −3 | 0 | 158 |
| Non-current financial liabilities | 2,141 | 0 | −120 | 0 | 0 | 2,021 |
| **Total** | **2,645** | **−59** | **0** | **22** | **0** | **2,609** |

The future payments from financial liabilities and the interest and instalment components included therein break down as follows:

| 31 Dec. 2022 Residual term EUR million | Up to 1 year | More than 1 year to 5 years | More than 5 years | Total |
|---|---:|---:|---:|---:|
| Payment obligation | 203 | 1.614 | 659 | 2,476 |

| 31 Dec. 2021 Residual term EUR million | Up to 1 year | More than 1 year to 5 years | More than 5 years | Total |
|---|---:|---:|---:|---:|
| Payment obligation | 184 | 1.456 | 736 | 2,376 |

## 16) Trade payables

There are trade payables due to third parties. An amount of EUR 129.2 million (previous year: EUR 115.6 million) has a remaining term of less than one year.

## 17) Lease liabilities

### Maturity analysis

| EUR '000 | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---:|---:|---:|---:|
| Lease liabilities as at 31 Dec. 2022 | 38,070 | 116,453 | 340,472 | 494,995 |

| EUR '000 | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---:|---:|---:|---:|
| Lease liabilities as at 31 Dec. 2021 | 67,631 | 213,475 | 148,979 | 430,085 |

## 18) Liabilities under German Hospital Financing Act

Liabilities under German hospital financing law of EUR 475.4 million (previous year: EUR 305.4 million) relate to subsidies committed or received but not yet used.

## 19) Other financial liabilities

In the financial year, other financial liabilities comprised:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Liabilities from outstanding invoices | 120,297 | 108,349 |
| Subsidised loans | 27,554 | 38,054 |
| Liabilities to Landeskrankenhausgesellschaft | 21,865 | 25,768 |
| Debtors with credit balances | 14,607 | 12,602 |
| Liabilities from third-party funds | 7,615 | 8,243 |
| Research grant liabilities | 6,869 | 8,603 |
| Purchase price commitments/liabilities to former payers | 5,366 | 5,607 |
| Archiving obligations | 5,299 | 5,308 |
| Liabilities to state authorities | 4,161 | 4,376 |
| Liabilities to shareholders | 2,863 | 2,862 |
| Social security liabilities | 2,122 | 1,251 |
| Liabilities from non-public assistance | 1,552 | 107 |
| Liabilities to senior consultants | 842 | 842 |
| Liabilities to external shareholders | 0 | 1,331 |
| Miscellaneous other financial liabilities | 42,528 | 33,311 |
| **Other financial liabilities** | **263,540** | **256,614** |
| Of which non-current | 38,729 | 47,149 |
| Of which current | 224,811 | 209,465 |

The subsidised loans of EUR 27.6 million (previous year: EUR 38.1 million) are financed in full by the respective states, affecting interest and repayment.

The future payments from subsidised loans and the interest and instalment components included therein break down as follows:

| 31 Dec. 2022<br>Residual term EUR million | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Payment obligation | 9 | 17 | 4 | 30 |

| 31 Dec. 2021<br>Residual term EUR million | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Payment obligation | 11 | 26 | 4 | 41 |

The interest component included in the payment obligations amounts to EUR 6.1 million (previous year: EUR 4.6 million).

The purchase price obligations essentially comprise obligations from a number of acquisitions. Liabilities for third-party obligations concern statutory obligations to perform maintenance and fire protection work, while liabilities from grants include funds for investments obtained from sponsors, etc., that have not yet been used.

## 20) Other liabilities

Other liabilities break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Payroll liabilities | 279,964 | 268,945 |
| Tax liabilities (wage tax, VAT) | 59,794 | 55,995 |
| Advance payments received | 51,103 | 74,534 |
| Miscellaneous | 6,355 | 6,063 |
| **Other liabilities** | **397,216** | **405,537** |
| Of which non-current | 6,485 | 8,617 |
| Of which current | 390,731 | 396,920 |

The payroll liabilities include mainly performance-related remuneration, annual leave not taken and overtime. Payroll liabilities include termination benefits (mainly partial retirement and severance payments) of EUR 25.1 million (previous year: EUR 22.8 million). Liabilities from partial retirement agreements of EUR 2.7 million (previous year: EUR 2.8 million) contain future Group obligations from the outstanding settlement amount during the time the beneficiaries are in office and the top-up amount pursuant to IAS 19 (rev. 2011), which accumulates on a pro rata basis. For unresolved cases, an estimate was used based on previous acceptance of comparable contractual offers. The capitalised values of EUR 0.8 million (fair value) (previous year: EUR 0.9 million) to secure outstanding settlement amounts are offset against the obligations in the financial year.

Tax liabilities contain wage tax and VAT yet to be paid to the tax authority.

## 21) Provisions for pensions and similar obligations

Some employees were granted post-employment annuity payments under the Group's pension scheme, which takes the form of defined contribution and defined benefit plans. The Group's obligations cover both existing and future benefit claims.

Pension provisions for defined benefit plans are determined in accordance with IAS 19 on the basis of actuarial assumptions. In the financial years, the following parameters were applied:

| | 2022 | 2021 |
|---|---|---|
| Discount rate | 3.60% | 0.90% |
| Expected salary increases | 2.10% | 2.10% |
| Expected pension increases | 1.50% | 1.50% |

The cost trends in the medical sector were not considered in the calculation of pension provisions on grounds of immateriality. As in the previous year, the 2018 G Heubeck mortality tables were used as a biometric basis for calculation.

### Hamburg obligations (provision: EUR 70,075 thousand; DBO: EUR 388,519 thousand)

The Group's defined benefit pension obligations are oriented towards the Hamburg Act on Additional Retirement Pensions and the respective valid version of the bylaws of the Pension Institution of the Federal Republic and the Federal States (VBL), and are based on benefit guideline no. 1 of the collective agreement on the company pension scheme at Landesbetrieb - Krankenhäuser (LBK Hamburg) – a public-law institution – dated 24 July 2000. These obligations are met by way of the insured provident fund of LBK e.V. In addition, there are obligations to civil servants of the city of Hamburg on leave of absence and individual contractual obligations that are partially covered by employer's pension liability insurance policies. For employees entitled to a pension at Asklepios Westklinikum Hamburg GmbH, acquired on 1 July 2008, there are unfunded benefit obligations in accordance with the bylaws of the VBL.

The Hamburg Act on Additional Retirement Pensions allows for pension benefits on the basis of final salary. The corresponding present value of the obligations was EUR 346.2 million as at 31 December 2022 (89% of the total obligation). The benefit amount is calculated from years of service and pay according to the pay grade when pension payments begin. Pensions increase by 1% per year.

The present value of the obligation from defined contribution pension commitments according to the bylaws of the VBL is EUR 36.7 million (9% of the total obligation). The annual contribution amount is determined by the pay subject to supplementary pension payments. The pension payments result from the actuarial annuitisation of the contributions. The current annuities increase by 1% each year. The obligations in accordance with the Hamburg Civil Service Pension Act include individual obligations of EUR 5.3 million.

As the payable benefits are lifelong pension payments, there is a longevity risk, which is largely hedged by the pension liability insurance policies in place. In addition, because the payable benefit depends on salary, there is a risk that the required payment to the employee will increase due to future salary increases. The Group bears this risk in full.

### MediClin defined benefit obligations (provision: EUR 40,027 thousand; DBO: EUR 41,752 thousand)

The defined benefit obligations relate to two pension plans that have recently been concluded, one with MAUK and the other with the Kraichgau-Klinik Group pension scheme, and three (previous year: three) individual obligations. Both pension plans are closed, which means that no more new pension obligations can be added. The MAUK pension plan is a lump-sum payment provident fund for the accrual of tax-free special funds earmarked to provide retirement income for employees. It is a pension fund with legal capacity, which grants the benefits outlined in the plan under exclusion of legal rights. These benefits are funded through contributions that MEDICLIN makes to MAUK. Since the 2019 financial year, MUK is also classed as a defined benefit pension plan. It has been closed to new entrants since 31 December 2018, except for employees who were still in the five-year vesting period as at 31 December 2018. As at 31 December 2001, the MAUK pension plan was replaced by the MUK pension plan.

