M1 Kliniken AG

ANNUAL REPORT 2020

M1 Kliniken AG Key Figures

Statement of comprehensive income according to IFRS (in EUR)

	Fiscal year 2020	Fiscal year 2019
Sales	159,590,839	77,216,857
EBT	8,777,177	12,744,579
Net profit	7,424,913	9,729,030

Balance sheet according to IFRS (in EUR)

	Fiscal year 2020	Fiscal year 2019
Short-term assets	122,406,009	59,316,679
Long-term assets	66,336,330	33,497,806
Total assets	188,742,339	92,814,486
Short-term liabilities	58,070,047	14,430,991
Long-term liabilities	15,354,320	10,161,824
Equity	115,317,972	68,221,671
Total liabilities and equity	188,742,339	92,814,486

Shares

Share class	Bearer shares
Number of shares	19,643,403
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Trading places	Frankfurt, Xetra, Dusseldorf, Stuttgart, Berlin, Hanover, Hamburg, Munich, Tradegate
Market segment	Open Market
Designated Sponsor, Listing Partner	Kepler Cheuvreux
Coverage	Bankhaus Metzler, Berenberg Bank, Commerzbank AG, Hauck & Aufhäuser, Kepler Cheuvreux

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Dear Shareholders,

M1 Kliniken AG looks back on a challenging year in many aspects. The coronavirus pandemic had Germany - indeed the whole world - firmly in its grip and we all had to find answers to questions rarely asked before.

Initially, the start of 2020 was very promising with sales that increased significantly compared to the previous year. With M1 specialist centres opening in London and Liverpool in January and February, we were also able to establish our first locations in the UK - one of the most important growth markets in Europe.

The outbreak of the pandemic hit us all the harder. The official ban on performing "elective procedures" in the medical field forced M1 to close its centres and clinics in all countries as of mid-March 2020.

With our home market Germany continuing to be of dominant importance for the beauty segment, our centres and the Schlossklinik in Berlin remained closed until mid-May 2020. We were hit harder in some foreign markets - for example in Great Britain, where the first lock-down lasted until August and another hard lock-down began in October 2020, as well as in Australia, where a second lock-down of approximately three months followed from July to October 2020.

However, the response of our patients to the re-opening of the M1 locations was all the more pleasing. Long waiting lists and well filled appointment schedules of our doctors confirmed that no fundamental change in our patients' needs has been triggered by the Corona pandemic. The field of aesthetic medicine remains a growth market and offers M1 promising prospects for future growth.

We also successfully utilised 2020 to reposition ourselves in other areas: as per 1 July 2020, M1 acquired 48% of the share capital of Haemato AG, a wholesale company for pharmaceuticals and medical products. M1 issued a total of 2.1 million new shares as part of a capital increase in kind. In the subsequent integration M1 then contributed its subsidiary M1 Aesthetics GmbH to Haemato AG in return for the issue of just under 2.5 million new shares in Haemato AG. At the end of the financial year M1 Kliniken AG held a total of just over 75% of the share capital of Haemato AG.

The acquisition of Haemato AG follows a long-term strategy. M1 Kliniken AG now has direct access to Haemato AG's well-established know-how in the field of drug manufacturing (in accordance with § 13 AMG) as well as the approval and distribution of medical products (in accordance with ISO 13485). This paved the way for M1's private-label strategy.

In the 2020 financial year, the M1 Group increased its sales by 107% year-on-year to EUR 159.6 million. This includes sales of Haemato AG of EUR 102.3 million since August 2020.

Due to the Corona pandemic, the beauty segment lost two months of sales in its home market Germany in the spring of 2020 alone - and in some cases more abroad. Nevertheless, M1 was able to generate a positive pre-tax result (EBT) of EUR 8.8 million in 2020. This development once again confirms the sustainability of our business model - even in difficult times.

Dear M1 shareholders, after a difficult year, we are looking ahead and one thing is certain: we are still very positive about the future of our group of companies. The Corona pandemic has shown that M1's business model can develop successfully and be profitable even under difficult circumstances. Also, our patients are extremely loyal and return to us reliably after our centres re-opened. Therefore, more than ever, we are strongly convinced that the M1 story will continue for a long time to come. Because one thing is for sure: "Beauty does not have to be expensive."

We are well positioned for further development. In the 1st quarter of 2021, two new specialist centres were already opened in Germany, which very quickly received a satisfying capacity utilization. Likewise, the search for new locations outside of Germany was resumed in March 2021. So after a Corona break of almost one year, new international openings can be expected in the course of 2021.

Haemato AG also had a good start into the year 2021. The approval of a COVID non-professional rapid test is of particular importance, which not only promises significant sales and earnings in the current 2021 financial year, but is also a proof of concept of the company's high level of expertise in the approval process of medical products.

Finally, I would like to thank our employees once again for their exceptional performance in the past financial year. The entire M1 family has shown that they passionately walk the "extra mile" to lead the company and us together towards success. Therefore, I would like to thank them again - and very sincerely - for their outstanding commitment in these special times. I am proud of you!

Yours faithfully,

Dr. Walter von Horstig
(Management Board)

Supervisory Board Report

Monitoring and cooperation with the Management Board

In the 2020 fiscal year, the Supervisory Board of M1 Kliniken AG performed the duties according to the law and the articles of association with due care. The Management Board was advised in its activities by the Supervisory Board. The Supervisory Board was directly involved by the Management Board in all decisions of fundamental importance to the company at an early stage. The Management Board regularly informed the Supervisory Board orally, by telephone and in writing, promptly and comprehensively about the course of business, the economic situation of the company and the Group, significant business transactions, corporate planning including questions of business policy and risk management, the development of costs and earnings, liquidity and investment measures. The Supervisory Board was able to convince itself of the proper conduct of business. No committees were formed within the Supervisory Board to deal with specific topics.

Meetings, consultations and resolutions

The Supervisory Board held eight ordinary meetings in the 2020 financial year. All Meetings were quorate. The following topics were dealt with in the meetings:

18.02.2020:
- Development of the company group in 2019 in the various business areas and indication of results for the past financial year.

12.05.2020:
- Audit of the 2019 annual financial statements of M1 Kliniken AG
- Audit of the 2019 consolidated financial statements and Group management report of M1 Kliniken AG
- Approval of the annual financial statements and dependent company report 2019
- Decision on the dividend payment
- Preparation of the Annual General Meeting
- Extension of the appointment of the Management Board member Patrick Brenske

10.06.2020:
- Conclusion of the contribution agreement with MPH Health Care AG regarding Haemato AG
- Decision on capital increase through contribution in kind with regards to the acquisition of the shares in Haemato AG

8.07.2020:
- Preparation of the annual general meeting on July 9, 2020

9.07.2020:
- Election of the Chairman and Deputy Chairman of the Supervisory Board

21.10.2020:
- Development of the group of companies in 2020 in the various business areas

30.11.2020:
- Revocation of the nomination of Patrick Brenske as member of the Management Board as of November 30, 2020

15.12.2020:
- Conclusion of the contribution agreement with Haemato AG regarding M1 Aesthetics GmbH

In addition, the situation of the company, in particular the changes, measures and consequences with regards to the Corona pandemic, the strategic development and its operative implementation, the current competitive, organisational and personnel situation, the investment planning as well as the annual report and interim report of the company were discussed. Further informal meetings and telephone conferences were held between the Supervisory Board and the Management Board to discuss sudden changes in business policy developments, e.g. due to the Corona measures and strategic options.

The consultations mainly concerned:
- Acquisition of the shares in Haemato AG
- Sale of M1 Aesthetics GmbH to Haemato AG and
- Personnel changes resulting from the above-mentioned transactions

Annual financial statements

The Supervisory Board convinced itself of the proper conduct of business. The annual financial statements prepared by the Management Board, the consolidated financial statements and the Group management report of M1 Kliniken AG for the financial year ending 31.12.2020 have been audited, including the bookkeeping, by the auditor Harry Haseloff, Berlin, who was appointed as auditor by the Annual General Meeting and issued with an unconditional audit opinion.

The annual financial statements, the consolidated financial statements and the Group management report of M1 Kliniken AG, the proposal for the distribution of the balance sheet profit and the auditor's reports were distributed to each member of the Supervisory Board for review in good time prior to the balance sheet meeting. The auditor reported on the main results of his audit at the balance sheet meeting on May 4, 2021 and was available to answer questions from the Supervisory Board members. We have audited the annual financial statements prepared by the Management Board and the consolidated financial statements for our part. At the Supervisory Board meeting on 4 May 2021, we approved the annual financial statements and the consolidated financial statements prepared by the Management Board and, following our review of the annual financial statements, the consolidated financial statements and the proposal for the appropriation of the balance sheet profit. We raised no objections, so that the financial statements are approved on the basis of our own audit. The annual financial statements are thus adopted.

Dependency report

M1 Kliniken AG prepared a dependency report in accordance with § 312 AktG for its fiscal year ending December 31, 2020.

The dependency report was audited by the auditor Harry Haseloff, Berlin, who was appointed as auditor by the Annual General Meeting in accordance with § 313 (1) AktG. The auditor issued a separate written report on the results of the audit. Since there were no objections to the report of the Management Board, the auditor's report was issued on April 21, 2021 in accordance with § 313 (3) AktG. At the balance sheet meeting on May 4, 2020, the auditor reported on the results of his audit and confirmed that the factual information in the dependency report was correct, that the consideration paid by the company for business transactions listed in the report was not unreasonably high or that disadvantages had been compensated for and that there were no circumstances indicating that the measures listed in the report were of a different nature than those assessed by the Management Board.

The dependency report was submitted to the Supervisory Board for review in good time prior to the balance sheet meeting in accordance with § 314 AktG. At its meeting on May 4, 2021, the Supervisory Board comprehensively reviewed the dependency report for completeness and correctness. The Supervisory Board concluded that there were no objections to the declaration of the Management Board at the end of the report on relations with affiliated companies and approved the dependency report.

Members of the Supervisory Board

In the period from January 1, 2020 to December 31, 2020, the Supervisory Board consisted of the Supervisory Board members Dr. Albert Wahl (Chairman), Mr. Uwe Zimdars (Deputy Chairman) and Prof. Dr. Dr. Sabine Meck (Member).

Other

The Supervisory Board would like to thank the Management Board and all employees for their outstanding achievements in the further development of the Group. The Supervisory Board looks forward to the continuation of this successful cooperation.

Berlin, May 4, 2021

Dr. Albert Wahl
(Chairman of the Supervisory Board)

Group Management Report of M1 Kliniken AG

1 Company Profile

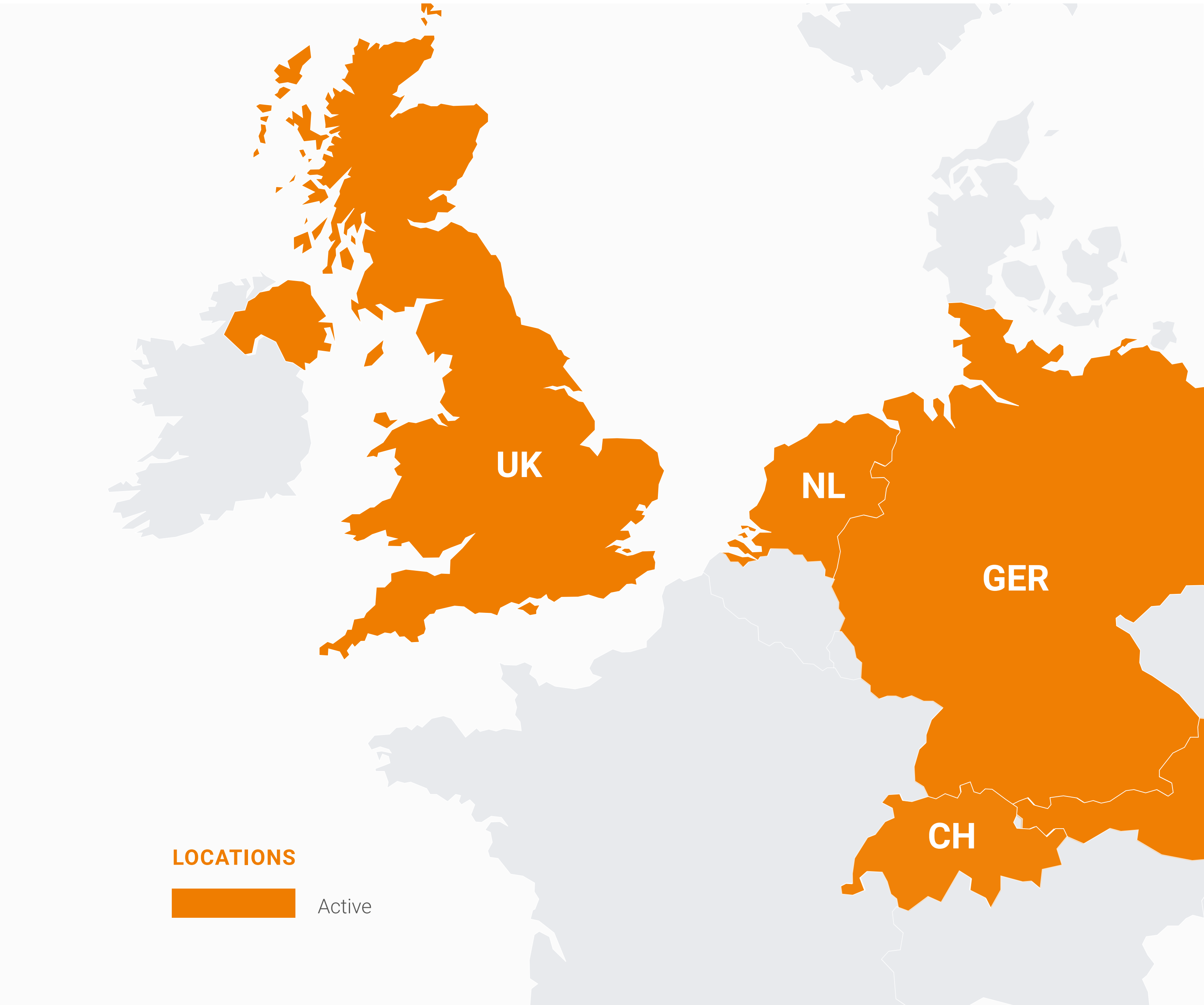
Top medicine through specialisation: this is our guiding principle. In just a few years we have grown into the leading provider of health services in the field of beauty medicine as well as specialty pharma trading.

The business model of M1 Kliniken AG is based on two fields of activity ("segments"):

'Beauty segment': M1 concentrates its activities on medical aesthetic beauty treatments as well as the operation and provision of medical infrastructures.

'Trading segment': The group markets EU original pharmaceuticals (as parallel imports and re-imports) as well as pharmaceuticals, biosimilars and high-quality products for the aesthetic medicine.

We do not conduct own research activities. On the other hand, the Group is active in the development of treatment products in order to be able to serve the full value chain of medical aesthetic treatments with products and services in the long term.

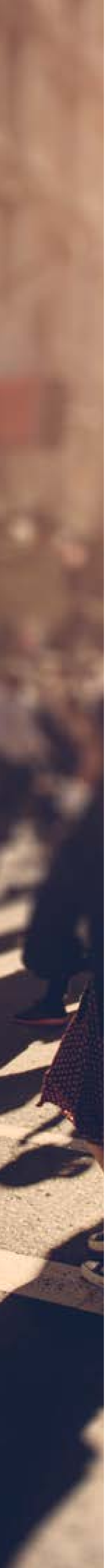


2 Organisation and Business Segments

In the "Beauty" business segment, M1 operates a private clinic for plastic and aesthetic surgery (Schlossklinik in Berlin-Köpenick), medical specialist centres for aesthetic and plastic medicine at locations throughout Germany and abroad, and the product supply of these specialist centres. Under the "M1 Med Beauty" brand, the network included a total of 38 specialist centres at the end of 2020, of which 27 are located in Germany. In these specialist centres, doctors cover a focused spectrum of aesthetic medical treatments of the highest quality and at fair prices. In Berlin, M1 operates a specialised surgical clinic (private clinic according to § 30 GewO) - one of the largest and most modern facilities of its kind in Europe. The number of customers who benefit from this attractive range of services is rising steadily. In 2020 alone, approximately 270,000 medical treatments were carried out in the M1 specialist centres.