At this date, the benefits accrued by active employees up to this point under the MAUK plan were in effect frozen. Under the terms and conditions of the plan, lifetime or time-limited benefits are granted in the form of a retirement pension, an early retirement pension or a disability pension. The retirement pension amount is between EUR 5.00

and EUR 10.00 a month per eligible year of service based on average weekly working hours. If the pension is taken early (before the age of 65), the entitlements earned are reduced by 0.5% for each month that the pension is claimed early. Except for two of the individual obligations, the ongoing pension payments are paid from the assets of the employee provident fund. MEDICLIN pays sufficient funds to MAUK for this. The MAUK fund's assets comprise voluntary contributions from MEDICLIN and returns on plan assets. Section 12 of the MAUK bylaws stipulates that fund assets are to be invested in a profitable way and are to be used solely for fund purposes and for incurred administrative costs. Loans may be granted to the sponsoring employer at an appropriate rate of interest, but this option is not utilised.

The pension provisions relating to the Kraichgau-Klinik Group are the result of the acquisition of the majority of shares in Kraichgau-Klinik AG in 2008. The Kraichgau-Klinik AG pension scheme provides for pension benefits, which include a retirement pension or early retirement pension and a deferred disability pension. The monthly retirement pension amounts to 0.5% per year of company service – but not exceeding 12% – of the average monthly salary for the last twelve months before pension payments begin. If an early retirement pension is taken, the retirement pension calculated according to this formula is reduced by 0.5% for every month that the pension is claimed early before the claimant reaches retirement age. If the claimant retires early on the grounds of disability, a disability pension is paid, which is deferred until the claimant reaches retirement age. The pension amount is calculated using the same formula as the retirement pension, but takes account only of the years of service that the employee achieved up to the date of the disability. The age limit for employees who joined the company before 31 December 1994 is 60 for women and 65 for men. In the case of employees who joined the company after 31 December 1994, the retirement age is 65 for both men and women. No more new beneficiaries have been added to this plan since August 1997.

There is still an individual obligation to a former executive of Kraichgau-Klinik AG. The claim to retirement benefits under this obligation comprises a basic entitlement of 32.55% and linear increments of 0.9% of the annual pensionable salary. Increments count only from 1 April 2000. The maximum benefit entitlement is 48.75% of the pensionable salary. The disability pension entitlement is 100% of the retirement pension entitlement. In the event of the death of the beneficiary, the surviving spouse receives a widows' pension totalling 60% of the retirement pension to which the beneficiary was entitled at the time of his death, or to which he would have been entitled if he had become disabled. The retirement age of 65 was reached in 2018, which means that the individual obligation is now in the pay-out phase.

The pension obligations are accounted for in full and were remeasured for preparation of the IFRS statement of financial position. The Group's obligations cover both existing and future benefit claims. The pension provisions are measured in line with actuarial principles using the benefit/years of service method under IAS 19, taking account of future trends. The current service cost, which is calculated at the start of the financial year and is subject to interest until the end of the financial year, is calculated using the projected unit credit method. The defined benefit obligation (DBO) at the end of the reporting period is the present value of the benefits earned in the preceding accounting periods calculated using the projected unit credit method. The same method that is used to attribute benefits to periods of service is used to determine the current service cost. In accordance with IAS 19, the adjustment effects from actuarial gains and losses that arise in the financial year are recognised in "other comprehensive income". By contrast, the insured portion of the MUK pension obligation is recognised at the fair value of the pension liability insurance policies in place. Only the obligation from the adjustment of ongoing benefits of 1% per year, which is not covered by the pension liability insurance policy, is measured in line with actuarial principles.

### MEDICLIN provident fund (provision: EUR 201 thousand; DBO: EUR 16,501 thousand)

For its active employees who have reached five years of service with the company (as at the end of 31 December) and are 28 years of age, MEDICLIN pays an annual contribution to the MEDICLIN retirement pension scheme (basic retirement pension plan) up to the age of 65. The contribution is adjusted in line with the rising cost of living (maximum of 1.5% p. a.). The basic retirement pension plan comprises a monthly retirement pension or the option of a one-off lump-sum payment. The retirement pension increases automatically by 1% per year and is guaranteed for at least ten years. The MediClin retirement pension scheme also offers eligible employees the option of making contributions to a private pension scheme from their gross salary. MEDICLIN rewards employees for this deferred compensation option by increasing its own pension contribution by 20%, no less than EUR 50 but no more than EUR 100 per year. MEDICLIN transfers its contributions directly to MediClin-Unterstützungskasse e. V. (MUK e. V.). MUK e. V. is a social welfare fund for sponsoring employers and administrative bodies of MEDICLIN AG that are hospital operators, whose retirement pension schemes are managed partly or fully by this provident fund. The sole and irrevocable purpose of the association is to operate this provident fund. The association follows the requirements of sections 1 to 3 of the legally valid version of the Implementing Regulation on Corporate Tax (KStDV) or the requirements that replace or supplement them. Under the terms and conditions of the benefit plan, the association takes out pension liability insurance policies on the life of the member/beneficiary to fund the agreed benefits. MEDICLIN terminated the works agreement underlying this pension plan as at 31 December 2018 in order to set up a new, modern company pension scheme.

All employees who joined one of the MEDICLIN sponsoring employers before 31 December 2018 are still entitled to an employer-funded basic retirement pension plan under the MediClin retirement pension scheme. Even employees who are still in the vesting period will subsequently receive accrued entitlements from the MediClin retirement pension scheme. Employees who joined the company on or after 1 January 2019 will fall under a different pension scheme. A new agreement on this is being concluded with the Group Works Council. All existing MediClin retirement pension scheme contracts – both the employer-funded basic retirement pension plan and the self-funded contracts from deferred employee compensation – are being continued unconditionally in line with the valid benefit plans.

MUK e. V. is structured as an insured provident fund, whereby its pension obligations are covered by a corresponding pension liability insurance policy with an insurance company. MUK e. V. met its duty to make adjustments in accordance with section 16 of the German Company Pensions Act by making a commitment in respect to a guaranteed annual 1% adjustment (section 16 (3) sentence 1 of the German Company Pensions Act). When the pension liability insurance policy was taken out, the guaranteed adjustment of 1% p.a. in favour of a higher maturity payment was not covered by the policy because it was anticipated that the 1% adjustment would easily be generated through insurer surpluses. As a result of continuing low interest rates on the capital markets, particularly for pension liability insurance policies that have a high guaranteed interest rate it has increasingly been the case that virtually no surplus allocations have been made, which means that the insurer could no longer guarantee the adjustment to pension payments in the amount pledged in the pension plan. Nonetheless, the pension obligations were adjusted by 1% p.a. under the terms of the contract. The adjustment is being funded retrospectively through annual one-off payments to the insurer. This is classed as a systematic coverage gap, the future amount of which is presented as a best estimate in the financial statements. This means that, from now on, these pension obligations will be classified and accounted for as defined benefit obligations. The insurance coverage of MUK retirement benefits has since been changed; new pension obligations are no longer affected by a coverage gap from adjustment obligations because the 1% adjustment guarantee has now been included in the policy coverage. The amount of the coverage gap was determined by an actuary. The present value of the future coverage gap is calculated on the basis of the pension entitlements earned. An actuarial interest rate of 3.6% was assumed in the calculation of the coverage gap. An amount of 0.9% p.a. was recognised as the insurer's overall interest rate. Furthermore, the calculation also assumes that the percentage of scheme members who opt for current pension payments in lieu of the total pension capital (one-off payment) is still approximately 5%.

### RHÖN-Klinikum AG (provision: EUR 519 thousand; DBO: EUR 519 thousand)

Some employees are granted post-employment annuity payments under the Group's pension scheme, which takes the form of defined benefit and defined contribution plans. The Group's obligations cover both existing and future benefit claims. Defined benefit obligations are financed by setting aside provisions. Contributions under defined contribution plans are recognised in profit or loss as incurred. For Management Board members, there is a plan that provides for pension benefits after termination of the employment relationship. In addition to their ongoing remuneration, when Management Board members leave the Board they receive a pension benefit, capped at 1.5 times their last annual remuneration, which depends on their duration of employment and the amount of remuneration. Unlike the other pension plans, the benefit obligation is not calculated on the basis of a standard retirement age but rather on individual contract terms. In this context, there are risks in respect of changes to the assessment basis. These relate primarily to the dependency on final salary or variable remuneration components. If this assessment basis develops differently than assumed in the provision calculations, additional financing could be required. This arrangement no longer applies to Management Board members appointed after the acquisition by Asklepios Kliniken GmbH & Co. KGaA.