In the "Trading segment", the Group sells EU original pharmaceuticals as parallel imports and re-imports as well as generics and biosimilars. In this context, off-patent and patent-protected products are sold in growth markets of high-priced specialty pharmaceuticals in the indication areas of oncology and HIV as well as rheumatism, neurology, cardiovascular diseases and narcotics. In addition, the Group markets high-quality aesthetic medical products to doctors, pharmacists and wholesalers.

We are constantly gaining extensive product expertise in connection with aesthetic-medical treatments. In the "Trading segment", we use this product expertise for product selection and product development to market branded products to doctors, pharmacies and wholesalers. On this basis, a series of cosmetic products under the brand name 'M1 Select' were launched in 2018. The product range will be expanded in the coming years.



3 Economic Report

3.1 Economic and industry-specific conditions

3.1.1 General economic conditions

The core market for business activities in the past financial year was Germany. Domestic economic growth was very weak in 2020 with a (price-adjusted) decline of 5.0%. The decisive factor for this development was the strong decline in economic performance in spring 2020 in the course of the severe general lock-down of the German economy. The situation was aggravated by protectionist trade barriers as a result of US economic policy.

Private consumption took a particularly severe setback and, with a price-adjusted index value of 100.8, was only just above the reference year of 2015. Government consumer spending developed in the opposite direction, rising by almost four index points to 113.7 compared to 2019.

Real estate and corporate investment developed in opposite directions. While corporate investment, adjusted for price, fell to an index value of 98.6, still below the value of the reference year 2015, real estate investment increased by 1.7 index points to 113.7.

Outlook:

Varous economic research institutes expect the German economy to catch up significantly in 2021. Optimistic forecasts assume growth of around 5% (DIW 10.12.2020 and RWI of 16.12.2020), other institutes and public bodies (OECD, Bundesbank and IfW) tend to assume 3% growth. This more cautious forecast was also endorsed by the German government at the beginning of 2021 and set its growth expectation at 3%. At the same time, the DIW reduced its forecast to 4.2%; the IFO Institute now assumes a 2.6% growth.

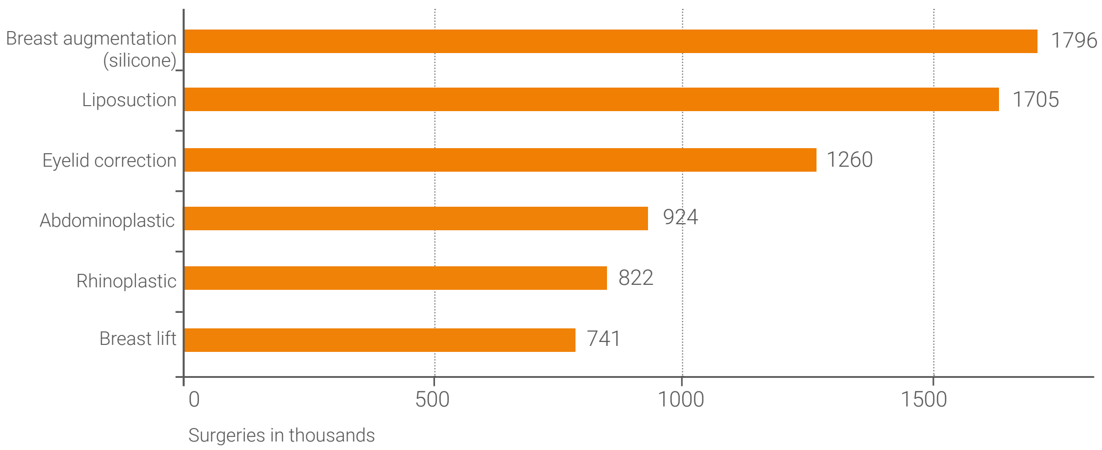
A reliable forecast of the actual development of the German and international economies is difficult to make at this point and will largely depend on the duration of the pandemic-related restrictions on public life.

3.1.2 Industry-specific conditions

BEAUTY SEGMENT

The market for beauty treatments continued to be a growth market in 2020, even though the nominal treatment figures will only show this development to a limited extent due to the officially ordered ban of all elective medical procedures for several weeks in spring 2020. Certain catch-up effects from the closure period occurred over the summer. In addition, the change in working life in the context of the lock-down and home office resulted in further growth drivers for aesthetic treatments. The use of video conferencing increased the focus on people's faces and eyes, potentially increasing the demand for eyelid surgeries and Botox treatments in the upper half of the face. In addition, surgery-related lifestyle restrictions can be easily disguised during home office hours.

Most frequent cosmetic surgeries* worldwide



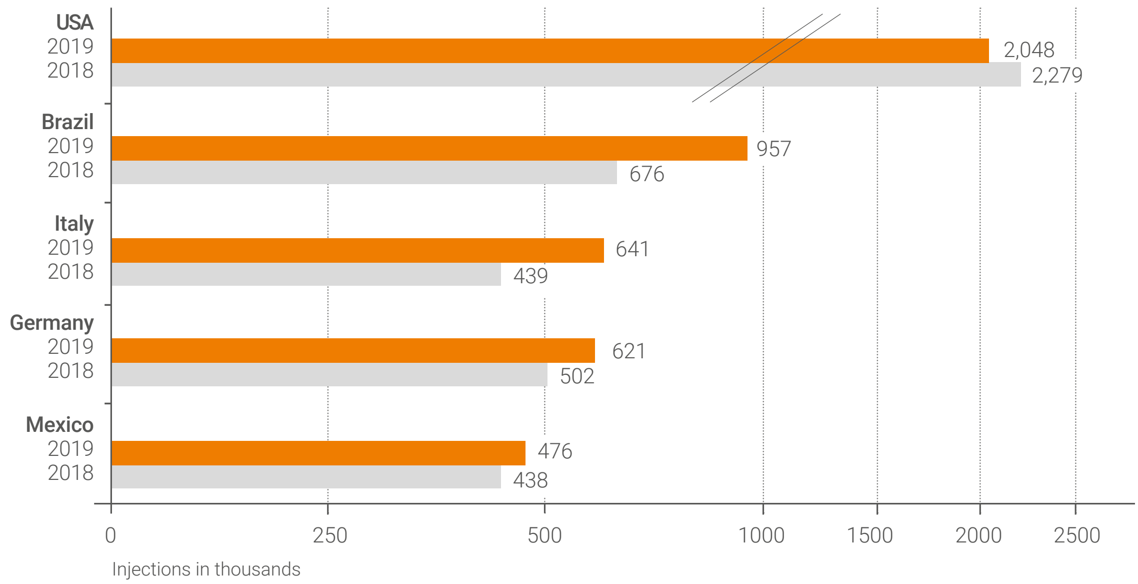
*Source: ISAPS 2021

Based on figures from the global industry association of plastic surgeons for 2019 (ISAPS), the number of surgical procedures rose from 10.6 million procedures in 2018 to 11.4 million procedures in 2019, with a decline in the number of breast augmentations and liposuction procedures performed, while the number of eyelid procedures increased significantly by 160 thousand in 2019.

The number of minimally invasive, non-surgical treatments also rose by almost 7% to over 13.6 million treatments.

In Germany, too, the trend of increasing numbers of medical beauty treatments continued in 2019. Non-surgical procedures in particular experienced a significant growth. ISAPS reports a growth of about 7% to almost 1 million treatments carried out by specialists in Germany. The actual market volume is likely to be considerably larger, but is not covered in detail by market surveys.

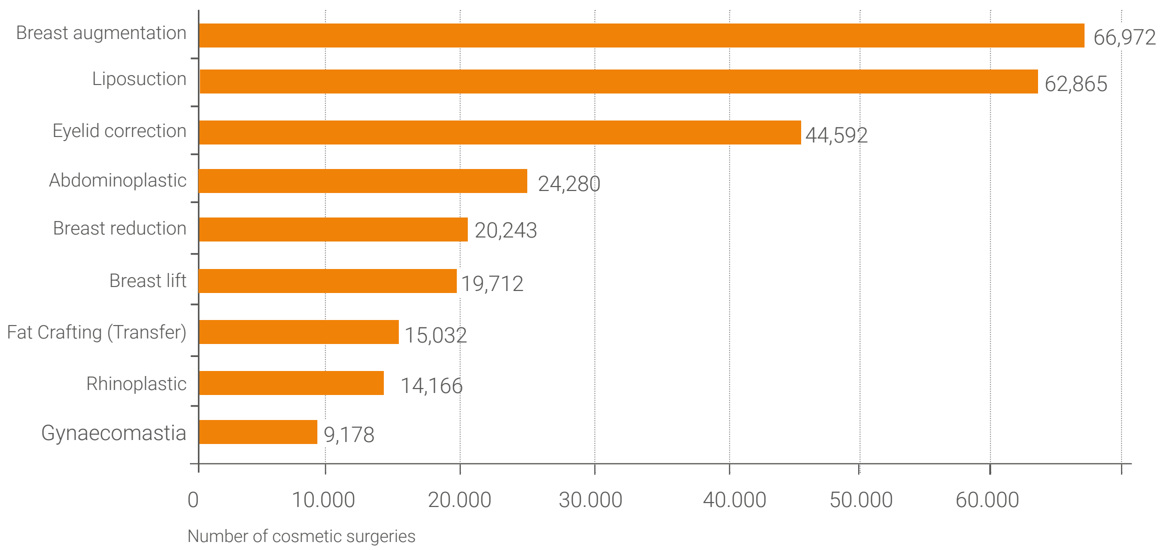
Number of injections worldwide compared to the previous year



*Source: ISAPS 2021

In the field of injectable treatments, Germany continues to catch up with other countries. While the number of injectable treatments performed by specialists worldwide rose by just under 9% to 10.9 million treatments, the number reported for Germany grew by almost 25% from 502 thousand treatments in 2018 to 621 thousand treatments in 2019.

Most frequent cosmetic surgeries* in Germany in 2019



*Source ISAPS 2021

TRADING SEGMENT

The pharmaceutical industry is of great importance for the growth, employment and innovation effects in Germany. In 2019, the pharmaceutical industry in Germany achieved a turnover of EUR 31.14 bn. The strong decline compared to the value of 2018 of 13.7% is based on the effect of a massive short-term relocation of production. Compared to 2017, turnover in 2019 increased by around EUR 590 million, which corresponds to an increase of around 2%. In 2018, 140,129 people were employed in companies in the pharmaceutical industry in Germany, an increase of around 15% compared to the previous year. According to the cost structure statistics of the Federal Statistical Office, 510 pharmaceutical companies are registered in Germany in 2018 (previous year 521 companies). As previously, almost 91% of the pharmaceutical manufacturing companies employ fewer than 500 people.[1]

In 2018, the pharmaceutical industry remained at the top of the most research-intensive industries in Germany. According to the latest report of the Expert Commission for Research and Innovation (EFI), the pharmaceutical industry re-invested 13% (previous year 14%) of its turnover from its own products for internal R&D projects (research and development) and is thus, as in previous years, ahead of the automobile, aerospace, mechanical engineering industries and the chemical industry.[2]

The share of health expenses in GDP has remained relatively stable over many years, ranging between 10.4% and 11.7% in the period from 2008 to 2018. Nominal health spendings exceeded the EUR 300 billion mark for the first time in 2012; for 2018, health spending was around EUR 391 billion, an increase of around 4.0% compared to the previous year. The share of SHI (statutory health insurance) spendings on pharmaceuticals as a proportion of GDP has increased from 1.16% to 1.19% in 2019, which is a moderate increase of 2.6%. The development of SHI pharmaceutical expenses is a regular subject of health policy discussion, however, it can be stated that SHI pharmaceutical expenses as a share of GDP have not increased faster than the overall economic performance, therefore there is no indication of a "cost explosion" in the health care system.[3]

The pharmaceutical industry remains under pressure from the ongoing need to cut costs in the health sector. For example, the savings of the statutory health insurers through manufacturer discounts ("rebate contracts") totalled EUR 4.17 billion (+17%) in the first nine months of 2020. Private health insurers are also saving EUR 648 million (+14%) in the first nine months of 2020 due to compulsory manufacturer discounts.[4]

In addition, the continuous introduction of reference prices leads to annual savings of EUR 8.2 billion for the SHI system. The continued price embargo and the mandatory discounts, which have been paid continuously since 2003, are an additional burden on the entire sector.[5]

Pharmaceutical manufacturers in Germany receive around 50% of the pharmacy sales price of a drug. The other half is divided between wholesalers and pharmacies, as well as VAT and discounts granted.[6] According to IQVIA™, more than half of all pharmaceuticals sold in the SHI market are subject to discounts. As of June 2020, 105 health insurance companies had signed 16,436 contracts with 240 pharmaceutical companies covering 19,852 trade forms. A year earlier, in June 2019, there were 109 health insurance companies with 227 manufacturers. The number of contracts reached 15,823 via 18,560 trade forms. Considering the increasing number of mergers, the market force represented by the health insurance companies is growing steadily. There is selective contract competition in a highly regulated system, which is characterised on the supplier side by massive state intervention, considerable discount pressure and a monopolistic position of the health insurance companies. This combination will put the generic market under pressure and oligopolise it in the long run.[7]

The (monthly) development of the German pharmaceutical market in 2020 shows considerable influences of the pandemic. In the first nine months of 2020, sales of medications in the overall pharmaceutical market (pharmacy and clinic) grew by 6.2% (previous year: 7%) to over EUR 36 billion (previous year: EUR 34 billion). Sales remained constant at around 73 billion units. In the pharmacy market, turnover growth of 6% was recorded. Growth in the in-patient sector exceeded that of the pharmaceutical market by 1.3% in the first nine months of 2020. In the hospital sector, turnover rose by over 7% to EUR 5.1 bn.[8]

The "pharmacy" sector accounts for 86% of the pharmaceutical market (sales growth +6.0%) and the "hospital" sector for 14% (sales growth +7.3%). The leading ten groups of medicinal products in the hospital market account for 59% of the total turnover in the in-patient sector, for about EUR 3.0 bn (previous year: EUR 2.6 bn). The top ten drug groups in the pharmacy/SHI market, on the other hand, account for 35.7% of total sales in the out-patient sector. This corresponds to EUR 11.5 bn of a total SHI drug expenses of EUR 32.3 bn, which in total was about 4% above the previous year's value of about EUR 31 bn. Six of the ten pharmaceutical groups with the highest sales achieved double-digit sales increases compared to the same period in the previous year.

3.2 Business performance

The M1 Group is active in the growing market of aesthetic medicine and plastic surgery and carries out aesthetic medical treatments in the self-payer segment ("Beauty" segment).

In the "Trading" segment, the group, as a pharmaceutical manufacturer, distributes its own generic pharmaceutical products as well as European imported medicinal products. Likewise, pharmaceutical products of other manufacturers authorised in Germany are offered within the framework of the wholesale authorisation.

Turnover rose to EUR 159.6 million in 2020 (previous year: EUR 77.2 million). The growth in turnover reached 107%. Sales in the two business segments developed in opposite directions (see 3.3.1). The Group's Beauty segment was strongly affected by the official order of a hard lock-down in spring 2020. The Schlossklinik in Berlin-Köpenick as well as the M1 specialist centres closed for a period of approximately two months due to the banning of the performance of elective procedures in the medical sector, which also includes the treatment spectrum of the Beauty segment.

The significant increase in total revenues compared to the previous year resulted from the initial full consolidation of Haemato AG for the period August to December 2020. During this period, the Haemato subgroup generated revenues of EUR 102.8 million. For the year as a whole, Haemato AG generated total revenues of EUR 238.3 million - a growth of 20.5% compared to the previous year.

Net income in 2020 totalled EUR 7.4 million (previous year: EUR 9.7 million), of which EUR 0.6 million are allocated to minority shareholders.

The M1 Group and all its employees focus their daily work primarily on the needs of their customers. Service, quality and reliability are essential elements of our customer orientation and drivers of further growth. This strategy has accompanied M1 from the very beginning and will continue to be the guiding principle of our development in the years to come. We intend to continue growing and increase our sales by a double-digit percentage each year. Earnings should also continue to grow in the coming years, although this growth might be lower than sales in the coming years due to the investments in growth and quality.