### Other (provision: EUR 3,327 thousand, DBO: EUR 3,298 thousand)

In the Group, there are also various individual obligations financed by provisions.

The Group's total provisions break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Present value of funded benefit obligations | 381,053 | 564,462 |
| Present value of unfunded benefit obligations | 69,566 | 102,708 |
| **Total present values of pension obligations** | **450,619** | **667,170** |
| Fair value of plan assets | −336,470 | −328,354 |
| Reclassification as per IFRS 5 | 0 | −260 |
| **Net provisions** | **114,149** | **338,556** |

In the financial years shown, there were no effects from the change in demographic assumptions as these were unchanged year-on-year.

The development is as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Provision as at 1 January | 338,557 | 404,622 |
| Current service cost | 7,068 | 7,751 |
| Miscellaneous | 253 | 0 |
| Net interest expense/income | 2,925 | 1,928 |
| Benefits paid | −3,168 | −2,000 |
| Experience adjustments | −58 | −59 |
| Reclassification as per IFRS 5 | 0 | −260 |
| Employer contributions to plan assets | −11,974 | −11,751 |
| Actuarial gains from changes in financial assumptions | −219,454 | −61,674 |
| **Provision as at 31 December** | **114,149** | **338,556** |

The present value of the pension obligations developed as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Present value of the obligations as at 1 January | 667,171 | 734,693 |
| Reclassification | 0 | 49 |
| Service cost | 7,068 | 49 |
| Miscellaneous | 431 | 8,515 |
| Interest cost | 5,855 | −814 |
| Experience adjustments | −1,942 | 3,242 |
| Reversal through settlement | 0 | −3,324 |
| Actuarial gains (previous year: losses) from changes in financial assumptions | −207,656 | 0 |
| Benefits paid | −20,309 | −57,644 |
| **Present value of the obligations as at 31 December** | **450,618** | **684,766** |
| **Of which unfunded benefit obligations** | **69,565** | **102,708** |
| **Present value of funded benefit obligations** | **381,053** | **582,058** |

The fair value of plan assets developed as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Fair value of plan assets as at 1 January | 328,354 | 330,069 |
| Reclassification to defined benefit plans | 439 | −3 |
| Expected return on plan assets | 2,929 | 1,314 |
| Benefits paid | −17,142 | −15,546 |
| Remeasurement of plan assets | 9,916 | 769 |
| Employer contributions to plan assets | 11,974 | 11,751 |
| **Fair value of plan assets as at 31 Dec** | **336,470** | **328,354** |

If there is excess cover in the provident fund, it is not economically usable, so it is not recognised as an asset.

Plan assets mostly comprise pension liability insurance policies taken out to cover the provident fund obligations from benefit obligations.

EUR 9.8 million (previous year: EUR 10.4 million) was contributed to the Hamburg provident fund in the 2022 financial year. The amount paid in to plan assets for the 2023 financial year is expected to be comparable to 2022.

The sensitivity of the obligation in relation to the change in relevant actuarial assumptions (figures in brackets relate to the previous year) is as follows:

| | | Relative change of the obligation (previous year) |
|---|---|---|
| Actuarial interest rate | −0.50% | Increase of 4.16% (8.31%) |
| Actuarial interest rate | +0.50% | Fall of 3.75% (7.32%) |
| Income trend | −0.50% | Fall of 0.26% (0.53%) |
| Income trend | +0.50% | Increase of 0.27% (0.55%) |
| Mortality | −0.10% | Increase of 1.73% (3.32%) |

The effects of sensitivity were determined by the same method as the obligation at the end of the year. Only the change in the factor presented was considered, while other factors were assumed to be constant. This assumption could turn out differently in reality.

As the pension adjustment is contractually fixed (1% increase), this is not an influencing factor listed in the sensitivity analysis.

Because of the existing pension liability insurance policies, most of the biometric risk is not borne by the Group but rather by the insurer, meaning that there was no sensitivity analysis here either.

The estimated payments from the pension provisions and plan assets are as follows:

| Financial year | EUR '000 |
|---|---:|
| 2023 | 16,835,946 |
| 2024 | 17,508,494 |
| 2025 | 18,219,221 |
| 2026 | 19,051,808 |
| 2027 | 19,871,943 |
| 2028–2032 | 110,148,911 |
| **Total** | **201,636,323** |

The estimated employer contributions to plan assets for 2022 amount to EUR 12.0 million. Estimated benefit payments from pension provisions are EUR 3.8 million.

The annual benefit payment obligation arises from the insurance contracts in place with the provident funds.

The weighted average duration of pension obligations is around 18 years (previous year: 19 years).

### Multi-employer plans (Hamburg)
### Asklepios Kliniken (not including RHÖN AG or MediClin)

In the financial year, Asklepios registered a total of 12,146 (previous year: 7,557) employees entitled to supplementary pension provisions.

Since 1 January 2002, BVK Zusatzversorgung, Munich, has paid a benefit that arises if an annual amount of 4.00% of an employee's gross salary is paid in full into a funded scheme. The contributions are made exclusively by the employer. The size of the contribution depends on the respective employee's pay subject to supplementary pension payments. The bylaws provide for a flat redevelopment charge for additional financing requirements above the actual contribution (3,488 Asklepios employees; previous year: 2,697 employees). BVK Zusatzversorgung, Munich, had 5,907 members in the 2021 financial year (2020: 5,880) and managed assets of EUR 27.3 billion in 2021 (2020: EUR 25.5 billion). In 2021, 800,668 compulsorily insured employees and 741,655 non-contributory insurance contracts were registered via these members. Company pensions were paid to 319,190 compulsorily insured employees in 2021. In the following year, Asklepios is expecting a contribution/funding requirement for members of BVK Zusatzversorgung, Munich, of EUR 7.0 million (previous year: EUR 5.2 million).

In the financial year, the contribution rate of ZVK Darmstadt was 6.2% (frozen) of the pay subject to supplementary pension payments. As a result of the closure of the integrated scheme and the switch to the points model, the fund levies a flat redevelopment charge of 2.3% to cover additional financing requirements in order to finance the claims and accrued entitlements arising before 1 January 2002. In accounting group II, which is already funded, a compulsory contribution of 6.35% is levied (2,598 Asklepios employees; previous year: 2,396). For members of the Zusatzversorgungskasse der Gemeinden und Gemeindeverbände (supplementary pension fund for municipalities and municipal associations) in Darmstadt, Asklepios is expecting a funding requirement of EUR 7.9 million (previous year: EUR 7.5 million).

There are different additional supplementary pension entitlements for 6,187 Asklepios employees (previous year: 2,646) at various pension institutions, which are comparable to those referred to above. Asklepios is expecting a funding requirement of EUR 12.0 million (previous year: EUR 4.6 million) for members.

The financing requirements for compulsory insurance benefits are determined for the coverage period plus one year. To cover these financing requirements, the contributions and redevelopment charges for the coverage period must be determined according to actuarial principles in such a way that the contributions to be paid for the coverage period together with other income expected from compulsory insurance and the partial assets available at the start of the coverage period are expected to suffice to finance the expenditure for the coverage period and one additional year. The coverage period is measured in such a way that the expected obligations of the fund resulting from entitlements and benefits from compulsory insurance can be met on an ongoing basis, but must not be less than ten years. The contribution and redevelopment charge requirements for a new coverage period must be determined after five years at the latest (rolling coverage period).

If a member leaves the accounting group of BVK Zusatzversorgung, Munich, ZVK Darmstadt or the other supplementary insurers, the fund must be paid a settlement amount equal to the present value of its obligations from compulsory insurance on the date the membership ended. The calculation of present value takes account of company pension beneficiaries' claims to benefits and pension points from accrued entitlements as at the date the membership ended. Individually financed supplementary contributions are not included.

### Defined contribution plans and multi-employer plans (MEDICLIN)

In the financial year, contributions of EUR 0.9 million (previous year: EUR 0.9 million) were made to multiple public-sector supplementary pension funds or provident funds a result of collectively agreed regulations. As such pension and provident funds insure employees from a large number of member companies, these are multi-employer plans. These pension plans are generally classified as defined benefit plans under IAS 19.30, as the employees have a legal right to the agreed benefits regardless of the contributions actually paid. The fund assets allocable to the company for the evaluation and calculation of a potential coverage gap cannot be obtained from the institutions concerned. Because of the lack of this necessary information about future payment obligations, the recognition of a provision in accordance with IAS 19 is not permitted. The obligation must be accounted for as a defined contribution plan in accordance with IAS 19.34a.

The funds are Rheinische Zusatzversorgungskasse (RZVK), Zusatzversorgungskasse der Stadt Hannover (ZVK Hannover) and Unterstützungskasse für Krankenhäuser in Mecklenburg-Vorpommern e. V. (UMVK).

RZVK is a special fund of Rheinische Versorgungskassen, Cologne.

The fund's assets are managed as a separate fund. The fund's purpose is to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension (compulsory insurance). Accounting groups I and II are managed for compulsorily insured employees. MEDICLIN belongs to accounting group I, which is managed according to the pay-as-you-go and funded system (hybrid financing). Here, a contribution rate is determined in relation to the pay subject to supplementary pension payments of the insured beneficiaries in a coverage period system. In addition to the coverage of the pension entitlements that arose in the former integrated scheme, RZVK collects a redevelopment charge. The redevelopment contributions are used to establish a separate capital stock within the assets of the supplementary pension fund. In the 2022 financial year, the redevelopment charge amounted to 3.5%. In total, the financing rate (contribution rate and redevelopment charge) in the 2022 financial year amounted to 7.75% of the salaries subject to contributions. The financing rate is unchanged in 2023. This year and in the last financial year, a total of EUR 0.7 million was spent in each case. Contribution payments of roughly the same amount are expected in 2023.

ZVK Hannover is a legally dependent pension fund of the city of Hanover. Its purpose to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension by way of private-sector pension insurance.

Here, too, there are two accounting groups (accounting group I and II) for compulsorily insured employees, with MEDICLIN allocated to accounting group I. At ZVK Hannover, the compulsory insurance is financed exclusively with contributions and redevelopment charges. The contribution rate is 5.07%. In order to finance the claims and accrued entitlements arising before 1 January 2002, ZVK Hannover levies a redevelopment charge of 3.00% to cover additional financing requirements that exceed the contributions. For the employers of the insured employees, this results in expenses totalling 8.07% of the pay subject to supplementary pension payments. An employee contribution or a supplementary contribution to establish capital cover are not collected in the compulsory insurance. The financing rate is unchanged in 2023. A total of EUR 0.1 million was spent in the financial year (previous year: EUR 0.1 million). Contribution payments of the same amount are expected to be incurred in 2023.

On reaching retirement age, UMVK grants a pension in the form of a one-off payment of the retirement capital or lifelong monthly payments of a retirement annuity of the same value. Moreover during the active service period of the beneficiary a one-off payment is made to surviving dependants in the event of death and a monthly annuity is paid in the event of incapacity to work. The recipients receive the pension benefits from the UMVK. The size of the pension is determined by the pension contribution, which amounts to 1.0% or 1.5% of the eligible income. The incapacity annuity is 0.25% of the retirement capital. One hospital was a member of UMVK in the 2022 financial year. This year and in the last financial year, a total of EUR 0.1 million was spent in each case. Contribution payments of roughly the same amount will accrue in 2023.

A new Group works agreement regarding the pension scheme (bAV) was concluded on 1 October 2020 and took effect as at 1 January 2020. It grants a pension entitlement to employees who joined a MEDICLIN company on or after 1 January 2019 and employees who joined a MEDICLIN company before 1 January 2019 and have not formerly received an employer-financed pension plan. This new pension scheme is no longer purely employer-financed; instead, the beneficiaries contribute to the financing of their pension.

MEDICLIN AG concluded a group contract for the new pension scheme with "KlinikRente Versorgungswerk". This pension scheme is a defined contribution plan in the form of direct insurance via deferred compensation based on gross salary with mixed financing. MEDICLIN contributes to each entitled employee's pension on condition that the employees also pay a contribution themselves. The employer contribution amounts to EUR 40.00 per month and is tied to the following conditions:

- The employees conclude a defined compensation agreement under the group contract with KlinikRente for at least 1.00% of the sum of their fixed monthly compensation components (employee contribution).
- The full employer contribution of EUR 40.00 also depends on the employee waiving any claim to employer contributions to capital-building benefits. Otherwise, employer contributions to capital-building benefits are counted towards the entitlement to the employer contribution to the pension scheme.
- The employee has been at the company for at least six months and the employment contract has not been terminated. A temporary employment contract is not detrimental.
- The employer contribution to the pension scheme is made for contracts in the group contract with KlinikRente only and requires a written application from the employee.

In addition to the contribution of 40 per month, MEDICLIN forwards 15.0% of the deferred compensation to the direct insurance as an additional employer contribution, provided MEDICLIN saves social security contributions through the deferred compensation. If employees leave the employment relationship before pension payments begin, they receive a proportional entitlement to pension benefits, even if the statutory vesting dates have not yet been reached.

The employer contribution is increased by 1.00% on 1 July each year. The first increase was made as at 1 July 2021. Likewise on 1 July every year, the 1.00% proviso of the employee contribution is reviewed as a condition of the employer contribution. If the review finds that the employee contribution has to be increased by at least EUR 5.00 in order to fulfil the 1.00% proviso, the deferred compensation amount must be increased. The payment of a retirement pension begins on the first day of the month following the recipient's 67th birthday. Early retirement benefits can be drawn from the age of 62. It is possible to defer the payment until the age of 72. An annuity from capital 20 times the amount of the annual annuity guaranteed after retirement, less annuities guaranteed after retirement already paid, is agreed as a death benefit after retirement. In the 2022 financial year, the employer contribution for this pension scheme amounted to EUR 241 thousand (previous year: EUR 173 thousand). In total, 570 (up to 31 December 2021: 446) KlinikRente contracts have been concluded since this new pension scheme took effect.

### Defined contribution plans and multi-employer plans (RHÖN)

As a result of collectively agreed regulations, the Group pays contributions to the Pension Institution of the Federal Republic and the Federal States (VBL) and to other public sector pension schemes (Bayerische Versorgungskammer-Zusatzversorgung, BVK) for a certain number of employees. The supplementary pension funds are public-law corporations or institutions. The contributions are collected using a pay-as-you-go system. Due to this financing structure, there is a risk of contributions increasing as a result of the collection of restructuring contributions, which can be imposed entirely or disproportionately on employers.

These schemes are multi-employer schemes (IAS 19.8) in which the participating companies share both the risk of the investment and the biometric risk. The VBL/BVK pension scheme is essentially to be classified as a defined benefit plan (IAS 19.38). However, the information required to appropriately account for the Groups' share in the future payment obligation is not available due to the pay-as-you-go financing. As a result of this financing according to the pay-as-you-go system, whereby the contribution rate for a certain coverage period is determined on the basis of the entire insurance portfolio and not on the basis of the individual insured risk, the pension plan is to be accounted for as a defined contribution plan in accordance with IAS 19.34. There are no agreements as defined by IAS 19.37, which means that no corresponding assets or liabilities are recognised. The recognition of any liability item in the statement of financial position is subordinate to warrantor obligations of public-sector entities. Ongoing contributions to VBL/BVK are recognised as pension expenses for the respective years or as post-employment benefit obligations under staff costs.

In addition to the contribution, VBL collects redevelopment charges from participating employers with compulsorily insured employees in accounting group West. In the 2022 financial year, the redevelopment charge amounted to 0.13% (previous year: 0.15%) of the insured compensation.