3.3 Net assets, financial position and results of operations

3.3.1 Earnings position of the M1 Group (IFRS)

The company's economic situation continues to be driven by the growth of our operating business and the dynamic development of the market for medical aesthetic treatments as well as specialty pharmaceuticals.

The M1 Group's sales are essentially generated in the area of trade and the parallel and re-import of pharmaceutical products approved in Europe ("Trading" segment) as well as in the area of aesthetic medicine ("Beauty" segment). However, the figures for the reporting year are not directly comparable with the previous year's figures, as the full consolidation of Haemato AG from August 1, 2020 and the first-time consolidation of international M1 operations have significantly changed the income and cost structure and the balance sheet figures.

In the "Beauty" segment, revenue fell from EUR 40.1 million (2019) to now EUR 37.4 million in 2020 - a decline of 7% compared to the previous year. Given the two-month closure of the M1 Schlossklinik and M1 specialist centres (in some cases significantly longer in the foreign locations) and a "slow" development of treatment numbers in the course of the second lock-down in the fourth quarter of 2020, this result is rather satisfactory.

Revenue growth was significantly stronger in the "Trading" segment, which rose from EUR 37.1 million (2019) to EUR 122.1 million in 2020. This strong increase in turnover is primarily due to the full consolidation of the Haemato Group since August 2020 and the growth of Haemato during the year.

The development of turnover was in line with M1 forecasts and is expected to continue in the coming years.

The cost of purchased materials in proportion to the revenues rose to 77.0% in 2020 (previous year: 59.1%). This is primarily due to the full consolidation of Haemato AG with its lower-margin trading business from August 2020.

Personnel costs rose by almost 32% from EUR 12.6 million (2019) to EUR 16.7 million and thus at a significantly lower rate than turnover, which is also due to the larger share of trading business in 2020. As a result, the personnel cost ratio fell significantly compared to the previous year to 10.5% (previous year: 16.3%).

Other operating expenses increased by 50% from EUR 7.9 million (2019) to EUR 11.9 million, resulting in a drop in the expense ratio from 10.2% to 7.4%. Key cost items include advertising/sales promotion and travel costs, which fell from EUR 4.2 million (2019) to EUR 3.5 million, and external service costs, which were roughly the same as the previous year at EUR 2.0 million. Rental costs increased from EUR 1.3 million (2019) to EUR 1.8 million due to the fact that the costs for the treatment centres in the Beauty segment, which were opened in 2019 or consolidated for the first time in 2020, are now included for the entire year.

The financial result fell from EUR 4.8 million (2019) to EUR 4.4 million. This includes investment income of EUR 3.4 million (previous year: EUR 1.8 million). The valuation of financial assets at the end of the financial year and the disposal of financial assets resulted in a loss of EUR 2.2 million (previous year: EUR +3.3 million) – most of that being connected with the investment income. Expenses from financial assets and the write-back of negative goodwill (both arsing fromM1 Kliniken AG's share in Haemato AG's equity) resulted in a positive contribution of EUR 3.6 million.

The net income of the M1 Group (before allocation of minority interests at Haemato AG) decreased from EUR 9.7 million (2019) to EUR 7.4 million (2020).

3.3.2 Financial position of the M1 Group (IFRS)

With liquid funds of EUR 22.0 million (previous year: EUR 9.1 million) - of which an amount of EUR 7.5 million is related to Haemato AG - and other short-term financial assets of EUR 32.2 million (previous year: EUR 23.4 million) at the end of the year, the financial position can be described as very stable. EUR 5.4 million of the increase in liquidity was due to the Haemato AG subgroup.

Financial management is geared to always settling debts and collecting receivables within the payment period.

Long-term assets are 174% covered by equity (previous year: 204%). The reduction in this ratio is due to the different balance sheet structure of Haemato AG and the balance sheet extension as of 31 December 2020.

The development of the Group's liquidity is shown in the cash flow statement, which is outlined below. With regard to the balance sheet items on the reported balance sheet dates, liquid funds increased by EUR 12.9 million.

The operating cash flow was strong at EUR 9.5 million - especially considering the Corona pandemic and its effects on the economy and social life. The cash flow from investing activities of EUR 3.1 million is characterised by the sale of a property (EUR 2.1 million) and the sale of securities holdings (EUR 2.2 million). EUR 0.9 million was invested in fixed assets.

Cash flow from financing activities is just positive and mainly influenced by the increase of bank liabilities (EUR 4.0 million) and the repayment of rights of use (EUR -3.2 million).

	Fiscal year 2020 in EUR	**Fiscal year 2019 in EUR**
Cash flow from operating activities	9,540,669	-5,369,999
Cash flow from investing activities	3,115,292	-3,335,081
Cash flow from financing activities	377,654	-7,580,877
Financial assets at the beginning of the period	9,098,035	-16,285,957
Financial assets at the end of the period	21,958,919	25,383,993
Change in cash and cash equivalents	12,860,883	9,098,035

Further information on cash flow in the previous financial year can be found in the cash flow statement in the consolidated financial statements and in the notes to the consolidated financial statements.

The M1 Group plans to invest mainly in the further expansion of the operated infrastructures of beauty clinics and specialist centres as well as in the acquisition of treatment devices. These investments will be in the low single-digit million range in 2021 and are to be financed selectively through borrowed funds (primarily leasing).

3.3.3 Net asset position of the M1 Group (IFRS)

The capital structure is good. Equity rose from EUR 68.2 million to EUR 115.3 million in 2020. The equity ratio fell to 61.1% (previous year: 73.5%), which is due to the balance sheet extension a) as part of the full consolidation of Haemato AG and b) due to the capital increase in kind already carried out at Haemato AG as of 31 December 2020, as well as the significantly increased long-term and short-term liabilities to banks of EUR 27.1 million (previous year: EUR 0.1 million - excluding Haemato AG).

Short-term assets increased from EUR 59.3 million in 2019 to EUR 122.4 million in 2020. These primarily includes cash and bank assets (EUR 22.0 million; previous year: EUR 9.1 million), trade receivables (EUR 20.5 million; previous year: EUR 22.2 million), inventories (EUR 42.3 million; previous year: EUR 1.5 million) and other short-term financial assets (EUR 32.2 million; previous year: EUR 23.4 million).

Inventories increased significantly compared to the previous year to EUR 42.3 million (previous year: EUR 1.5 million), of which EUR 35.1 million is attributed to the Haemato AG subgroup.

Long-term assets totalled EUR 66.3 million (previous year: EUR 33.5 million). These includes fixed assets (incl. rights of use according to IFRS 16) of EUR 15.8 million (previous year: EUR 16.0 million), intangible assets (incl. goodwill) of EUR 38.3 million (previous year: EUR 8.5 million) and other long-term financial assets, which increased from EUR 9.0 million (2019) to EUR 12.0 million.

The overall economic situation can be described as good.

3.4 Financial performance indicators of the M1 Group (IFRS)

We use sales and EBT (earnings before taxes) as indicators for our internal corporate management. Sales increased in the reporting year to EUR 159.6 million (previous year: EUR 77.2 million), primarily due to the full consolidation of Haemato AG from August 2020.

EBT was EUR 8.8 million (previous year: EUR 12.7 million), EBITDA (earnings before interest, taxes, depreciation and amortization) was EUR 8.9 million (previous year: EUR 11.3 million).

3.5 Non-financial performance indicators of the M1 Group (IFRS)

In the area of non-financial performance indicators, the M1 Group primarily monitors the "Beauty" segment with regards to customer evaluations in the clinic and in the network of specialist centres. The aim is to constantly increase the extent of the positive customer ratings, which ultimately strengthens the market presence of the underlying brand (e.g. M1 Med Beauty). Image development of the brands is constantly monitored and negative evaluations in customer service are immediately addressed.

4 Results after the Balance Sheet Date

There were no significant events after the balance sheet date.

5 Forecast Report

We continue to assess the midterm prospects of the M1 Group as positive and expect a sustainable continuation of the growth course in the coming years.

For 2021, the company expects a significant improvement in the business environment, after the incidence figures of the Corona pandemic have already dropped significantly since the beginning of January 2021 and the occupancy rates in the intensive care units (and corresponding death rates) also declined considerably.

After a 'normalisation' of the situation, the company targets an increase in the number of treatments in the existing locations and further practice openings in the "Beauty" segment. At the time of preparing the financial statements, two more practices had already been opened in Germany (Erfurt, Kiel,) and three other locations (Freiburg, Augsburg, Karlsruhe) are in the final stages of development. Further locations are in development. Also the international subsidiaries have restarted the search for new locations - after a "Corona forced pause" of about one year. This should lead to the first openings before the end of 2021.

The M1 Group assumes that no new lock-downs will arise from the Corona pandemic. This alone will result in significantly longer treatment periods in 2021 (in some cases up to six months), which in turn should lead to a significant increase in sales in 2021. A precise figure of the total impact of these business drivers on the turnover in the "Beauty" segment is difficult to estimate, but the company expects a considerable growth in turnover in 2021 of more than 20% compared to the previous year.

This will also have an impact on the profit pattern in the "Beauty" segment, as some fixed costs could not be reduced to the same extent as the decline in sales during the lock-downs in the past business year. An increase in EBIT that is significantly higher than the growth rate of turnover should therefore be possible.

We also expect the development of the "Trading" segment as positive. The pharmaceutical industry continues to offer great growth potential if service, price and quality are strictly aligned with customer requirements and potentials within the value chain are consistently exploited. We see the possible expansion of our market share in the parallel import business as well as the development of new business areas as the greatest growth driver for the future development of our trading activities. We counter the risks of supply shortages by diversification of supply for the majority of products. The implementation of European Regulation 2011/62/EU from February 9, 2019, will bring certainty in the area of supply management and will provide a stable business basis for the coming financial years. We expect to be able to take over market shares especially from smaller competitors who do not succeed in complying with the directives. This will practically put a stop to forged medicines and the placing of these products on the market.

In the financial year 2021, we expect an increase in sales volume in the trading sector of 5-10% through consistent implementation of the measures introduced, which will contribute to an increase in EBIT in the range of 15-25 % through an increase in absolute gross profit.

The positive development of both business areas will consequently also lead to an improvement in the financial position and contribute to a positive operating cash flow.

The above projections are based on a quick termination (V-progression) of the economic restrictions due to the Corona pandemic. If the restrictions persist for several months, the resulting effects cannot be reliably forecasted.

We will continue to be able to meet our payment obligations on time in the future.

6 Opportunity and Risk Report

6.1 Risk management system

The M1 Group uses a risk management system for the systematic identification of significant and existentially threatening risks in order to assess their effects and to develop appropriate measures.

The main objectives of the risk management system is to avoid financial losses, defaults or disruptions and to implement suitable countermeasures without delay. As part of this system, the Management Board and Supervisory Board are informed of risks at an early stage. Important mechanisms for early detection are the monitoring of liquidity and earnings development. Controlling and quality management are responsible for monitoring business performance and determining deviations from budget. If necessary, the respective persons responsible in the specialist departments together with the respective management decide on the appropriate strategy and measures for controlling risks.

6.2 Risk report

The M1 Group operates its own facilities for medical services, provides infrastructure services for third parties and engages in trading activities in the pharmaceutical and medical device markets. The health and well-being of the patients we care for (directly and indirectly) sets high standards for the handling of risk factors and the established measures to control risk factors.

Thanks to the M1 Group's many years of experience in its relevant markets and its established leading market position, M1 is in a position to control the risks that arise to the least possible impact.

The health care industry, and in particular the market segments in which M1 is primarily active, offer a wide range of entrepreneurial opportunities that M1 can benefit from thanks to its integrated business model.

M1's business approach is based on balancing entrepreneurial opportunities and their associated risks. M1 essentially focuses on five risk areas from which risk situations can arise for the Group.

6.2.1 Industry-specific risks

„Beauty“ Segment

The health care system in Germany - but also in most other international markets - is highly regulated. Changes in the law relating to the provision of services in the market segments relevant to M1 can have an impact on M1's corporate strategy and operational performance. The organisational structures and individual (medical) qualifications required to offer the medical services offered by M1 are of particular relevance. To this end, M1 closely monitors legislative developments (together with relevant specialist lawyers), analyzes changes within the framework of risk and opportunity management and assesses their effects on the Group's sales and earnings position.

For some years now, there has been a shortage of specialists in the health care market, both in terms of nursing and medical functions. In recent years, the German government has developed various personnel recruitment strategies for this purpose, but these have not yet been able to sustainably compensate for the shortage of specialists. The shortage of personnel is also noticeable for M1 and is perceived as a limiting factor in achieving our growth targets. In addition, it must be ensured at all times that newly hired personnel meet the professional requirements of M1. Finally, we perceive pressure on personnel cost development at M1, as the labour market in the health care sector has already developed into a 'demand market' for applicants. In this respect, M1 is working on the high reputation of the company in the personnel market in order to be able to realize the highest possible, constant supply of manpower.

In the field of beauty treatments, there is a risk that the perception of beauty in society will change. Should another ideal of beauty develop that contradicts the services provided by M1, this could represent a considerable entrepreneurial risk. Due to its leading market position and the high number of customer contacts, M1 is in a position at a very early stage to identify developments in the 'beauty awareness' of the target customers and draw conclusions from this with regard to the range of treatments required for optimum market coverage.

In addition, new market participants whose concepts are aligned with ours could enter into competition with us. Should these new market participants develop their own unique selling propositions, this could also represent an entrepreneurial risk. M1 closely monitors the competitive environment in its own market segments and closely monitors individual emerging competitors. In sum, we recognize that the field of suppliers is increasing and that there are also isolated attempts to establish "centre chains" on the market according to the M1 model. M1 sees this differentiating competition as a positive signal for its own strategy and the high potential of the selected market segments. The competitive advantage, which will last for several years, places M1 in a position to adequately meet new competitors and treatment forms, as well as to maintain and even expand its own relative market position.

„Trading“ Segment

Legal regulatory measures throughout the European Union, strongly pressured margins in the pharmaceutical market as well as the permanent change in the parallel import market due to exchange rate risk and price differences in the purchasing of medicinal products can have a negative impact on our sales and profit situation. The original manufacturers continue to try to seperate the individual European markets or use single-channel distributors to make exports more difficult. Furthermore, the original manufacturers are trying to make exports more difficult by maintaining high list prices and concluding subsequent discount agreements. In addition, there is a fundamental risk that the sales prices in the various EU countries will gradually converge or that export bans will be imposed in individual countries or for individual preparations.

Legal risks arise primarily from the distribution of our products and especially from trademark and patent issues. As an importer, we are considered a pharmaceutical company under pharmaceutical law. We therefore bear the risk of market withdrawals.

Finally, both business segments of M1 are affected by the continuation of the Corona pandemic. The outbreak of the second Corona infection wave in Germany in the 4th quarter of 2020 has forced politicians to act in response to persistently high infection figures and a significant rise in deaths. On December 13, the federal and state governments agreed on a nation-wide hard lockdown, initially limited until January 14 and then further until March 28, 2021. The goal is to significantly reduce the number of new infections, to make the chains of infection traceable again for the health authorities and to reduce the strain on the health system.

Further extensions and continued lockdowns may result in macroeconomic risks that could lead to significant declines in economic growth worldwide. Risks for the M1 Group may not only affect the development of sales, but also lead to significant impacts on production, the purchasing market and the supply chain.

6.2.2 Reputational/quality risks

Risks that could damage M1's reputation arise primarily in the "Beauty" segment from patient or customer satisfaction. Quality defects in the performance of treatments, in hygiene standards and in the products used can be of relevance here.

In order to avoid risks arising from the inadequate quality of the treatments provided, M1 pursues a comprehensive medical quality management system. This begins with the fact that only doctors carry out the medical treatments in the field of beauty injections. This is a basic condition in the M1 specialist centres, as the quality of the treatments is ultimately inseparably linked to the brand image of the M1 brands. In the surgical field, only specialists are performing the treatments.

Since 2017, M1 has established its own training institute (M1 Akademie) in which new doctors are trained by highly qualified supervisors (as part of a structured programme lasting several weeks) and are familiarised with the treatment spectrum. Internal audits by the supervisors are also carried out on a regular basis during the further course of activities. In addition, training events are held several times a month to refine treatment methods and introduce new products. The clinic management and the medical director also hold regular conferences in the surgical field to improve treatment procedures.

In the market segments served by M1, the company pursues a clear strategy of offering only a limited number of treatments. These are the most popular treatments in the market. This gives physicians a high degree of routine, which ultimately leads to high-quality treatment.

A comprehensive hygiene plan, developed by one of the leading hospital hygienists in Germany, has been established in all M1-operated clinics and practices. For this purpose, an audit checklist was developed, which is regularly processed by the practices and also checked in the case of unannounced additional audits.

M1 also pursues a comprehensive quality strategy with regard to the materials used (treatment products, instruments, etc.). In the area of treatment products, M1 works exclusively with the market leaders in their relevant market segments. For this purpose, products are sourced worldwide. Publications and the opinions of global supervisory bodies in the assessment of product safety are evaluated. In the case of treatment instruments, attention is paid to longevity, treatment safety and risk-free use.

In the trading segment, there are a large number of guidelines already prescribed by law. Their strict observance ensures a high standard of quality.

6.2.3 Earnings-oriented risks

The main cost items in the treatment-related business segment of M1 (Beauty segment) consist of material costs (treatment materials), personnel costs and infrastructure costs.

In the procurement of pharmaceuticals, medical products and medical technology, general price increases can have a negative impact on our earning potential. The treatment materials used are sourced from a limited number of internationally operating suppliers. A change in the pricing policy of these suppliers would have a direct impact on our earning potential if the suppliers could not be replaced. M1 counteracts this risk by diversifying the range of treatment products offered. This reduces the actual dependence on individual suppliers. In addition, M1 is active on international procurement markets and actively uses arbitrage potentials from this approach.

General price increases and wage trends also have a negative impact on earnings.

If it is not possible in the medium term to offset these burdens in terms of price or efficiency improvements, this will have a negative impact on earnings. In this context, M1's focus is primarily on optimal utilization of existing capacities, which means that rising costs can be spread over a higher number of treatments. In the area of infrastructure services, there is an option to pass on rising costs to customers. In addition, infrastructure services are preferably concluded on the basis of long-term contracts (e.g. rental agreements), so that the general price increase trends can be controlled.

Finally, there is the risk that users (self-employed doctors or medical service providers) of the practice infrastructures made available by M1 will get into economic difficulties due to their own wrong decisions and as a result receivables for infrastructure services rendered cannot be collected. M1 manages this risk by closely monitoring the quality of medical services (customer evaluations) and by continuously analysing the economic performance of its practices in order to be able to recognize risks and take precautionary measures at an early stage.

In addition to the costs of providing services, the sales prices that can be realised in the market are a key lever for the group's sales and earnings. Here, the M1 Group is positioning itself as a leading price competitor for (beauty) medicine services and products. Should other financially strong companies attempt to enter the market as competitors, this could lead to price competition which would burden margins. The strong financial resources of the M1 Group supports this strategy on a sustainable basis.

In the "Trading" segment, competitive risks have increased due to new competitors in the industry. We expect to be able to further expand our market shares in the medium term due to our strong direct sales. However, additional costs or investments may be expected in the course of further organisational optimisations. The Group could be negatively impacted by competitors with greater financial or organisational resources. Should the aggressive pricing policy increase further through the issuing of discount contracts, this will have a negative impact on the earnings situation or lead to losses in market share.

Lastly, to cover further earnings risks, the extensive insurance cover provided by the M1 Group should be highlighted. In addition to a medical liability insurance ("Beauty" segment), which covers financial risks from treatment errors, the legally prescribed pharmaceutical liability insurance as a pharmaceutical manufacturer with regard to the AMG exists. Finally, a business interruption insurance has been signed for the company's own clinic, which covers the risks from a business interruption as a result of a damage event.

6.2.4 Financial risks

Financial risks may arise in relation to the default of receivables, changes in interest rates and the assurance of the Group's solvency at all times.

The risks from possible bad debt losses are countered by an active receivables management. In the area of medical treatments, as a rule, customer payments are collected before the treatments are carried out or immediately after the treatments are completed. As a result, virtually no end customer receivables are threatened by default. In the case of customers for infrastructure services, M1 continuously analyzes the economic and quality development of its customers in order to be able to take security measures at an early stage if necessary. M1 regularly checks the creditworthiness of its trading partners and major customers and checks compliance with the payment terms granted. In individual cases, the provision of securities is required for larger receivables.

There are no significant currency risks that could influence the Company's net assets, financial position and results of operations. Deliveries of goods from foreign currency countries are processed within very short periods of time. Services in non-euro countries were only offered to a small extent in 2020.

The financial stability of the M1 Kliniken AG is ensured by the high equity ratio. In 2017 and 2018, the company carried out two capital increases, which generated a total liquidity inflow of approximately EUR 30 million. This guarantees the solvency of the Group at all times. The available liquidity is managed conservatively with the aim of avoiding capital losses (e.g. due to 'custody fees').

The Group uses credit lines granted by a group of banks for the financing of working capital for Haemato AG. These agreements define financial key figures. Non-compliance can generally lead to the possibility of termination by individual creditors. The credit lines made available are regularly not utilised in full. Through a rolling corporate and financial planning system, we are always in a position to react to changes in the need for financial resources at short notice. In addition, we finance ourselves through customer factoring. The long-term tranches of the working capital loans are available for refinancing in the coming calendar year. The talks with the banks started in 2019 were successfully continued in 2020 and the majority of them were concluded. Further talks are being held on additional financing.

In addition, there are two further loans/credit lines for M1 Med Beauty Berlin GmbH and M1 Aesthetics GmbH respectively - each in the total amount of EUR 5 million, both of which were concluded in 2020. The loan concluded by M1 Med Beauty Berlin GmbH is a KfW business loan with a term of five years. Repayment begins after a term of one year. At the end of 2020, M1 Aesthetics GmbH concluded a working capital credit line in the total amount of EUR 5 million, which is to be used for the ongoing financing of the trading division.

To further ensure liquidity, leasing instruments and financing instruments are implemented selectively. For example, the Schlossklinik in Berlin-Köpenick was converted into a sale-and-lease-back model in 2015 and the funds invested in the development of the property were released again. The facilities in the practice network is leased exclusively under long-term leases, so that no acquisition costs are incurred for the properties.

6.2.5 Infrastructural risks

M1 defines infrastructure risks as risks from IT and personnel management.

The IT risks relate to the reliability of the IT systems operated and the security against hacker attacks on the company. The internal IT department has been significantly strengthened in recent years and the hardware systems operated have been expanded to meet future requirements. Structures are operated redundantly, so that in the event of a failure of the main system, a replacement system is available.

The digital landscape is characterized by a network of linked individual software components. Individual systems can be removed from the network in problem situations without impairing the availability of the whole network.

The IT infrastructure and extensive firewall systems provide the greatest possible protection against hacker attacks. Regular backups of the data are carried out.

The Group devotes a great deal of attention to data protection. The requirements of the new EU GDPR directive have been implemented throughout the Group. The corresponding data protection guidelines have been revised for this purpose.

Dependence on key personnel is seen as an infrastructural risk. M1 counters this risk with the partial distribution of tasks within the Group. In addition, it is monitored that individual persons do not combine too many critical bottleneck functions. In addition, the simultaneous provision of services for medical treatments means that the loss of individual practitioners can be quickly compensated for by the reallocation of personnel.

In the area of infrastructure, the hospital license of the Schlossklinik in Berlin-Köpenick according to § 30 GewO is a significant risk. Regular inspections by the authorities have confirmed that M1 meets the highest quality requirements. The approval to operate the Schlossklinik has been granted without restriction. The loss of individual locations of the practice network is of less extensive significance for the provision of the medical treatments. The network, which is now closely connected, makes it possible to carry out treatments at other locations as well. In addition, the requirements for the operation of an outpatient centre can be met relatively quickly, so that the loss of a site can be made up for within a few months.

6.2.6 Economic risks

The Corona pandemic, which has been spreading since February 2020, has shown that unexpected developments (in this case: lock-down orders by the authorities) can significantly influence society's ability to act.

The Corona pandemic showed our society that supply chains can collapse and consumer behaviour can change rapidly with hardly any predictable consequences. The state intervened into public life with extensive measures aimed at reducing the amount of social contact. Although the specific management of the Corona pandemic is well under way at the time of concluding this report, it cannot be ruled out that comparable developments will affect our social life in the future. This could have a significant negative impact on the overall economic environment of the Group's business development.

However, the overall economic environment in Germany is positive in the long term. Private consumption in particular will support overall economic growth again in the future. This also includes the services of the M1 market segments. The demand for M1 services will continue to grow in the long term. According to the management's assessment, it is also partly independent of the overall economic development (e.g. the market for aesthetic treatments in Brazil has been growing for many years despite the economic difficulties).

6.3 Opportunities report

In addition to the risk areas considered, M1 has also defined areas of opportunity in the development of which the Group would like to actively participate in the coming years.

„Beauty“ segment

The medical beauty market is and will remain a growth market with an estimated growth rate of approx. 10% p.a. Through our specialisation in aesthetic medicine and the development and marketing of pharmaceutical, medical and medical-technical products for aesthetic medicine and cosmetic dermatology and the associated price leadership, the M1 Group will participate to an above-average extent in this growth. Efficiency in the treatment of patients will be promoted by a consistent focus on a limited range of indications. The high quality of the physicians also contributes to this, which in turn is supported by the high number of individually performed treatments.

„Trading“ segment

The health market in total is also a growth market. We will participate in this growing market through our specialisation in the therapeutic areas of oncology, HIV and other chronic diseases as well as aesthetic medicine products.

Growth-supporting effects can also be expected through the development of new business fields.

On the purchasing side, we can draw on a wide range of supply options. To minimise business risks, we diversify our sources of supply throughout Europe. We safeguard our high quality standards through careful supplier qualification and selection as well as active supplier management.

Overall, it is true for both business segments that we will meet the competition in the market, especially due to the increasing competition of suppliers, with our experience, innovations, reliability and by providing a high level of service and quality.

Through the stock exchange listing of M1 Kliniken AG as well as Haemato AG we see the possibility of acquiring further financial resources to implement the growth course we have embarked upon.

In the context of further growth it will become possible to gradually shift functions to even more specialised staff and to incorporate additional know-how in the Group through new employees.

M1's personnel policy is based on flat hierarchies, a participative management style and the possibility for employees to grow into new areas of responsibility as the company develops. A high level of employee retention will enable us to decouple from the bottlenecks on the labour market.

6.4 General statement

The risk portfolio of M1 consists of a number of risk positions (e.g. business cycle, legislation) that cannot be controlled by M1. M1 regularly monitors these risks and considers the resulting changes for the Group.

Influenceable risks are monitored by control systems so that negative developments can be absorbed and minimized.

We continue to see risks of future development in a competitive environment that may be characterized by new competitors, rising procurement prices, a stagnating sales price level and the limitation of "means of production" (e.g. materials, personnel). Against the background of our financial stability, however, we believe that we are well equipped to cope with future risks. There are currently no identifiable risks that could jeopardize the continued existence of the company.

For the financial year 2021, we do not see any major changes in the opportunities and risk landscape for the M1 Group as a whole, even if the fundamental outlook at the time of reporting is considerably more positive than it was twelve months ago. Overall, we are well protected against external and internal risks.

7 Risk Reporting on the Use of Financial Instruments

The financial instruments held by the company mainly comprise securities, receivables, liabilities and bank balances.

The companies in the Group have a solvent customer base. Bad debt losses are the absolute exception.

Liabilities are paid within the agreed payment periods.

The company pursues a conservative risk policy in managing its financial positions. Default and credit risks of financial assets are reflected in corresponding value adjustments. In order to minimize default risks, the company has an adequate debtor management system in place. In addition, we always inform ourselves about the creditworthiness of our customers before entering into a new business relationship.

8 Report on Branches

The austrian branche of M1 Med Beauty Berlin GmbH, which was established in 2018, was sold to the local company (M1 Med Beauty Austria GmbH) in 2019. The group does not operate any other branches.

9 Final Declaration according to § 312 (3) sec (3) AktG

In accordance with § 312 AktG, the Management Board has prepared a report on relations with affiliated companies which contains the following concluding statement: "According to the circumstances known to us at the time when legal transactions were entered into with the controlling and other affiliated companies, our company and the subsidiaries received appropriate consideration for each legal transaction".

Berlin, March 15, 2021
M1 Kliniken AG

Dr. Walter von Horstig
(Management Board)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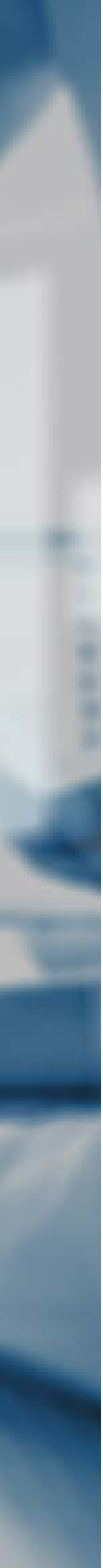
-8.312



Group Financial Statement

Group - Profit and Loss Statement

as of December 31, 2020*

		2020 in EUR	2019 in EUR
Sales	5.1.1	159,590,839	77,216,857
Other operating income	5.1.2	655,344	283,388
Cost of goods and services	5.1.3	-122,806,770	-45,611,450
Personnel expenses	5.1.4	-16,684,588	-12,621,952
Other operating expenses		-11,866,212	-7,932,377
Operating result before depreciation | EBITDA		8,888,613	11,334,467
Depreciation	5.1.5	-4,483,462	-3,402,081
Operating result | EBIT		4,405,150	7,932,386
Interest and similar income		304,596	80,876
Interest and similar expenses		-721,613	-342,343
Income from investments		3,394,574	1,767,892
Write-ups/ write-downs from the valuation of financial assets		-1,832,139	3,305,768
Losses from fair value measurement of disposals of short-term assets		-379,427	-
Expenses from participations		-1,476,452	-
Income from the write-back of balance arising from consolidation		5,082,488	-
Financial result	5.2	4,372,026	4,812,193
Earnings before taxes | EBT		8,777,177	12,744,579
Taxes on income and earnings	5.3	-1,352,264	-3,015,549
Net profit/loss		7,424,913	9,729,030
Profit or loss attributed minority interests		-601,903	-
Net profit/loss after minority interests		6,823,010	9,729,030
Undiluted earnings per share (in EUR)	5.4	0.37	0.56

* accounting according to IFRS

Group - Balance Sheet - Assets

as of December 31, 2020*

		2020 in EUR	2019 in EUR
Cash and cash equivalents	6.1.1	21,958,919	9,098,035
Trade account receivables	6.1.2	20,480,830	22,242,645
Inventories	6.1.3	42,326,585	1,519,597
Other short-term financial assets		32,184,093	23,393,970
Other short-term non-financial assets		1,704,926	232,019
Income tax assets		3,750,655	2,830,412
Short-term assets		122,406,009	59,316,679
Goodwill	6.1.4	34,362,627	8,028,737
Intangible assets excluding goodwill	6.1.5	3,964,536	426,330
Fixed assets	6.1.6	15,762,097	15,990,103
Other long-term financial assets	6.1.7	12,002,661	8,972,272
Other long-term non-financial assets		244,410	80,365
Long-term assets		66,336,330	33,497,806
TOTAL ASSETS		188,742,339	92,814,486