In accounting group West, VBL finances its benefits via a modified coverage period system (pay-as-you-go system). The current coverage period is from 2016 to 2022. The contribution rate is set such that the contribution to be paid for the duration of the coverage period together with the other expected income and available assets is enough to finance the expenditure during the coverage period and the six subsequent months. Since 1 January 2002, the contribution rate has been 7.86% of the pay subject to supplementary pension payments, of which 6.45% is borne by employers and 1.81% by employees. The BVK contribution rate is between 4.80% and 7.75% depending on the year the employee joined.

Because of insufficient information, no statement can be made regarding the size of the participation in the pension schemes on the basis of the Group's contribution for RHÖN-KLINIKUM AG in comparison with the total contributions paid to VBL and to other public-sector pension schemes (BVK).

In the event of termination of VBL participation, the resulting legal consequences are stipulated in section 23 of VBL's bylaws. The termination of VBL participation also ends the compulsory insurance. As VBL also continues to settle pension rights and entitlements arising until the end of the participation, the departing participant must pay an equivalent value in compensation, with the exception of funded portions. This equivalent value comprises serves to fund existing entitlements and to cover administrative costs and future claims to benefits. The supplementary pension fund also has a similar rule. As departure from pay-as-you-go financing means that the risks of other system participants must also be compensated for on a pro rata basis, only the pension fund itself can perform a transparent actuarial calculation.

The VBL/BVK membership exists due to the acquisition of hospitals from the public sector. Universitätsklinikum Gießen und Marburg GmbH is a member of VBL, while RHÖN-Kreisklinik Bad Neustadt GmbH is a member of BVK.

EUR 25.9 million (previous year: EUR 25.1 million) was contributed to the VBL pension fund in the 2022 financial year. Payments to the BVK in 2021 amounted to EUR 0.7 million (previous year: EUR 0.8 million). As at 31 December 2022, 9,026 employees (previous year: 9,038 employees) entitled to supplementary pension provisions were registered with the VBL and 315 employees (previous year: 360 employees) with the BVK.

## 22) Other provisions

Changes in other provisions were as follows in the financial year:

| EUR '000 | 1 Jan. 2022 | Utilisation/ Reclassification | Reversal | Addition to consolidated group | Addition | 31 Dec. 2022 |
|---|---|---|---|---|---|---|
| Contractual obligations | 160,262 | −6,483 | −23,610 | 0 | 3,642 | 133,810 |
| Provisions for repayment risks | 139,556 | −9,384 | −24,763 | 0 | 37,293 | 142,701 |
| Loss compensation payments/compensation for losses | 196,335 | −3,078 | −240 | 0 | 6,342 | 199,359 |
| Health insurance funds | 160,754 | −109,338 | −11,097 | 0 | 58,620 | 98,939 |
| Litigation risks | 11,455 | −1,044 | −297 | 0 | 10,679 | 20,792 |
| Other provisions | 36,156 | −7,098 | −10,136 | 4 | 27,059 | 45,984 |
| **Total** | **704,518** | **−136,426** | **−70,144** | **4** | **143,634** | **641,585** |

The provisions break down by maturity as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| Up to one year | 353,811 | 389,625 |
| Over one year | 287,774 | 314,892 |
| **Total other provisions** | **641,585** | **704,518** |

Contractual obligations include recognised provisions that are expected to be utilised from non-standard lease obligations and the reduction of the maintenance backlog up to 2026. In particular, provisions for unfavourable contracts (EUR 89.9 million) for a cooperation are also included, the depletion of which is expected within the next ten years.

The provisions for repayment risks cover potential claims to repayments of subsidies and similar claims.

The provision for loss compensation payments/compensation for losses was calculated for liability claims against physicians on the basis of actuarial methods by an external actuary. The provision includes both individual losses and IBNR (incurred but not reported) cases as well as claims adjustment expenses. The expected payments were discounted using a market interest rate for a matching maturity period. Of these provisions, an amount of EUR 23.7 million is expected to be utilised in 2023, and an amount of around EUR 65.4 million in 2024 through 2027.

The provisions for health insurance funds include budget risks (additional payment or deduction amounts) and provisions for risks arising from outstanding audits by the MDK (validity risk).

Litigation risks arise from legal disputes with employees, suppliers and payers. Obligations from legal rulings and litigation costs owed by Asklepios are to be recognised under this item.

Other provisions relate to provisions for current business operations.

These provisions are utilised on an ongoing basis, as in previous years, and in line with the requirements of IAS 37.

## 23) Current income tax liabilities

Current income tax liabilities of EUR 22.3 million (previous year: EUR 26.2 million) can be attributed to the corporate income tax and solidarity surcharges not yet assessed for the past financial year and previous years.

## 24) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities break down as follows:

| EUR '000 | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|
| **Deferred tax assets** | | |
| Pension provisions | 16,801 | 57,010 |
| Contractual obligations | 19,762 | 21,513 |
| Tax loss carryforwards | 7,454 | 7,452 |
| Provision for repayment risks | 4,032 | 6,333 |
| Lease liabilities | 65,479 | 53,429 |
| Miscellaneous | 29,874 | 33,670 |
| **Total deferred tax assets** | **143,402** | **179,407** |
| Offset | 58,002 | 51,426 |
| **Deferred tax assets in statement of financial position** | **85,400** | **127,981** |
| **Deferred tax liabilities** | | |
| Differences in value of intangible assets and property, plant and equipment | 49,791 | 49,435 |
| Right-of-use assets in accordance with IFRS 16 | 58,616 | 51,783 |
| Miscellaneous | 4,337 | 4,439 |
| **Total deferred tax liabilities** | **112,744** | **105,657** |
| Offset | 58,002 | 51,426 |
| **Deferred tax liabilities in statement of financial position** | **54,742** | **54,231** |

Deferred tax assets are recognised to account for temporary differences and tax losses carried forward, provided that their realisation in the near future appears to be sufficiently certain and there is a corresponding amount of deferred tax liabilities.

EUR 5.5 million of the deferred tax assets and EUR 0.6 million of the deferred tax liabilities are attributable to measurement differences between the IFRS and tax accounts that reverse within a year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities, and if the deferred taxes relate to the same tax authority.

Deferred taxes that relate to items directly recognised in other comprehensive income are reported in equity or in other comprehensive income and not in the consolidated income statement. An amount of EUR 41.2 million (previous year: deferred tax assets of EUR 6.8 million) related to deferred tax assets recognised in other comprehensive income on account of temporary differences in pension provisions.

In the 2022 financial year, no deferred tax assets were recognised on corporate tax loss carryforwards of EUR 109.8 million (previous year: EUR 101.5 million) and on trade tax loss carryforwards of EUR 42.4 million (previous year: EUR 39.3 million) because it is unlikely that sufficient taxable profit will be generated in the near future to cover these amounts. Deferred tax assets of EUR 5.1 million were recognised on trade tax loss carryforwards of EUR 32.4 million (previous year: deferred tax assets of EUR 3.4 million on loss carryforwards of EUR 21.7 million), because according to tax planning it is likely that sufficient taxable profit will be generated in the near future to cover these amounts.

## 25) Additional information on financial instruments

Carrying amounts, amounts recognised and fair values by class and measurement category (all level 3)

| EUR '000 | Measurement category as per IFRS 9 | Carrying amount 31 Dec. 2022 | Amount recognised in statement of financial position as per IFRS 9: Amortised cost | Fair value in other comprehensive income | Fair value in profit or loss | Fair value 31 Dec. 2022 |
|---|---|---|---|---|---|---|
| **ASSETS** | | **2,311,496** | **2,311,431** | **0** | **65** | **2,311,496** |
| Cash and cash equivalents | FAAC | 634,583 | 634,583 | 0 | 0 | 634,583 |
| Trade receivables | FAAC | 780,924 | 780,924 | 0 | 0 | 780,924 |
| Other financial assets | FAAC | 895,989 | 895,924 | 0 | 65 | 895,989 |
| **EQUITY AND LIABILITIES** | | **2,623,514** | **2,624,168** | **0** | **654** | **2,624,822** |
| Trade payables | FLAC | 129,271 | 129,271 | 0 | 0 | 129,271 |
| Financial liabilities | FLAC | 2,231,131 | 2,231,357 | 0 | 226 | 2,231,583 |
| Other financial liabilities | FLAC | 263,112 | 263,540 | 0 | 428 | 263,968 |
| **Of which: aggregated by IFRS 9 measurement category:** | | | | | | |
| Financial assets measured at amortised cost | FAAC | 2,311,496 | 2,311,431 | 0 | 65 | 2,311,496 |
| Financial liabilities measured at amortised cost | FLAC | 2,623,514 | 2,624,168 | 0 | 654 | 2,624,822 |

IFRS 9 categories: FAAC – Financial assets at cost; FLAC – Financial liabilities at cost

| | | | Amount recognised in statement of financial position as per IFRS 9 | | | |
|---|---|---|---|---|---|---|
| **EUR '000** | **Measurement category as per IFRS 9** | **Carrying amount 31 Dec. 2021** | **Amortised cost** | **Fair value in other comprehensive income** | **Fair value in profit or loss** | **Fair value 31 Dec. 2021** |
| **ASSETS** | | **2,067,982** | **2,067,917** | **0** | **65** | **2,067,982** |
| Cash and cash equivalents | FAAC | 647,204 | 647,204 | 0 | 0 | 647,204 |
| Trade receivables | FAAC | 739,241 | 739,241 | 0 | 0 | 739,241 |
| Other financial assets | FAAC | 681,537 | 681,472 | 0 | 65 | 681,537 |
| **EQUITY AND LIABILITIES** | | **2,547,186** | **2,551,298** | **0** | **4,112** | **2,555,410** |
| Trade payables | FLAC | 115,703 | 115,703 | 0 | 0 | 115,703 |
| Financial liabilities | FLAC | 2,177,559 | 2,178,981 | 0 | 1,422 | 2,180,403 |
| Other financial liabilities | FLAC | 253,924 | 256,614 | 0 | 2,690 | 259,304 |
| **Of which: aggregated by IFRS 9 measurement category:** | | | | | | |
| Financial assets measured at amortised cost | FAAC | 2,067,982 | 2,067,917 | 0 | 65 | 2,067,982 |
| Financial liabilities measured at amortised cost | FLAC | 2,547,186 | 2,551,298 | 0 | 4,112 | 2,555,410 |

IFRS 9 categories: FAAC – Financial assets at cost; FLAC – Financial liabilities at cost

The fair value of loans was calculated by discounting the expected future cash flows using market interest rates. The fair value of other financial assets was calculated using market interest rates.

# VIII.Other notes

## 1) Annual average number of FTEs

The average number of employees was 49,103 in the financial year (previous year: 49,967).

| FTEs by group | 2022 | 2021 |
|---|---|---|
| Nursing service | 19,100 | 18,784 |
| Medical-technical service | 7,210 | 6,655 |
| Medical service | 7,183 | 7,141 |
| Functional service | 4,377 | 4,318 |
| Administrative service | 3,697 | 3,642 |
| Financial and care service | 2,967 | 3,813 |
| Hospital maintenance staff | 2,111 | 1,603 |
| Technical service | 870 | 879 |
| Miscellaneous | 1,588 | 3,132 |
| **Total** | **49,103** | **49,967** |

## 2) Contingent liabilities and other financial obligations

Contingencies and other financial obligations break down as follows:

| EUR '000 | 2022 | 2021 |
|---|---|---|
| Rental and lease agreements | 65,836 | 62,851 |
| Purchase commitments | 46,782 | 42,241 |
| Sureties | 12,742 | 18,766 |
| Supply agreements | 18,296 | 21,992 |
| Maintenance contracts | 71,119 | 61,854 |
| Insurance contracts | 677 | 1,036 |
| Capital commitments | 0 | 0 |
| Miscellaneous | 87,093 | 58,092 |
| **Total** | **302,546** | **266,832** |

The purchase commitments include orders in investments that were not yet delivered as at the cut-off date. Of the purchase commitments, EUR 1.7 million was attributable to intangible assets and EUR 45.2 million to property, plant and equipment.

All contingencies and other financial obligations are carried at their nominal amount and are due as follows:

| | EUR '000 |
|---|---|
| Up to 1 year | 159,863 |
| Between 1 and 5 years | 78,710 |
| More than 5 years | 63,973 |
| **Total** | **302,546** |

## 3) Investment property

The Group rents out housing to employees, office and commercial spaces to third parties (e.g. cafeteria), and practice premises to doctors and collaborative laboratories that cooperate with the hospital under cancellable operating leases. The material operating leases in terms of amount result from the leasing of real estate to third parties.

The largest item in absolute terms is the leasing of a property to a care home operator. On the basis of the requirements of IFRS 13.97, the fair value is determined for assets accounted for in accordance with IAS 40. The determined fair value is not observable on an active market and cannot be derived from a quoted price and is therefore allocated to level 3 of the fair value hierarchy of IFRS 13. The fair value is determined using an income capitalisation calculation. The input factors are the corresponding components of the income capitalisation approach such as gross income, interest on land value and indicative land value. On the basis of income capitalisation calculations, no material differences are seen between the fair values of these properties and the carrying amounts shown below of EUR 0.3 million (previous year: EUR 1.3 million). For this reason, no external fair value assessment was obtained.

As the lease agreement was terminated by the care home operator in the 2021 financial year, the useful life was adjusted to the notice period in the previous year. Rental income of EUR 0.4 million (previous year: EUR 0.4 million) was earned in the 2022 financial year. Due to the higher depreciation, operating expenses for investment property amounted to EUR 1.0 million (previous year: EUR 1.0 million) in the financial year. These are attributable entirely to properties with which rental income was generated.

## 4) Management remuneration

Members of key management personnel include the managing directors of Asklepios Kliniken Management GmbH – the sole general partner of Asklepios Kliniken GmbH & Co. KGaA – and the members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA.

The remuneration paid to the management personnel of Asklepios Kliniken GmbH & Co. KGaA totalled EUR 4.2 million in the financial year (previous year: EUR 4.2 million, of which fixed remuneration of EUR 2.5 million and variable remuneration of EUR 1.7 million). The management remuneration is divided into fixed remuneration of EUR 2.4 million and variable remuneration of EUR 1.8 million. The variable remuneration is primarily based on the EBITDA and EAT of the consolidated financial statements. It exclusively comprises short-term employee benefits.

The remuneration paid to members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA totalled EUR 1.1 million in the 2022 financial year (previous year: EUR 1.0 million), of which EUR 114 thousand (previous year: EUR 112 thousand) were meeting fees.

## 5) Fees of the auditor of the consolidated financial statements (section 314 (1) no. 9 of the German Commercial Code – HGB)

The following total fees (inclusive of VAT) for the auditor of the Group's consolidated financial statements were recognised as an expense in the financial year:

| Fee<br>EUR '000 | 2022 | 2021 |
|---|---|---|
| Audits of financial statements | 2,853 | 2,493 |
| Other assurance services | 1,081 | 1,000 |
| Tax consultancy services | 0 | 128 |
| Other services | 0 | 34 |
| **Total** | **3,934** | **3,655** |

Other assurance services relate primarily to confirmations.

## 6) Related party disclosures

For Asklepios Kliniken GmbH & Co. KGaA, related parties as defined by IAS 24.9 include entities controlled by the Group and entities significantly influenced by the Group and vice versa. The parent company, fellow subsidiaries, subsidiaries and equity investments in particular are therefore defined as related parties.

| Related parties<br>EUR '000 | 2022 | 2021 |
|---|---|---|
| **Receivables** | **4,068** | **3,307** |
| of which for consulting services | 4,068 | 3,307 |
| **Liabilities** | **368** | **10,134** |
| of which for consulting services and cost transfers | 312 | 10,098 |
| of which for hotel services | 45 | 12 |
| of which for Supervisory Board members | 0 | 24 |
| of which for leases | 11 | 0 |
| **Income** | **200** | **183** |
| of which for consulting services and cost transfers | 14 | 0 |
| of which for services | 186 | 183 |
| **Expenses** | **3,835** | **10,493** |
| of which for loss allowances | 0 | 6,867 |
| of which for consulting services and cost transfers | 494 | 805 |
| of which for hotel services | 530 | 159 |
| of which for Supervisory Board members | 1,194 | 964 |
| of which for leases | 1,618 | 1,697 |

Transactions between Asklepios Kliniken GmbH & Co. KGaA and its consolidated subsidiaries and between the consolidated subsidiaries themselves were eliminated in the consolidated statement of financial position and the consolidated income statement.