* accounting according to IFRS

Group - Balance Sheet - Liabilities/Equity

as of December 31, 2020*

		2020 in EUR	2019 in EUR
Short-term provisions	6.2.1	2,405,352	1,074,996
Liabilities from income taxes		1,101,189	864,861
Trade account payables	6.2.2	15,840,478	7,777,026
Short-term lease liabilities	6.2.3	3,207,652	2,226,213
Other short-term financial liabilities	6.2.4	22,328,108	150,425
Other short-term non-financial liabilities	6.2.5	6,205,447	2,337,471
Contract and refund liabilities	6.2.6	6,981,822	-
Short-term liabilities		58,070,047	14,430,991
Long-term provisions	6.2.7	52,554	-
Long-term lease liabilities	6.2.3	8,756,921	9,084,642
Other long-term financial liabilities	6.2.8	5,027,196	84,295
Deferred tax liabilities	6.2.9	1,517,649	992,887
Long-term liabilities		15,354,220	10,161,824
Subscribed capital		19,643,403	17,500,000
Subscribed capital-treasury stock		-1,063,547	-
Capital reserve		49,907,438	28,044,731
Capital reserve-treasury stock		-10,741,825	-
Retained earnings		28,007,244	22,676,940
Adjustments for minority interests		29,565,259	-
Equity	6.2.10	115,317,972	68,221,671
TOTAL LIABILITIES AND EQUITY		188,742,339	92,814,486

* accounting according to IFRS

Group - Cash Flow Statement (7)

as of December 31, 2020*

	2020 in EUR	2019 in EUR
Net profit for the period	7.424.913	9.729.030
Depreciation of assets	4.483.462	3.402.081
Increase / decrease in short-term provisions	-1.993.263	420.995
Increase / decrease due to fair value measurement	1.392.891	-
Increase / decrease in inventories	-4.510.139	-115.470
Increase / decrease in trade account receivables and other assets	3.724.789	-19.298.711
Increase / decrease in trade account payables and other liabilities	2.187.978	6.958.839
Profit / loss from the disposal of fixed assets	-818.353	-2.298.870
Interest expenses / income	417.017	261.467
Other investment income	-3.394.574	-1.767.892
Income tax expense / income	1.352.264	3.015.549
Income tax payments	-726.316	-5.677.016
Cash flow from operating activities	9.540.669	-5.369.999
Payments for investments in intangible assets	-539.349	-281.557
Proceeds from disposals of property, plant and equipment/ investment property	2.203.080	528.185
Payments for investments in tangible fixed assets/ investment properties	-906.920	-1.063.971
Payments from the acquisition of consolidated companies and other business units	-2.261	-194.857
Proceeds / payments from changes in financial assets	2.185.574	-4.171.649
Interest income	172.569	80.876
Income from investments	2.998	1.767.892
Cash flow from investing activities	3.115.292	-3.335.081
Change in bank liabilities	4.042.644	-65.251
Interest expenses	-335.102	-3.080
Payments to company owners and minority shareholders	-128.514	-5.250.000
Amortisation of rights of use	-3.201.374	-2.262.546
Cash flow from financing activities	337.654	-7.580.877
Changes in cash and cash equivalents due to changes in the scope of consolidation	-4.175.421	-
Net cash flow	8.858.193	-16.285.957
Cash and cash equivalents at the beginning of the period	9.098.035	25.383.993
Liabilities due at any time at the beginning of the period	-	-
Cash and cash equivalents at the beginning of the period	9.098.035	25.383.993
Cash and cash equivalents at the end of the period	17.956.229	9.098.035
Liabilities due at any time at the end of the period	4.002.690	-
Cash and cash equivalents at the end of the period	21.958.919	9.098.035
Change in cash and cash equivalents	12.860.883	-16.285.957

* accounting according to IFRS

Group - Statement of Changes in Equity

as of December 31, 2020*

	Subscribed capital in EUR	Subscribed capital (treasury stock) in EUR	Capital reserve in EUR	Capital reserve (treasury stock) in EUR	Retained earnings in EUR	Adjustments for minority intrests in EUR	Equity gesamt in EUR
As of 01.01.2019	17,500,000	-	28,044,731	-	18,197,910	-	63,742,641
Net result / total income for the period*	-	-	-	-	9,729,030	-	9,729,030
Dividends	-	-	-	-	-5,250,000	-	-5,250,000
As of 31.12.2019	17,500,000	-	28,044,731	-	22,676,940	-	68,221,671
Net result / total income for the period*	-	-	-	-	6,823,010	601,903	7,242,913
Capital increase	2,143,403	-	21,862,707	-	-	-	24,006,110
Changes in the scope of consolidation	-	-1,063,547	-	-10,741,825	-1,492,706	28,963,356	15,665,279
As of 31.12.2020	19,643,403	-1,063,547	49,907,438	-10,741,825	28,007,244	29,565,259	115,317,972

* accounting according to IFRS

Group Annex/Notes

1 General Information

1.1 Reporting company

The parent company, M1 Kliniken AG, was founded in 2007. The company is chartered in the Commercial Register of the Berlin-Charlottenburg Local Court under HRB 107637 B and has its registered office at Grünauer Strasse 5, 12557 Berlin, Germany.

The business model of M1 Kliniken AG is based on two segments:

In the "Beauty" segment, M1 focuses its activities on medical aesthetic beauty treatments as well as the management and supply of medical infrastructures.

In the "Trading" segment, the group trades EU original pharmaceutical products (as parallel and re-imports) as well as generics and biosimilars and high-quality aesthetic medical products.

1.2 Basis of preparation of the financial statements

M1 Kliniken AG, headquartered in Berlin, Germany, is listed on the Basic Board (Freiverkehr) of the Frankfurt Stock Exchange. In the fiscal year of 2017, voluntary consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union. Since the 2018 financial year, M1 Kliniken AG has exceeded two criteria of § 293 HGB (German Commercial Code) on two consecutive reporting dates and is therefore obliged to prepare consolidated financial statements in accordance with the requirements of German commercial law.

The consolidated financial statements of M1 Kliniken AG for the period from January 1 to December 31, 2020 were prepared in accordance with § 315e (1) HGB in conjunction with § 315e (1) HGB. The consolidated financial statements of M1 Kliniken AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union. In addition, the notes to the consolidated financial statements pursuant to § 315e (1) HGB contain details on provisions of the HGB.

The figures for the business year and the previous year are shown in EUR, unless otherwise stated. With the exception of the subsidiaries in Switzerland, Great Britain, Croatia and Australia, the EUR is also the functional currency of the other companies included in the consolidated financial statements.

In the preparation of the financial statements of the Group companies, business transactions denominated in currencies other than the functional currency (EUR) of the Group company are converted at the exchange rates valid on the date of the transaction. As per the balance sheet date, all items nominated in foreign currencies are converted at the exchange rate valid on the balance sheet date. Non-monetary items in foreign currency that are measured at fair value are converted using the exchange rates that were valid at the time of the fair value measurement.

The new standards adopted by the IASB were observed from the date on which they came into effect.

Accounting and valuation were based on the going concern principle.

The balance sheet of the M1 Kliniken Group has been prepared on the basis of maturities, with assets and liabilities expected to be realized or settled within twelve months of the balance sheet date being classified as short-term in accordance with IAS 1. In accordance with IAS 1.56, deferred tax assets and deferred taxes are reported in full under long-term assets and liabilities respectively.

The consolidated income statement was prepared in accordance with the 'nature of expense' method. A consolidated statement of comprehensive income has not been prepared as there were no effects at M1 Kliniken Group in the year under review or in the previous year that should have been shown in other comprehensive income.

The balance sheet and evaluation methods applied correspond in principle to the methods used in the previous year.

To improve the clarity of presentation, selected items have been merged in the balance sheet and income statement. The breakdown of these items is shown in the Notes. Rounding differences to the mathematically exact values may occur in the presentation.

1.3 New standards and interpretations

M1 Kliniken AG applied the following new and amended standards and interpretations for the first time in the current financial year:

- Changes to the references to the framework in the IFRS standards
- Changes to IAS 1 and IAS 8: Definitions of Material
- Changes to IFRS 3: Definitions of a Business Operation
- Reform of reference rates (changes to IFRS 9, IAS 39 and IFRS 7)

The first-time application of these standards or their changes have no significant impact on the consolidated financial statements.

In the future, the following standards and interpretations as well as changes to existing standards are to be applied:

- Reference rate reform - Phase 2 (changes to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) - starting from 1.01.2021
- Onerous contracts - costs of performance IAS 37 - effective from 1.01.2022
- Annual improvements to IFRS Standards 2018-2020 - effective from 1.01.2022
- Fixed assets: income before planned use (changes to IAS 16) - effective from 1.10.2022
- References to the framework (changes to IFRS 3) - effective from 1.10.2022
- References to the framework (changes to IFRS 3) - effective from 1.01.2022
- Classification of liabilities as short-term and long-term - effective from 1.01.2023
- IFRS 17 insurance contracts and changes to IFRS 17 insurance contracts - effective from 1.01.2023
- Sale or contribution of assets between an investor and an associate or joint venture (changes to IFRS 10 and and IAS 28) - still open

2 Discretionary Decisions, Estimates and Assumptions

In the preparation of the consolidated financial statements, assumptions and estimates were made which affected the amount and disclosure of assets and liabilities, income and expenses reported. The actual values may deviate from the assumptions and estimates made at a later date. Corresponding changes will be recognized in profit or loss at the time when better information becomes available. All assumptions and estimates are made to the best of our knowledge and belief in order to give a true and fair view of the net assets, financial position and results of operations of the Group.

In applying the accounting policies described below, the Management Board exercises significant judgment.

M1 Kliniken AG annually tests the recoverability of **goodwill** and other long-term assets with a definite economic lifetime on the basis of IAS 36 if there are indications of impairment. The basis for the impairment test is the comparison between the carrying amount of an asset and the recoverable amount that can be generated from the asset or group of assets or the cash-generating unit. The recoverable amount is the higher of fair value less costs to sell and value in use.

The determination of the **fair values** of assets and liabilities is based on management assessment. M1 Kliniken measures in particular the investment in Haemato AG, CR Capital AG and CR Grundbesitz GmbH at fair value. In the case of CR Grundbesitz GmbH, this is determined using Level 3 of the fair value hierarchy. This is based primarily on a valuation report by an external expert.

The principles used by management to assess the **appropriateness of the allowances** for doubtful accounts are, in particular, the maturity structure of the receivable balances, the creditworthiness of the customers and changes in payment terms. Due to the prompt settlement of receivables from medical treatments and the close monitoring of the solvency of other customers, value adjustments play a minor role.

In the area of **revenue recognition**, it is necessary to examine separate service obligations in the contracts with customers. For each identified separate performance obligation, an assessment must be made as to whether the conditions for recognition of revenue over a specific period have been met.

The expected actual income tax must be calculated for each taxable entity, and temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax accounts must be assessed. Where temporary differences exist, these differences generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that it is probable that they can be utilized. The utilization of deferred tax assets depends on the ability to generate sufficient taxable income for the respective type of income.

Various factors are used to assess the probability of future utilization of deferred tax assets, such as past earnings, operational planning and tax planning strategies. If actual results differ from these estimates or if these estimates have to be adjusted in future periods, they could have an adverse effect on the net assets, financial position and results of operations. If there is a change in the assessment of the recoverability of deferred tax assets, the recognized deferred tax assets must be written down and recognized in the income statement.

3 Scope of Consolidation and Consolidation Principles

3.1 Scope of consolidation

The consolidated financial statements of M1 Kliniken AG, Berlin, for the year ended December 31, 2020, include not only M1 Kliniken AG but fully consolidate the following subsidiaries. Control results from the fact that M1 Kliniken AG directly or indirectly holds more than 50% of the voting rights of the subscribed capital of a company and/or can control the financial and business policy of a company in such a way that it benefits from its activities.

M1 Med Beauty Berlin GmbH has been consolidated since August 1, 2013. The corporate purpose of M1 Med Beauty Berlin GmbH is the provision of services in aesthetic medicine. The share capital of M1 Med Beauty Berlin GmbH amounts to EUR 25,000. M1 Med Beauty Berlin GmbH has its own business operations within the scope of IFRS 3. After deduction of the identifiable net assets (assets reduced by liabilities), goodwill in the amount of EUR 115,723 has arisen. The consideration transferred includes, among other things, benefits from revenue growth and future market developments. These benefits, which cannot be accounted for separately from goodwill, total the above-mentioned goodwill.

Beauty Now GmbH was founded on December 16, 2015 by M1 Kliniken AG. There were no differences in the initial consolidation. The purpose of the company is the ownership, operation and management of beauty salons, the brokerage and provision of services in the field of beauty and health care, the provision of advice to non-medical practitioners, medical specialists and cosmetics specialists in the field of cosmetics and aesthetic medicine, the acquisition, management and sale of real estate, in particular real estate in the health sector and the acquisition, management and sale of investments. The share capital amounts to EUR 100,000.

Saname GmbH was founded on May 22, 2013 by M1 Kliniken AG. The initial consolidation did not result in any differences. The purpose of the company is the acquisition, management and sale of own and third-party real estate, in particular real estate in the health care sector, as well as the management and sale of equity interests. The share capital amounts to EUR 25,000.

M1 Aesthetics GmbH, which has been fully consolidated since July 6, 2013, is active in trading of medical products and medical technology. The share capital of M1 Aesthetics GmbH amounts to EUR 25,000. M1 Aesthetics GmbH has own business operations as defined by IFRS 3. After deduction of identifiable net assets (assets less liabilities), goodwill amounted to EUR 7,913,014. The consideration transferred includes benefits from expected synergies, sales growth and future market developments. These benefits, which cannot be accounted for separately from goodwill, result in the above stated goodwill.

Sanabona GmbH was founded on July 18, 2017 by M1 Med Beauty Berlin GmbH. The initial consolidation did not result in any differences. The object of the company is the acquisition, management and sale of real estate, in particular real estate in the health care sector, as well as the acquisition, management and sale of participations. The share capital amounts to EUR 25,000.

Sanawert GmbH was founded on July 18, 2017 by M1 Med Beauty Berlin GmbH. The initial consolidation did not result in any differences. The object of the company is the acquisition, management and sale of real estate, in particular real estate in the health care sector, as well as the acquisition, management and sale of participations. The share capital amounts to EUR 25,000.

Sanaselect GmbH was founded on July 18, 2017 by M1 Med Beauty Berlin GmbH. The initial consolidation did not result in any differences. The object of the company is the acquisition, management and sale of real estate, in particular real estate in the health care sector, as well as the acquisition, management and sale of participations. The share capital amounts to EUR 25,000.

Sanaestate GmbH was founded on July 18, 2017 by M1 Med Beauty Berlin GmbH. The initial consolidation did not result in any differences. The object of the company is the acquisition, management and sale of real estate, in particular real estate in the health care sector, as well as the acquisition, management and sale of participations. The share capital amounts to EUR 25,000.

M1 Med Beauty Australia Pty Ltd. was established on August 2, 2018 as a subsidiary of M1 Kliniken AG. M1 Med Beauty Australia Pty Ltd has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty Australia Pty Ltd is the provision of services in aesthetic medicine. The issued capital of the company is AUS$100. The company is fully consolidated for the first time with effect from January 1, 2020. As part of the first-time consolidation, an existing loss carried forward as of December 31, 2019 in the amount of EUR 259,681 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 710 and a profit of kEUR 17. In the previous year, the company was not consolidated due to its minor significance for the net assets, earnings and financial position of M1 Kliniken AG.

M1 Med Beauty UK Ltd. was founded on October 22, 2018 as a subsidiary of M1 Kliniken AG. M1 Med Beauty UK Ltd. has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty UK Ltd. is the provision of services in aesthetic medicine. The subscribed capital of the company amounts to GBP 10,000. The company is fully consolidated for the first time with effect from 1 January 2020. As part of the first-time consolidation, an existing loss carried forward as of 31 December 2019 in the amount of EUR 210,667 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 1,830 (largely through the delivery of treatment materials to mainland Europe) and a loss of kEUR 751, which is due to expenses incurred in the construction of the centres as well as vacancy costs in the context of Corona closures. In the previous year the company was not consolidated due to the minor importance of the company for the assets, earnings and financial position of M1 Kliniken AG.

M1 Med Beauty Austria GmbH was founded on December 20, 2018 as a subsidiary of M1 Kliniken AG. M1 Med Beauty Austria GmbH has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty Austria GmbH is the provision of services in aesthetic medicine. The company's subscribed capital amounts to EUR 35,000. The company is fully consolidated for the first time with effect from January 1, 2020. As part of the initial consolidation, an existing loss carried forward as of December 31, 2019 in the amount of EUR 287,986 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 1,301 and a loss of kEUR 348, which is due to expenses incurred in the construction of the centres as well as vacancy costs in connection with Corona closures. In the previous year the company was not consolidated due to the minor significance of the company for the net assets, earnings and financial position of M1 Kliniken AG.

M1 Med Beauty Netherlands B.V. was founded on December 21, 2018 as a subsidiary of M1 Kliniken AG. M1 Med Beauty Netherlands B.V. has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty Netherlands B.V. is the provision of services in aesthetic medicine. The company's subscribed capital amounts to EUR 10,000. The company is fully consolidated for the first time with effect from January 1, 2020. As part of the initial consolidation, an existing loss carried forward as of December 31, 2019 in the amount of EUR 418,300 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 617 and a loss of kEUR 504, which is due to expenses incurred in the construction of the centres as well as vacancy costs in the context of Corona closures. The company was not consolidated in the previous year due to its minor significance for the net assets, earnings and financial position of M1 Kliniken AG.

M1 Med Beauty Croatia d.o.o. was founded on August 20, 2019 as a subsidiary of M1 Kliniken AG. M1 Med Beauty Croatia d.o.o. has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty Croatia d.o.o. is the provision of services in aesthetic medicine. The company's subscribed capital amounts to HRK 50,000. The company is fully consolidated for the first time with effect from January 1, 2020. As part of the initial consolidation, an existing loss carried forward of the company as at December 31, 2019 in the amount of EUR 2,370 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 13 and a loss of kEUR 123, which is due to expenses incurred in the construction of the centre as well as vacancy costs in the context of Corona closures. In the previous year the company was not consolidated due to the minor significance of the company for the net assets, earnings and financial position of M1 Kliniken AG.

M1 Med Beauty Swiss GmbH was founded on February 22, 2019 as a subsidiary of M1 Kliniken AG. M1 Med Beauty Swiss GmbH has its own business operations within the meaning of IFRS 3. The purpose of M1 Med Beauty Swiss GmbH is the provision of services in aesthetic medicine. The company's subscribed capital amounts to CHF 200,000. The company is fully consolidated for the first time with effect from January 1, 2020. As part of the initial consolidation, an existing loss carried forward as of December 31, 2019 in the amount of EUR 309,178 was offset in the consolidated equity. In the reporting year, the company generated revenues of kEUR 395 and a loss of kEUR 478, which is due to expenses incurred in the construction of the centres as well as vacancy costs in connection with Corona closures. In the previous year the company was not consolidated due to the minor significance of the company for the net assets, earnings and financial position of M1 Kliniken AG.

By agreement dated June 10, 2020, M1 Kliniken AG acquired a 48.2% share in **Haemato AG** with effect from July 1, 2020 as part of a capital increase through contributions in kind at M1 Kliniken AG. In this course, MPH Health Care AG contributed the shares in Haemato AG to M1 Kliniken AG and subscribed the newly issued shares of M1 Kliniken AG. As of July 1, 2020, Haemato AG - since a shareholding of less than 50% existed - was accordingly consolidated 'at equity' in the consolidated financial statements of M1 Kliniken AG.

In the course of July 2020, M1 Kliniken AG took over managerial control of Haemato AG. Since there was also the possibility at any time of demand an extraordinary general meeting of Haemato AG and, based on the historically known presentation quotas at the general meetings of Haemato AG, it can be assumed that the share of 48.2% of the share capital of Haemato AG is sufficient to determine the resolutions at the general meeting. Therefore a transition to full consolidation of Haemato AG in the consolidated financial statements of M1 Kliniken AG was implemented as of August 1, 2020.

By the end of 2020 M1 Kliniken AG further expanded its stake in Haemato. This was achieved through the contribution of **M1 Aesthetics GmbH** to **Haemato AG** in return for the issue of new shares in Haemato AG, which were subscribed by M1 Kliniken AG. The capital increase through contributions in kind was registered on December 17, 2020. At the end of the financial year M1 Kliniken AG held a total of 75.8% of Haemato AG's share capital.

Haemato AG was founded on May 10, 1993. The company is registered in the Commercial Register of the Berlin-Charlottenburg District Court as HRB 88633 and has its registered office in Berlin. The business address is Lilienthalstr. 5c, 12529 Schönefeld. The Haemato Group is active in the pharmaceutical sector with a focus on the growth markets of high-priced specialty pharmaceuticals in the indication areas of oncology and HIV as well as in the areas of rheumatism, neurology and cardiovascular diseases.

After deduction of the identifiable net assets (assets less liabilities), the initial consolidation of Haemato AG resulted in goodwill of EUR 29,661,665. The consideration transferred includes, among other things, benefits from revenue growth and future market developments. These benefits, which cannot be recognised separately from goodwill, add up to the above-mentioned goodwill.

Haemato AG prepares its own consolidated financial statements in accordance with IFRS. For the 2020 financial year, revenues of kEUR 238,333 (previous year: kEUR 197,835) were generated. The operating result in 2020 totalled kEUR 1,627 (previous year: kEUR -20). The consolidated net loss of Haemato AG, which was negatively impacted by a write-down on financial assets of kEUR -5,383 (previous year: kEUR -744), amounted to kEUR -4,831 (previous year: kEUR -1,173).

In connection with a capital increase carried out at Haemato AG in 2013, Haemato AG acquired all shares in the former **Haemato Pharm AG**, which now operates as **Haemato Pharm GmbH**. Haemato Pharm GmbH was acquired by the parent company. Haemato Pharm GmbH is active in the pharmaceutical sector through a) the trade of medicinal products, pharmaceutical products and medical devices, b) the manufacture of medicinal products, pharmaceutical products and medical devices, c) the repackaging, filling and labelling of medicinal products, pharmaceutical products and medical devices as well as d) the import, export and re-import of medicinal products, pharmaceutical products and medical devices. The share capital of Haemato Pharm GmbH amounts to EUR 500,000. Haemato Pharm GmbH has its own business operations within the meaning of IFRS 3.

Haemato Med GmbH was founded by Haemato AG on May 22, 2013. No differences arose in the course of the initial consolidations. The purpose of Haemato Med GmbH is the manufacture, distribution, import, export and re-import of medical products. Haemato Med GmbH has its own business operations as defined by IFRS 3. The share capital amounts to EUR 25,000.

Haemato Pharm GmbH founded **Sanate GmbH** on September 24, 2013. No difference arose in the course of the initial consolidation. Sanate GmbH does not have its own business operations within the meaning of IFRS 3.The share capital amounts to EUR 25,000.

The shareholdings in the subsidiaries were as follows as of the reporting date:

Company name	Location of the company	Date of initial consolidation	Share in %
M1 Med Beauty Berlin GmbH	Berlin	August 1, 2013	100%
Saname GmbH	Schönefeld	May 22, 2013	100%
M1 Aesthetics GmbH	Schönefeld	July 6, 2013	100%
BEAUTY Now GmbH	Berlin	December 16, 2015	100%
Sanabona GmbH*	Berlin	July 18, 2017	100%
Sanawert GmbH*	Berlin	July 18, 2017	100%
Sanaselect GmbH*	Berlin	July 18, 2017	100%
Sanaestate GmbH*	Berlin	July 18, 2017	100%
M1 Med Beauty Australia Pty Ltd.	Melbourne	January 1, 2020	100%
M1 Med Beauty UK Ltd.	London	January 1, 2020	100%
M1 Med Beauty Austria GmbH	Vienna	January 1, 2020	100%
M1 Med Beauty Netherlands B.V.	Venlo	January 1, 2020	100%
M1 Med Beauty Croatia d.o.o.	Zagreb	January 1, 2020	100%
M1 Med Beauty Swiss GmbH	Zurich	January 1, 2020	100%
Haemato AG	Berlin	July 1, 2020	75,8%
Haemato Pharm GmbH*	Schönefeld	July 1, 2020	75,8%
Haemato Med GmbH*	Schönefeld	July 1, 2020	75,8%
Sanate GmbH*	Schönefeld	July 1, 2020	75,8%

* indirect holding

The shareholdings have not changed compared with the previous year, unless the company was founded or acquired in the past financial year.

3.2 Principles of consolidation

The annual financial statements of all Group companies have been prepared on the basis of uniform accounting and valuation methods in accordance with IFRS 10.B92 as of the reporting date of M1 Kliniken AG (parent company). The financial year of M1 Kliniken AG and its subsidiaries included in the consolidated financial statements corresponds to the calendar year.

Business combinations are accounted for by using the purchase method. The acquisition costs of a business combination are measured as the sum of the consideration transferred, measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration that represent a financial asset or financial liability are recognized in the income statement in accordance with IFRS 9. Contingent consideration classified as equity is not revalued and its subsequent settlement is recognised in equity.

In each business combination, non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Minority interests in the currently consolidated subsidiaries exist at Haemato AG.

Costs incurred in connection with the business combination are recognized as expenses. When the Group acquires an entity, it assesses the appropriate classification and designation of the financial assets and liabilities acquired in accordance with the terms of the contract, economic conditions and conditions prevailing at the acquisition date.

Goodwill is initially measured at cost, which is the excess of the consideration transferred over the fair value of the identifiable assets and liabilities acquired. If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to the cash-generating units of the Group that are expected to benefit from the business combination. This applies regardless of whether other assets or liabilities of the acquired company are allocated to these cash-generating units.

If goodwill has been allocated to a cash-generating unit and an operation of that unit is disposed of, the goodwill attributable to the operation disposed of is included as part of the carrying amount of the operation in determining the gain or loss on disposal of that operation. The value of the portion of goodwill disposed of is determined on the basis of the relative values of the operation disposed of and the remaining portion of the cash-generating unit.

Receivables and payables between consolidated companies and intragroup sales, other intragroup income and expenses are consolidated. Intercompany profits and losses are eliminated unless they are of minor significance.

Deferred taxes on consolidation transactions in accordance with IAS 12 were recognized in the income statement to the extent that the different tax expense will probably be offset in later fiscal years.

4 Remarks on accounting and Valuation Methods

The figures in the balance sheet and profit and loss statement for 2020 cannot directly be compared with the corresponding figures of the previous year. This is due to the considerable expansion of the scope of consolidation of M1 Kliniken AG through the inclusion (first-time consolidation) of various international M1 country organizations as of January 1, 2020 as well as the first-time consolidation of Haemato AG (from July 2020: at equity; from August 2020: full consolidation).

4.1 Revenue recognotion

Revenues are measured at the fair value of the consideration received or to be received.

Medical services

Revenue from the provision of medical services in the beauty segment is recognised when the following conditions are met:

- The service determining the character of the treatment is fully performed,
- The amount of sales can be reliably determined,
- It is probable that the economic benefits of the transaction will accrue to the Group and
- The costs incurred or to be incurred in connection with the service can be reliably determined.

As of January 1, 2020, advance payments made by customers for medical services amounted to EUR 629,552 and were recognized in sales in the year under review. As of January 1, 2019, advance payments made by customers amounted to EUR 515,678 and were recognized in sales in the course of fiscal year 2019.

As of December 31, 2020, customer advance payments totaled EUR 508,263 which will probably be recognized in sales in the course of fiscal year 2021.

Trade of goods

Revenue from the trading of goods is recognized when the following conditions are met:

- The customer has obtained control of the transferred goods (transfer of control),
- The Group retains neither a right of disposal, as is usually associated with ownership, nor effective control over the goods sold,
- The amount of sales can be reliably determined,
- It is probable that the economic benefits of the transaction will accrue to the Group, and
- The costs incurred or to be incurred in connection with the sale can be measured reliably.

Dividends and interest income

Dividend income from shares is recognized when the Group has obtained a legal claim to the payment. A precondition is that it is probable that the economic benefit will accrue to the Group and that the amount of the income can be reliably determined.

Interest income is recognized when it is probable that the economic benefits of the transaction will accrue to the Group and the amount of the income can be measured reliably.

Interest income is accrued in accordance with the outstanding nominal amount using the applicable effective interest rate. The effective interest rate is the rate that discounts expected future cash receipts over the life of the financial asset to the net carrying amount of the asset at initial recognition.

4.2 Income tax expense

Tax expense

Tax expense for the period consist of current and deferred taxes. Taxes are recognized in the income statement unless they relate to items recognized directly in equity or in other comprehensive income. In this case, taxes are also recognized in equity or in other comprehensive income.

Deferred taxes

Deferred taxes are recognized using the liability method for all temporary differences between the tax bases of assets and liabilities and the respective consolidated IFRS carrying amounts. However, if a deferred tax asset or liability arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, a deferred tax asset or liability is not recognized. Deferred taxes are measured using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. The calculation of deferred taxes is based on a corporate income tax rate of 15.0% (plus solidarity surcharge of 5.5% on corporate income tax). Trade tax is applied at a rate of 240% (M1 Aesthetics GmbH, Haemato Pharm GmbH, Haemato Med GmbH) and 410% (M1 Med Beauty Berlin GmbH, M1 Kliniken AG, Haemato AG). This leads to a trade tax burden of 8.40% and 14.35% on taxable income. The Group's total tax burden for the German companies is ultimately composed of the respective trade tax and corporate income tax including the solidarity surcharge.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which they can be utilized. Deferred tax liabilities in connection with temporary differences in investments in subsidiaries are generally recognized unless the timing of the reversal of the temporary differences is not probable in the foreseeable future.

4.3 Foreign currency conversion

In preparing the financial statements of the related Group companies, transactions denominated in currencies other than the functional currency (Euro) of the respective Group company are translated at the exchange rates prevailing on the date of the transaction. At the balance sheet date, all monetary items in foreign currencies are translated at the closing rate. In general, foreign currency conversions are of minor importance for the preparation of the consolidated financial statements, as the Group has been operating in the euro environment for the most part to date. There have been no significant changes from currency conversion compared with the previous year. A conversion of the individual financial statements of the foreign companies to the Euro was made in each case at the closing rate of the corresponding foreign currency.

4.4 Earnings per share

Earnings per share are calculated by dividing net income for the year by the number of shares issued. According to IAS 33.19, the weighted average number of ordinary shares outstanding during the period must be used to calculate undiluted earnings per share.

4.5 Financial instruments

The Group's financial instruments are fully measured in accordance with IFRS 9.

4.5.1 Cash and cash equivalents

Cash and cash equivalents consist of cash, term deposits with a maturity of three months or less and demand deposits, all of which are carried at nominal value. The cash and cash equivalents reported in the cash flow statement are defined in accordance with the company's cash management and are identical to cash and cash equivalents.

4.5.2 Financial assets

In addition to cash and cash equivalents, financial assets include investments, loans and receivables originated by the company and other financial assets.

Financial assets are recognised when a group company becomes a party to the financial instrument. When a financial asset is recognized for the first time, it is measured at fair value, which generally corresponds to its acquisition cost. Transaction costs are included in initial measurement unless the financial asset is measured at fair value through profit or loss.

Subsequent measurement depends on the classification of the financial instruments using one of the following measurement categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through profit or loss
- Financial assets measured profit-neutral at fair value

A financial asset is measured at amortized cost if the contractual cash flows consist exclusively of interest and amortization payments on the outstanding principal amount of the financial instrument (cash flow criterion) and the business model consists of holding the financial instrument. This includes the trade account receivables of the M1 Kliniken Group as well as other receivables and bank balances and cash. These financial assets are subsequently measured using the effective interest method. Transaction costs and other premiums and discounts are also taken into account when determining the effective interest rate.

Financial assets are measured at fair value through profit or loss if the financial asset is either held for trading or if an obligatory measurement at fair value is intended. This applies to all financial assets that do not meet the cash flow criterion or are subject to the "sell" business model. Financial assets for trading purposes are not held.

Financial assets are measured profit-neutral at fair value if the financial instrument meets the cash flow criterion and the business model consists of a combination of holding and selling. In the M1 Kliniken Group, no financial asset falls into this category.

The M1 Kliniken Group does not hold any derivative financial instruments.

4.5.3 Financial liabilities

Financial liabilities are recognised when a group company becomes a party to the financial instrument. As the M1 Kliniken Group has no financial liabilities or derivatives held for trading, all financial liabilities are measured at amortized cost.