Dr Bernard gr. Broermann, Königstein Falkenstein, is the sole shareholder of Broermann Holding Gesellschaft mit beschränkter Haftung, which, in turn, is the parent company of Asklepios Kliniken GmbH & Co. KGaA.

With the exception of transactions with the Supervisory Board and Supervisory Board members' consulting services, the balances listed above relate exclusively to transactions with related party companies owned by Dr Bernard gr. Broermann, Königstein-Falkenstein, and concern rental and lease agreements, reimbursement of administrative costs, consulting costs and transitory items at market conditions.

In the financial year, income of EUR 192 thousand (previous year: EUR 181 thousand) was generated, primarily from a service agreement with Broermann Holding GmbH as a shareholder. This was not yet shown as receivables in the accounts at the end of the reporting period.

In the financial year, there were no material transactions with related party companies over which the Group has significant influence (equity investments of between 20.0% and 50.0%). There were also no other related party transactions.

Members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA and their related companies and institutions performed consulting services totalling EUR 0.5 million (previous year: EUR 0.8 million) at market conditions in the financial year. The services are recognised in other operating expenses. Remuneration paid to employee representatives on the Supervisory Board for services outside their work on the Supervisory Board totalled EUR 0.9 million in the financial year (previous year: EUR 0.9 million), of which EUR 114 thousand (previous year: EUR 112 thousand) were meeting fees.

## 7) Legal disputes

The company is occasionally involved in legal disputes in the course of its business activities. The company is not aware of any events that could have a significantly adverse effect on its results of operations, net assets and financial position.

## 8) Declaration of compliance with the German Corporate Governance Code

The current versions of the declaration of compliance in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) of the listed companies RHÖN-Klinikum AG and MediClin AG, which are included in the consolidated financial statements, have been published and made permanently available on the companies' websites. The current declaration of compliance is also included in the corporate governance declaration in accordance with section 289a HGB, which is likewise available on each company's website.

## 9) Supplementary report

In the negotiations with the state of Hesse on implementing the letter of intent on providing investment funds and on the further development of separate accounting signed in January 2022, agreement was reached on the Zunftspapier Plus [Future Paper Plus] at the end of February 2023. Over the next ten years, the state of Hesse and the Gießen and Marburg university hospitals want to invest almost EUR 850 million at the Gießen and Marburg locations to guarantee optimum healthcare for the people in the region, the quality of research and teaching and job security.

The agreement with the state of Hesse from 2017 in connection with financing the services for research and teaching to be provided to the university hospitals which are owned by the group envisaged investment obligations of EUR 100.0 million by 2021. As at 31 December 2021, these obligations had been fully met. There are also further obligations in respect to building renovation and expansion at the Gießen and Marburg, locations, the conclusion of which was initially planned by 31 December 2024. With the Zukunftspapier Plus signed at the end of February 2023, the investment projects from the agreement concluded in 2017 were modified and the deadlines for fulfilling the investment obligations realigned. The deadlines for meeting these investment obligations are now between 31 December 2024 and 31 December 2028.

The Zukunftspapier Plus agreement signed at the end of February 2023 between the state of Hesse, RHÖN-KLINIKUM AG, Asklepios Kliniken GmbH & Co. KGaA, the Universitätsklinikum Gießen und Marburg GmbH and the universities with the medical fields provides granting investment funds of approximately EUR 529 million for the university hospitals of Universitätsklinikum Gießen und Marburg GmbH and additional internally financed investment obligations over the next ten years of approximately EUR 259 million from 1 January 2023.

At the same time, the agreement provides for a series of rules on other matters including an obligation to retain the profits of the Giessen and Marburg university hospitals in this period, regulations any change of control and a spin-off prohibition as well as a ban on dismissals for operational reasons. The guarantee for taking on trainees and apprentices remains in place.

Equally important for both healthcare and science is a concept to be agreed between Universitätsklinikum Gießen und Marburg GmbH and the two universities for the establishment of joint ventures to enable the improved transferability of research results into clinical application. Universitätsklinikum Gießen und Marburg GmbH provides finances of EUR 60 million. Project support on early recognition of potential (scouting) up to feasibility (proof of concept) should make it possible to establish a bridge between clinical research to patients. In addition, there are clear regulations on the appointment process and the remuneration of new appointments of teaching staff at the two universities working at Universitätsklinikum Gießen und Marburg GmbH. This makes it possible to recruit top-quality researchers to Hesse.

No further events have occurred since the reporting date that will have a material impact on the net assets, financial position and results of operations.

## 10) Executive bodies of Asklepios Kliniken GmbH & Co. KGaA

### Supervisory Board

The members of the Supervisory Board of the company are:

| | |
|---|---|
| Ivo Schramm | Chairman of the Supervisory Board, Jurist, Döbeln |
| Uwe Ostendorff | Deputy Chairman of the Supervisory Board, trade union secretary, Berlin |
| Klaus Bölling (from 1 July 2022) | Chairman of the Works Council, Homberg (Efze) |
| Barbara Brosius | Business consultant, Kronberg |
| Dr Julia Dannath-Schuh (until 26 April 2022) | Business consultant, Hamburg |
| Dr Miklas Drüeke (until 24 March 2022) | Anaesthetist, Bad Tölz |
| Jennifer Eiteneyer (from 26 April 2022) | Head of Corporate Clients Rhein-Main, Oberursel |
| Stefanie Grömling (from 26 April 2022) | Head of Family Offices DACH, Munich |
| Kerstin Gruschetzki (from 24 March 2022) | MTRA, currently independent Works Council representative, Butzbach |
| Thomas Haul | Chairman of the Group Works Council, Hamburg |
| Prof. Dr Karsten Krakow (until 26 April 2022) | Senior consultant, Frankfurt am Main |
| Nora Klug (from 26 April 2022) | General Counsel, company lawyer, Starnberg |
| Dr Hans-Otto Koderisch | Internal medicine specialist, Chairman of the Works Council, Heidelberg |
| Rainer Laufs | Business consultant, Kronberg |
| Dr Jan Liersch (from 23 March 2022) | Lawyer, Düsseldorf |
| Prof. Dr Dr h.c. Karl-Heinrich Link (until 26 April 2022) | Senior consultant (retired), Wiesbaden |
| Hans Meier-Scherling (from 26 April 2022) | Managing director, Frankfurt am Main |
| Monika Paga (until 24 March 2022) | Specialist nurse in anaesthesia, Schwedt |
| Heiko Piekorz (until 24 March 2022) | Nurse, Waldow |
| Dirk Reischauer (until 26 April 2022) | Lawyer, Wiesbaden |
| Jochen Repp (until 23 March 2022) | Lawyer, Oberursel |
| Dr Anke Savcenko | Medical director for anaesthesia/intensive care, Schwedt |
| Marnik Schiffler (from 24 March 2022) | Chairman of the Works Council, Bad Rappenau |
| Michael Schreder (until 24 March 2022) | HR manager, Fernwald |
| Martin Simon Schwärzel (until 30 June 2022) | Specialist nurse, Griesheim |
| Hilke Stein | District Head of Department, Hamburg |
| André Stüve | Architect, Damme |
| Dr Cornelia Süfke (from 24 March 2022) | Medical Law, Insurance & Compliance, Hamburg |
| Angelika Wultsch (from 24 March 2022) | Specialist paediatric nurse, Frankfurt (Oder) |
| Stephan zu Höne | Managing director, geology graduate, Kassel |

## Management Board

| | |
|---|---|
| **Asklepios Kliniken Management GmbH<br>Königstein im Taunus** | |
| Kai Hankeln<br>Bad Bramstedt | State-certified business economist<br>Chairman of the Management Board |
| Hafid Rifi<br>Friedberg | Economics graduate<br>Deputy Chairman of the Management Board |
| Marco Walker<br>Hamburg | Economics graduate |
| Dr med. Sara Sheikhzadeh (from 1 July 2022)<br>Hamburg | Internal medicine specialist,<br>Heidelberg |
| Joachim Gemmel<br>Hamburg | Business administration graduate |
| Prof. Dr Christoph U. Herborn (until 14 August 2022)<br>Hamburg | Specialist for radiology |