Upon initial recognition of a financial liability, it is measured at fair value, which is generally the amount paid out; transaction costs are included in initial measurement. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Transaction costs and other premiums and discounts are also taken into account when determining the effective interest rate.

4.5.4 Recognition / Impairment

Financial assets or parts of a financial assets are derecognised when M1 Kliniken AG loses control of the contractual rights of the asset. Financial liabilities are derecognised when M1 Kliniken AG no longer has any contractual obligations resulting from this financial instrument.

Financial assets are subject to the impairment provisions of IFRS 9. Financial assets at fair value through profit or loss are excluded from impairment.

The amount of the impairment is measured on the basis of the expected credit losses. Expected credit losses result from the difference between the contractually agreed cash flows and the expected cash flows, measured at present value using the original effective interest rate.

Expected credit losses are generally recognized in three stages. In the M1 Kliniken Group, however, the impairment provisions mainly relate to trade account receivables. In accordance with IFRS 9.5.5.15, a simplified approach is applied for these, where level 1 of the recognition of expected credit losses is not applied. Instead, trade account receivables are written down in accordance with either Level 2 or Level 3. At Level 2, all trade account receivables are recognised without any indication of impaired creditworthiness. To determine the expected credit losses, updated observed historical default rates are used at each reporting date, adjusted for any necessary future-related components. Where possible, external sources are also used to determine the probabilities of default. The expected credit losses are calculated as the product of the expected default probabilities with the loss in the event of default, which is recognised at 100% of the amount of the receivable.

If there are indications of impaired creditworthiness, a transition to level 3 is made with the result that, in addition to the continued recognition of a provision for possible credit losses, the effective interest rate is calculated on the basis of the net carrying amount. There are indications of impaired creditworthiness in particular if the debtor becomes aware of financial difficulties in connection with an increased probability of insolvency. For trade account receivables with impaired creditworthiness, the expected credit loss is estimated on an individual basis.

The M1 Kliniken Group generally assumes default if the contractual payments are overdue by more than 90 days. In addition, in individual cases internal or external information is also used which indicates that the contractual payments cannot be made in full. Financial assets are derecognized if there is no reasonable expectation of future payment.

4.5.5 Offsetting of receivables and payables

Financial assets and liabilities are netted in such a way that only the net amount is shown in the balance sheet if there is a present legal right to set off the recognised amounts against each other and it is intended to settle on a net basis or to settle the related liability simultaneously with the realisation of the asset.

4.5.6 Fair value

The fair value of financial instruments traded on active markets (level 1) is determined by the market price quoted or publicly quoted on the reporting date (bid price offered by the buyer for a long position and ask price offered for a short position) without deducting transaction costs. A comparable approach is used for financial instruments that are not traded on a market themselves but can be derived from such a market (level 2).

The fair value of financial instruments that are not traded on an active market (Level 3) is determined using the discounted cash flow method and the requirements of IFRS 13.

The valuation methods include the use of the most recent business transactions between knowledgeable, willing and independent business partners, the comparison with the current fair value of another, essentially identical financial instrument and the use of discounted cash flow methods and other valuation models.

For further details on the determination of the fair values of significant investments, see section 6.1.4.

The Company assumes that the fair values of financial assets and financial liabilities not measured at fair value essentially correspond to their carrying amounts.

4.6 Inventories

Inventories in the beauty and trading sectors are valued at acquisition cost plus any acquisition costs (e.g. transport, customs duties) or at any lower net realisable value. Unfinished and finished goods do not exist.

4.7 Fixed assets

Fixed assets are recognized at cost less accumulated depreciation. When fixed assets are disposed of, the historical cost and accumulated depreciation are derecognised and any gain or loss on disposal is recognised in the income statement under "other operating income" or "other operating expenses".

	Term of depreciation
Buildings	33 years
Machinery and equipment	5-8 years
Operating and office equipment	3-15 years

If necessary, impairments reduce the amortized cost. Fixed assets were not revalued in accordance with the option provided by IAS 16.

Scheduled depreciation is calculated using the straight-line method. Depreciation corresponds to the course of consumption of future economic benefits. Property, plant and equipment are depreciated using the straight-line method over different life cycles (three to 15 years).

If the carrying amount exceeds the estimated recoverable amount of an item of property, plant and equipment, an impairment loss is recognized in accordance with IAS 36. The recoverable amount is determined on the basis of the net sales proceeds or - if higher - the present value of the estimated future cash flow from the use of the asset.

The economic lifetime and depreciation methods are reviewed regularly to ensure that the economic benefits are consistent with the depreciation period.

In addition to the depreciation of intangible and fixed assets, scheduled depreciation and amortisation from the 2019 financial year (and onwards) also include the impairment of rights of use capitalised in accordance with IFRS 16. This is reflected in depreciations on rights of use in the past financial year in the amount of EUR 2,928,777 (previous year: EUR 2,018,289).

4.8 Leases

The Group's strategy is to rent or lease some of the important assets required to operate the business. In addition to some company cars, this includes the clinic in Berlin-Köpenick and the rental space of the practice network. The space is rented at suitable locations and tied to long-term rental agreements. An initial rental period of five years is regularly agreed, which can be extended once or several times. Rental and leasing obligations were recognised for the first time in 2019 on the basis of the provisions of IFRS 16. In this context, when the rental and lease relationship is established, the expected future rental and lease payments are capitalised and a corresponding rental and lease liability is recognised. The expenses from the rental and leasing relationships are taken into account in the item "depreciation and amortisation".

4.9 Intangible Assets

M1 Kliniken AG capitalizes intangible assets if the asset is the economic property of the company due to past events, if it can be assumed that a future economic benefit will flow to the company from this asset and if the costs of the asset can be reliably determined. Internally generated intangible assets are not recognized.

Software

Software is capitalized at cost and reported as an intangible asset separately from goodwill, provided that these software costs are not an integral part of the related hardware. Software is amortized on a straight-line basis over a period of three or four years.

Goodwill

The goodwill is initially measured at cost, which is the excess of the total consideration transferred and the identifiable assets and liabilities acquired by the Group.

Irrespective of whether there is any indication of impairment, the carrying amount is reviewed annually for impairment.

The recoverable amount is determined for the cash-generating unit to which the goodwill belongs. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. If the recoverable amount is only 10% below the carrying amount, a theoretical impairment potential is determined using a sensitivity calculation. For this purpose, the underlying earnings before interest and taxes (EBIT) are reduced by 10%, the risk-free base interest rate is increased by 1% and the effects on capitalized goodwill are determined.

4.10 Impairment of long-term assets

Fixed assets and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable at the reporting date or that an annual impairment test may be required. Intangible assets with an indefinite economic lifetime must also be tested for impairment at least annually.

The recoverable amount is calculated to determine whether an impairment loss is required. If this cannot be determined directly for the asset, it is calculated via a cash-generating unit (CGU) to which the asset belongs. For this purpose, the future cash flows expected by the cash-generating unit are determined and measured using the discounted cash flow approach. The discount factor includes the risk-free interest rate and a risk premium, whereby the cost of capital is weighted according to the capitalization structure (equity/debt) of the cash-generating unit. If an asset belongs to several cash-generating units, the jointly used assets are allocated to the individual cash-generating units.

If the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognized for property, plant and equipment and intangible assets that are recognized at cost. The recoverable amount is the higher of fair value less costs to sell and value in use.

The fair value less costs to sell corresponds to the amount recoverable from the sale of the asset in a transaction between knowledgeable parties.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its life cycle. The recoverable amount is estimated for each individual asset or, if this is not possible, for the smallest identifiable cash-generating unit.

If a cash-generating unit to which goodwill is allocated is found to be impaired by more than the carrying amount of the goodwill, it is first depreciated in full and the remaining impairment loss is allocated to the other assets of the CGU.

4.11 Equity

The company is listed on the Basic Board of the Frankfurt Stock Exchange. At the end of the year, the Company's share capital amounted to EUR 19,643,403 (previous year: EUR 17,500,000), divided into 19,643,403 shares (previous year: 17,500,000 shares) with a nominal value of EUR 1.00 each.

With effect from June 30, 2020, a capital increase in kind was carried out at M1 Kliniken AG in the context of the contribution of the shares in Haemato AG held by MPH Health Care AG to M1 Kliniken AG. The newly issued 2,143,403 shares in M1 Kliniken AG were subscribed by MPH Health Care AG. An amount of EUR 10.20 per share, which exceeded the nominal value of EUR 1.00, was booked to the capital reserve.

As at December 31, 2020, Haemato AG holds a total of 1,063,547 shares in M1 Kliniken AG, which were transferred to the company before the IPO of M1 Kliniken AG in 2015 in recognition of the expenses incurred in the formation of M1 and as a valuation of the spun-off business concept. The shares are deducted from equity in the consolidated financial statements of M1 Kliniken AG as treasury stock in accordance with IAS 32-33. Equity is thereby reduced by an amount of EUR 11,805,372.

4.12 Provisions and Contingent Liabilities

In accordance with IAS 37, provisions are recognized for obligations that are uncertain as to their timing or amount, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the provision can be reliably estimated. A provision should be recognised only when:

- The Company has a present obligation (legal or constructive) as a result of a past event,
- It is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- A reliable estimate of the amount of the obligation is possible.

The amount recognised as a provision is the best estimate of the obligation to settle the obligation at the balance sheet date, i.e. the amount that the company would be required to pay to settle the obligation reliably at the balance sheet date or to transfer it to a third party on that date.

Long-term provisions are discounted at a pre-tax rate if the effect is material. In the case of discounting, the increase in provisions due to the passage of time is recognized as a financial expense.

Contingent liabilities are liabilities arising from a possible obligation arising from a past event that arise from the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities may also arise from a present obligation that arises from past events but has not been recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
- The amount of the obligation cannot be estimated with sufficient reliability.

If the probability of an outflow of resources with economic benefits for the company is low, no contingent liability is disclosed.

5 Notes to the Consolidated Income Statement

5.1 Operating result

5.1.1 Sales

Sales totalling EUR 159,590,839 (previous year: EUR 77,216,857) mainly relate to revenues from the sale of pharmaceuticals and medical products as well as medical services in the field of aesthetic medicine and the provision of infrastructure services.

In accordance with IFRS 15.121, the disclosure of outstanding service obligations is waived.

5.1.2 Other operating income

Other operating income amounted to EUR 655,344 (previous year: EUR 283,388).

The following table shows a breakdown of other operating income into its individual components.

	2020 in EUR	2019 in EUR
Other operating income	**655,344**	**283,388**
Income from the release of accruals	63,660	78,383
Income from currency conversions	116,797	51,446
Other benefits in kind (corporate vehicles)	94,294	50,759
Income relating to other periods	13,416	171
Insurance compensations and indemnities	140,929	67,899
Profit from the disposal of fixed assets	33,281	-
Other items	192,968	34,731

5.1.3 Cost of goods and services

The cost of goods and services, which total EUR 122,806,770 (previous year: EUR 45,611,450), mainly include expenses related to the purchase of drugs and medical products. The strong increase in expenses is due to the first-time full consolidation of Haemato AG and the typically high material ratios in the trading business.

In addition, expenses for services (mainly professional fees) are included in the field of aesthetic medicine.

5.1.4 Personnel expenses

Personnel expenses rose to a total of EUR 16,684,588 (previous year: EUR 12,621,952). They include EUR 14,071,701 for wages and salaries (previous year: EUR 10,597,017) and EUR 2,612,887 for social security and retirement benefits (previous year: EUR 2,024,935).

The M1 Kliniken Group had an average of 428 employees in the reporting period (previous year: 236 employees). Of these, 346 were staff members ("Angestellte"; previous year: 236) and 82 were labour workers ("Gewerbliche Beschäftigte"; previous year: 0). In addition, two trainees were employed at the end of the year.

5.1.5 Depreciation

Depreciation includes scheduled depreciation on fixed assets and intangible assets of EUR 1,554,685 (previous year: EUR 1,383,792). EUR 2,928,777 was attributable to the amortization of rights of use capitalized in accordance with IFRS 16 (previous year: EUR 2,018,289).

Fixed assets and intangible assets are depreciated on a straight-line basis.

Depreciations	2020 in EUR	2019 in EUR
Depreciation of intangible assets	627,214	110,476
Depreciation of fixed assets	927,471	1,273,316
Depreciation on rights of use	2,928,777	2,018,289

5.1.6 Other operating expenses

Other operating expenses, which total EUR 11,866,201 (previous year: EUR 7,913,130), are spread over a large number of individual items, such as rent, advertising and travel expenses, packaging material, freight costs, insurance premiums, third-party services, legal and consulting costs as well as audit costs.

The following table shows a breakdown of other operating expenses into their individual components.

	2020 in EUR	2019 in EUR
Other operating expenses	**11,866,212**	**7,913,130**
Advertising and travel expenses	3,489,231	4,202,021
Third party services	2,006,108	2,077,547
Space Costs	1,849,393	1,300,515
Other items, including:	4,521,480	333,048
- Cost of distribution of goods	907,939	-
- Insurances and fees	694,593	-
- Office supplies/telephone/internet/postage etc.	611,407	-
- Legal and consulting fees	509,789	-
- Other	1,797,753	-

Third party services include higher consulting fees as well as one-off expenses in connection with the company's expansion. Space costs no longer relate to the original rental costs.

5.2 Financial result

Interest and similar income amounts to EUR 304,596 (previous year: EUR 80,876). The interest results from the issuing of loans and the investment of cash and cash equivalents with German banks.

Interest and similar expenses, which totalled EUR 721,613 (previous year: EUR 342,343), relate on the one hand to the discounting of capitalised leasing liabilities in accordance with IFRS 16 (EUR 387,773; previous year: EUR 339,263) and on the other hand to interest on short-term and long-term debt of EUR 278,824 (previous year: EUR 3,080).

Income from investments of EUR 3,394,574 (previous year: EUR 1,767,892) consists primarily of a gain from the sale of HC Grundbesitz GmbH at the end of the financial year. The guaranteed dividend previously received by HC Grundbesitz GmbH no longer applies.

The write-ups and write-downs from the valuation of financial assets include the write-down of the former goodwill of HC Grundbesitz totalling EUR 4,652,353 and the write-up of goodwill to CR Grundbesitz totalling EUR 3,267,647. In addition, the valuation of other financial assets as part of the investment of the Group's liquidity resulted in write-downs of EUR 447,433 (previous year: write-up of EUR 3,305,768).

The balance sheet recognition of the investment in Haemato AG resulted in expenses of EUR 1,467,452 for the period of "at equity" accounting. In the context of the full consolidation of Haemato AG as of August 2021, income was realised from the write-back of balance from the consolidation in the amount of EUR 5,082,488.

5.3 Income taxes

Income taxes amount to EUR 1,352,264 (previous year: EUR 3,015,549).

	2020 in EUR	2019 in EUR
Taxes on income and earnings	**1,352,264**	**3,015,549**
Corporate tax	773,889	1,134,066
Solidarity surcharge on corporate tax	34,268	50,704
Trade tax	143,998	761,901
Capital gains tax	4	75,000
Solidarity surcharge on capital gains tax	-	4,125
Deferred taxes	400,105	989,753

As in the previous year, deferred taxes were calculated using different effective tax rates. With reference to IAS 12.81 c, the following tax rates apply:

Effective tax rate for companies located in	in %
Berlin	30,175
Schönefeld	24,225

The effective tax rate includes corporate income tax and the solidarity surcharge (effective rate: 15.825%) as well as trade tax (effective rates: Berlin 14.350% / Schönefeld 8.400%).

	2020		2019	
Tax reconciliation	**in TEUR**	**in %**	**in TEUR**	**in %**
EBT	**8,783**		**12,745**	
Tax rate	30.175 %		30.175 %	
Expected tax expense and tax rate	**2.650**	**30,2**	**3.846**	**30,2**
Tax reductions due to tax-free income	-1,024	-11.7	-533	-4.2
Non-deductible expenses	7	0.1	28	0.2
Tax rate differences	-287	-3.3	-216	-1.7
Other tax effects	6	-0.1	-109	-0.9
Reported tax expense and effective tax rate	**1,352**	**15.3**	**3,016**	**23.7**

5.4 Earnings per share

In a capital increase carried out in June 2020, 2,143,403 new shares were issued at a nominal value of EUR 1.00 per share.