All members of the Management Board represent Asklepios Kliniken Management GmbH

Hamburg, 24 March 2023

On behalf of Asklepios Kliniken Management GmbH

Kai Hankeln

Hafid Rifi

Marco Walker

Dr med. Sara Sheikhzadeh

Joachim Gemmel

# Independent auditor's report

To Asklepios Kliniken GmbH & Co. KGaA, Hamburg

## Audit Opinions

We have audited the consolidated financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Asklepios Kliniken GmbH & Co. KGaA for the financial year from 1 January to 31 December 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

## Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

## Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report

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We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, 24 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Michael Burkhart | Michael Ey |
| Wirtschaftsprüfer | Wirtschaftsprüfer |

# Report of the Supervisory Board

The Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA thoroughly performed the tasks required of it in accordance with the law, articles of association and rules of procedure in the 2022 financial year. Based on regular written and verbal reports provided by the general partner Asklepios Kliniken Management GmbH or its management (hereinafter "Group management"), the Supervisory Board fully addressed the business performance, position and planned operating policy of Asklepios Kliniken GmbH & Co. KGaA. It was promptly and comprehensively informed of all events of significance to the company. This helped the Supervisory Board to support and monitor the activities of the Group management on an ongoing basis.

During the 2022 financial year, a total of six Supervisory Board meetings were held, as well as four General Committee meetings and two Audit Committee meetings. At these meetings, the Group management reported the performance of the business along with all events of significant importance to the Supervisory Board. The Supervisory Board carefully examined and – where necessary – approved matters of significant importance, namely transactions requiring its approval in accordance with the law, articles of association and rules of procedure. Some matters such as contractual matters involving Supervisory Board members were handled in accordance with section 114 AktG by the General Committee of the Supervisory Board, which took the relevant decisions or expressed recommendations to the Supervisory Board. The Supervisory Board was also informed about the development of operating business, HR performance indicators, performance levels, and legislative initiatives in the healthcare industry, particularly the key features of a hospital reform presented by the German Federal Ministry of Health, as well as the economic planning for 2023 and subsequent years, and discussed these matters with the Group management. In 2022, there was a particular focus on the war in Ukraine and the associated effects, particularly in terms of the sharp increase in energy, commodity and material costs. In addition, the effects of the coronavirus crisis were an important issue again in the 2022 financial year, including the effects of (discontinued or expiring) government support, the vaccination status of employees, and the approach to infections and quarantine among employees along with the resulting not insignificant decrease in service provision. Other important topics included the development of medicine towards increased outpatient care and the resulting potential for Asklepios, as well as the gradual start-up of Asklepios' new central warehouse in Bad Oldesloe and the associated more reliable supply. The situation and further development of the University Hospital of Giessen and Marburg (UKGM) and Group refinancing were also discussed on several occasions, in some cases intensively. In addition, the Supervisory Board was informed in detail about the recruitment, training and strengthening of the workforce in the nursing sector and about Asklepios' marketing activities in this area.

The consolidated financial statements, the annual financial statements as at 31 December 2022 as well as the Group management report and the management report were examined by the auditors, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, and approved without reservation. The auditor's reports were supplied to all members of the Supervisory Board and were dealt with in detail by the Audit Committee on 18 April 2023 and at the financial statements meeting of the Supervisory Board on 26 April 2023.

The Supervisory Board took note of and approved the annual financial statements and consolidated financial statements presented by the Group management. The auditors reported to the Supervisory Board members on the main findings of their audits. The Supervisory Board acknowledged and approved the findings of the audits of the financial statements. According to the final outcome of the Supervisory Board's own review, no objections were raised regarding the consolidated financial statements, the annual financial statements or the management reports.

The Supervisory Board recommends that the Annual General Meeting adopts the annual financial statements of Asklepios Kliniken GmbH & Co. KGaA for the 2022 financial year along with the management report and approves the consolidated financial statements for the 2022 financial year along with the Group management report. The Supervisory Board endorses the Group management's proposal to carry forward the net income of EUR 22,567,924.65 for the 2022 financial year together with the existing retained earnings of EUR 295,298,795.43.

In accordance with section 312 AktG, the general partner has prepared a report on Asklepios Kliniken GmbH & Co. KGaA's relations with affiliates (dependent company report) for the 2022 financial year.

The auditor examined the dependent company report and issued the following opinion:

"In line with our engagement, we audited the legal representatives' report according to section 312 AktG on relations with affiliates according to section 313 AktG for the reporting period from 1 January to 31 December 2022. As there are no objections to be raised based on the final outcome of our audit, we issue the following audit opinion according to section 313 (3) sentence 1 AktG: Having conducted a proper audit and assessment, we confirm that 1. the factual statements in the report are correct and 2. the company's compensation with respect to the transactions listed in the report was not inappropriately high."

The Audit Committee and the Supervisory Board received and reviewed the dependent company report and the audit report in good time. The auditor attended the relevant meetings and reported on his audit of the dependent company report and his significant audit findings. Based on the final outcome of the audit, the Supervisory Board approved the dependent company report and the audit report and has no objections to raise against the general partner's declaration at the end of the dependent company report, which reads as follows:

"We declare that the company received appropriate compensation for all transactions in the 2022 financial year that are listed in the report on relations with affiliates in accordance with section 312 AktG, in accordance with the circumstances known to us when the transactions were conducted. No other measures were implemented or omitted in the relevant financial years."

With effect from 31 July 2022, Prof. Herborn resigned from his position as managing director of the company's general partner and all other positions in the Asklepios Group, and left the Asklepios Group. Prof. Herborn's successor is Dr. med. Sara Sheikhzadeh, who joined the management of the company's general partner as at 1 July 2022. The Supervisory Board would like to thank Prof. Herborn for his many years of good, trust-based cooperation and wishes him all the best with his future tasks.

In a letter dated 16 February 2022, Mr Jochen Repp resigned as a member of the Supervisory Board with immediate effect. At an extraordinary General Meeting on 23 March 2022, Dr Jan Liersch was elected to replace him as a shareholder representative on the Supervisory Board for the remaining term of office of Mr Repp. The election of the employee representatives on the Supervisory Board was then held on 24 March 2022. Mr Martin Schwärzel, Ms Angelika Wultsch, Mr Thomas Haul, Dr Anke Savcenko, Ms Kerstin Gruschetzki, Mr Marnik Schiffler, Dr Cornelia Süfke, Mr Uwe Ostendorff, Ms Hilke Stein and Dr Hans-Otto Koderisch were elected. Dr Micklas Drüeke, Ms Monika Paga and Mr Michael Schreder did not stand for re-election and therefore left the Supervisory Board when the employee representatives were elected again.

The term of office of all shareholder representatives on the Supervisory Board ended as scheduled with the Annual General Meeting on 26 April 2022. Mr Ivo Schramm, Ms Barbara Brosius, Mr Rainer Laufs, Dr Jan Liersch, Mr Andre Stüve and Mr Stephan zu Höne were elected for another term of office, while Ms Jennifer Eiteneyer, Ms Stephanie Grömling, Ms Nora Klug and Mr Hans Meier-Scherling were elected to the company's Supervisory Board for the first time. Dr Julia Dannath-Schuh, Prof. Karsten Krakow, Prof. Karl-Heinrich Link and Mr Dirk Reischauer did not stand for re-election and therefore left the Supervisory Board. With effect from 30 June 2022, Mr Martin Schwärzel also resigned as a member of the Supervisory Board. He was replaced on the Supervisory Board by Mr Klaus Bölling as an elected substitute member and employee representative.

The target resolved by the Supervisory Board in 2021 of achieving a proportion of women of at least 25% by 31 December 2025 was significantly exceeded in 2022 with seven to (currently) nine out of 20 members.

The Supervisory Board would like to thank all of its members who have left for their many years of good, trust-based cooperation.

On behalf of the Supervisory Board, I would like to sincerely thank the Group management and all employees of the Asklepios Group for their successful work and their huge personal dedication throughout the 2022 financial year, especially given the continuing challenges presented by the coronavirus pandemic.

Hamburg, 26 April 2023

**Ivo Schramm**
Chairman of the Supervisory Board

Schramm

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