The earnings per share are calculated as follows:

Period	Number of shares	Rating	Rated share
January 21 - June 30, 2020	17,500,000	181/366	8.654.372
July 1 - December 31, 2020	19,643,403	185/366	9.929.043
			18.583.415

	2020 in EUR	2019 in EUR
Net income attributable to equity holders of the parent company	6,823,010	9,729,030
Number of shares (weighted average)	18,583,415	17,500,000
Earnings per share	0.37	0.56

6 Notes to the Consolidated Balance Sheet

6.1 Assets

6.1.1 Cash and cash equivalents

Cash and cash equivalents consist of cash, term deposits with a maturity of three months or less and demand deposits, all of which are carried at nominal value.

	31.12.2020 in EUR	31.12.2019 in EUR
Cash registers	11,107	1,036
Bank deposits	21,947,812	9,097,000

6.1.2 Trade account receivables

Trade account receivables totaling EUR 20,480,830 (prior year: EUR 22,242,645) are measured at amortized cost less any impairment losses. The model of expected credit losses has been used for this purpose, although this has not had any significant effects. Impairment losses are initially recognised in value adjustment accounts, unless it can immediately be assumed that the debt will be wholly or partly irrecoverable. In these cases, a direct impairment of the gross value of the receivable is recognised in profit or loss.

In the 2020 financial year, impairments amounted to EUR 19,968 (previous year: EUR 2,269). As in the previous year, there were no indications of impaired creditworthiness of the debtors at the reporting date.

Trade account receivables include trade account receivables from affiliated companies amounting to EUR 233,085 (previous year: EUR 2,760,343). Trade account receivables are due within one year.

		remaining period	
Maturity	**31.12.2020 in EUR**	**up to 1 year in EUR**	**more than 1 year**
Trade account receivables	20,480,830	20,480,830	-
Trade account receivables from affiliated companies	233,085	233,085	-

		remaining period	
Maturity	**31.12.2019 in EUR**	**up to 1 year in EUR**	**more than 1 year**
Trade account receivables	22,242,645	22,242,645	-
Trade account receivables from affiliated companies	2,760,343	2,760,343	-

Due to the short maturities of trade accounts receivables, it is assumed that the fair values correspond to the carrying amounts. As in the previous year, there are no overdue receivables from customers.

6.1.3 Inventories

Inventories primarily consist of goods held for sale in the ordinary course of business or treatment materials used for medical treatments. As in the previous year, there was no need for depreciation or appreciation within the means of IAS 2.28 - 2.33 in the financial year of 2020.

	2020 in EUR	2019 in EUR
Inventories	**42,326,585**	**1,519,597**
Commodities	37,323,972	1,495,805
Advance payments on inventories	3,561,360	23,791
Right to recollect products	1,441,253	-

6.1.4 Goodwill

Goodwill acquired in a business combination shall not be amortised. Instead, the acquirer shall allocate it to group's cash-generating units (CGU) and test it for impairment in accordance with IAS 36, annually or more frequently if events or changes in circumstances indicate that it may be impaired.

If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is first allocated to the unit's carrying amount of goodwill and then proportionately to the other assets. Any impairment loss on goodwill is recognised directly in the income statement. An impairment loss recognised for goodwill shall not be reversed in future periods.

The goodwill of EUR 34,362,627 (previous year: EUR 8,028,737) reported in the consolidated balance sheet was allocated at EUR 25,907,213 to Haemato AG, at EUR 115,723 to M1 Med Beauty Berlin GmbH, at EUR 7,913,014 to M1 Aesthetics GmbH and TEUR 426,677 to M1 Med Beauty Austria GmbH as a cash-generating unit.

in EUR	Acquisition and production costs			Value adjustments			Book value
	01.01.2020	Accurals/ disposals	31.12.2020	01.01. 2020	Depreciation/ attribution	31.12. 2020	31.12.2020
Intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Goodwill	**8,028,737**	**26,365,496**	**34,394,233**	**-**	**-31,606**	**-31,606**	**34,362,627**
Haemato AG	-	25,907,213	25,907,213	-	-	-	25,907,213
M1 Aesthetics GmbH	7,913,014	-	7,913,014	-	-	-	7,913,014
M1 Med Beauty Berlin GmbH	115,723	-	115,723	-	-	-	115,723
M1 Med Beauty Austria GmbH	-	458,283	458,283	-	-31,606	-31,606	426,677
	01.01.2019	Accurals/ disposals	31.12.2019	01.01. 2019	Depreciation/ attribution	31.12. 2019	31.12.2019
Goodwill	**8,028,737**	**-**	**8,028,737**	**-**	**-**	**-**	**8,028,737**
M1 Aesthetics GmbH	7,913,014	-	7,913,014	-	-	-	7,913,014
M1 Med Beauty Berlin GmbH	115,723	-	115,723	-	-	-	115,723

The impairment test was carried out on the basis of the recoverable amounts of the CGUs Haemato AG, M1 Aesthetics GmbH and M1 Med Beauty Berlin GmbH on the basis of a three-year plan with corresponding assumptions on sales and cost developments. The three-year plan was prepared on the basis of the companies' business expectations and business experience (in terms of sales and costs). No further growth factors are taken into account for the terminal value after the detailed planning period.

The cash flows to be expected in the future were derived from this. The average of the three planning years was used to determine the cash flow for the terminal value. An interest rate of 5.88% was used as the discount rate and for extrapolation. For the three-year planning, detailed assumptions for turnover and costs were made by the management based on the development of values in the past and the expected future market development. This calculation approach was used in the same way as in the previous year.

The cost of capital was calculated on the basis of estimated cost of equity (incl. surcharge for market risk premium) and borrowing costs (less taxes). This reflects the specific risks of the respective segments in which the CGUs operate. For the calculation of the weighted average cost of capital, an assumption for a 'typical' capital structure was made.

As a result of the impairment tests, there was no need for impairment of the goodwill reported in the balance sheet.

A sensitivity analysis of the impairment test to changes in the most important assumptions for determining the recoverable amount was carried out for the goodwill of the CGUs Haemato AG, M1 Med Beauty Berlin GmbH and M1 Aesthetics GmbH.

The goodwill for M1 Med Beauty Austria GmbH was generated upon the transfer of the Austrian business operations from the former branch of M1 Med Beauty Berlin GmbH to M1 Med Beauty Austria GmbH in the 2019 financial year and includes expenses for the start-up of operations. For this goodwill, a regular impairment test is waived and the goodwill is amortised on a scheduled basis over 15 years.

6.1.5 Intangible assets excluding goodwill

Intangible assets excluding goodwill primarily relate to investments in licenses and software.

	Acquisition and production costs				Value adjustments				Book value
	As of 01.01.2020 in EUR	Receivables in EUR	Receivables Consolidation in EUR	As of 31.12.2020 in EUR	As of 01.01.2020 in EUR	Current depreciation in EUR	Depreciation Consolidation in EUR	As of 31.12.2020 in EUR	As of 31.12.2020 in EUR
Concessions, industrial property rights and similar rights	841,622	539,349	7,629,098	9,010,069	-415,292	-450,469	-5,722,909	-6,588,670	2,421,399
Concessions	24,092	22,082	5,000	51,174	-6,695	-3,430	-	-10,125	41,049
Industrial property rights	5,760	-	-	5,760	-5,759	-	-	-5,759	1
Computer software	808,778	309,128	924,037	2,041,944	-402,838	-232,398	-635,842	-1,271,078	770,865
Similar rights and assets	2,992	-	-	2,992	-	-	-	-	2,992
Licences	-	208,139	6,700,061	6,908,200		-214,642	-5,087,067	-5,301,708	1,606,492
Acquired intangible assets	-	-	9,912,944	9,912,944	-	-152,593	-9,518,358	-9,670,951	241,993
Advance payments made on intangible assets	-	-	1,301,145	1,301,145	-	-	-	-	1,301,145

	Acquisition and production costs				Value adjustments				Book value
	As of 01.01.2019 in EUR	Receivables in EUR	Receivables Consolidation in EUR	As of 31.12.2019 in EUR	As of 01.01.2019 in EUR	Current depreciation in EUR	Depreciation Consolidation in EUR	As of 31.12.2019 in EUR	As of 31.12.2019 in EUR
Concessions, industrial property rights and similar rights	560,065	281,557	-	841,622	-301,774	-113,519	-	-415,292	426,330
Concessions	17,540	6,552	-	24,092	-3,652	-3,043	-	-6,695	17,397
Industrial property rights	5,760		-	5,760	-5,759	-	-	-5,759	1
Computer software	533,774	275,005	-	808,778	-292,363	-110,476	-	-402,838	405,940
Similar rights and assets	2,992		-	2,992	-	-	-	-	2,992

6.1.6 Fixed assets

	Acquisition and production costs in EUR					Value adjustments in EUR					Book value in EUR
	01.01.2020	Accurals	Disposals	Accural Consolidated	31.12.2020	01.01.2020	Depreciations	Disposals	Depreciation Consolidated	31.12.2020	31.12.2020
Fixed assets	**20,571,765**	**3,970,892**	**-947,245**	**4,954,442**	**28,549,854**	**-4,581,662**	**-5,945,433**	**353,397**	**-2,614,060**	**-12,787,757**	**15,762,097**
Properties	**2,541,440**	**15,289**	**-**	**47,359**	**2,604,088**	**-456,729**	**-2,100,235**	**-**	**-40,195**	**-2,597,159**	**6,929**
Technical equipment and machinery	**139,700**	**101,075**	**-**	**652,061**	**892,835**	**-98,692**	**-42,824**	**-**	**-304,748**	**-446,263**	**446,572**
Technical equipment	135,176	101,075	-	564,652	800,903	-94,169	-40,353	-	-273,447	-407,970	392,934
Operating facilities	4,523	-	-	87,408	91,931	-4,522	-2,471	-	-31,300	-38,294	53,638
Operating and office equipment	**4,644,765**	**796,005**	**-330,943**	**2,660,125**	**7,769,953**	**-2,007,952**	**-873,596**	**135,557**	**-1,474,995**	**-4,220,986**	**3,548,967**
Facility equipment	3,223,311	633,079	-65,843	494,134	4,284,681	-1,028,000	-573,748	9,189	-48,364	-1,640,923	2,643,758
Business equipment	658,044	29,380	-259,548	1,074	428,951	-321,160	-84,242	121,124	-1,073	-285,352	143,599
Office furnishings	144,464	-	-	193,707	338,171	-110,995	-13,384	-	-190,968	-315,347	22,824
Low-value assets	474,541	107,711	-	16,992	599,244	-474,541	-107,711	-	-9,691	-591,943	7,301
Other operating and office equipment	144,405	25,835	-5,552	1,954,218	2,118,906	-73,256	-94,511	5,244	-1,224,899	-1,387,422	731,485
Rights of use	**13,245,859**	**3,058,523**	**-616,302**	**1,594,898**	**17,282,978**	**-2,018,289**	**-2,928,777**	**217,841**	**-794,123**	**-5,523,349**	**11,759,629**
	01.01.2019	Accurals	Disposals	Accural Consolidated	31.12.2019	01.01.2019	Depreciations	Disposals	Depreciation Consolidated	31.12.2019	31.12.2019
Fixed assets	**6,834,501**	**14,325,119**	**-587,856**	**-**	**20,571,765**	**-1,345,726**	**-3,288,562**	**52,626**	**-**	**-4,581,662**	**15,990,103**
Properties	**872,396**	**-**	**-15,289**	**-1,684,333**	**2,541,440**	**0**	**-456,729**	**-**	**-**	**-456,729**	**2,084,712**
Technical equipment and machinery	**139,000**	**700**	**-**	**-**	**139,700**	**-77,123**	**-21,569**	**-**	**-**	**-98,692**	**41,008**
Technical equipment	134,476	700	-	-	135,176	-72,600	-21,569	-	-	-94,169	41,007
Operating facilities	4,523	-	-	-	4,523	-4,522	-	-	-	-4,522	1
Operating and office equipment	**4,154,061**	**1,063,271**	**-572,567**	**-**	**4,644,765**	**-1,268,603**	**-791,975**	**52,626**	**-**	**-2,007,952**	**2,636,813**
Facility equipment	2,929,049	866,378	-572,115	-	3,223,311	-608,871	-471,354	52,224	-	-1,028,000	2,195,311
Business equipment	658,044	-	-	-	658,044	-204,606	-116,554	-	-	-321,160	336,884
Office furnishings	144,464	-	-	-	144,464	-97,325	-13,670	-	-	-110,995	33,469
Low-value assets	304,316	170,224	-	-	474,541	-304,316	-170,224	-	-	-474,541	-
Other operating and office equipment	118,188	26,669	-452	-	144,405	-53,485	-20,173	402	-	-73,256	71,149
Rights of use	**-**	**13,245,859**	**-**	**-**	**13,245,859**	**-**	**-2,018,289**	**-**	**-**	**-2,018,289**	**11,227,570**
Advance payments on business premises	**1,669,045**	**15,289**	**-**	**-1,684,333**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

6.1.7 Long-term financial assets

The shares in CR Grundbesitz GmbH are listed in the balance sheet under long-term financial assets.

The investments held under long-term financial assets are measured at fair value through profit or loss. The results from this category are listed in the financial result and recognised in profit or loss. Effects on earnings occurred in 2020 as follows.

With effect from December 29, 2020, M1 Kliniken AG sold its participation in HC Grundbesitz GmbH for a purchase price of EUR 8,732,353. In this connection it was agreed that, in addition to the transfer of the EUR 222.680 in the share capital of HC Grundbesitz GmbH in the amount of EUR 1,000,000, the claim to payment of the guaranteed dividend for the year 2019 of EUR 1,483,049, which has not yet been paid out, will be transferred to the new shareholder. It was also agreed that the parties presume that the claim to payment of the guaranteed dividend of HC Grundbesitz GmbH for the financial year 2020 had not yet arisen at the time of the transaction - thus de facto accruing to the buyer for the entire year. With the sale of HC Grundbesitz GmbH, the goodwill was finally derecognised in the IFRS consolidated balance sheet.

The purchasing price for the shares in HC Grundbesitz GmbH was fulfilled through the transfer of EUR 2,500 of the share capital of CR Grundbesitz GmbH in the amount of EUR 25,000. Both contracting parties assume that the fair value measurement of CR Grundbesitz GmbH as at December 31, 2020 will lead to a valuation of the shares at M1 Kliniken AG in the amount of EUR 12,000,000. This was confirmed by an external valuation report.

This results in a profit for M1 Kliniken AG in the amount of EUR 301,549.

	in EUR
Fair value valuation CR Grundbesitz GmbH	12,000,000
./. Book value HC Grundbesitz GmbH	4,080,000
./. Fair value write-up HC Grundbesitz GmbH	4,652,353
./. HC guaranteed dividend 2019 (gross)	1,483,049
./. HC guaranteed dividend 2020 (gross)	1,483,049
Result	**301,549**

	Acquisition and production costs in EUR					Value adjustments in EUR				Book value in EUR
	01.01.2020	**Accurals**	**Transfers**	**Consoli-dation**	**31.12.2020**	**01.01.2020**	**Transfers**	**Appreciation/ Depreciation**	**31.12.2020**	**31.12.2020**
Shares in affiliated companies	**4,319,919**	**4,652,353**	**-**	**-237,258**	**8,735,014**	**4,652,353**	**-**	**-1,384,706**	**3,267,647**	**12,002,661**
Shares in aff. companies (HC Grundbesitz GmbH)	4,080,000	-	-4,080,000	-	-	4,652,353	-	-4,652,353	-	-
Shares in aff. companies (M1 Austria, M1 Australia, M1 Netherlands, M1 UK, M1 Swiss)	239,919	-	-	-239,919	-	-	-	-	-	-
Shares in M1 Croatia	-	-	-	2,661	2,661	-	-	-	-	2,661
Shares in CR Grundbesitz GmbH	-	4,652,353	4,080,000	-	8,732,353	-	-	3,267,647	3,267,647	12,000,000
	01.01.2019	**Accurals**	**Transfers**	**Consoli-dation**	**31.12.2019**	**01.01.2019**	**Transfers**	**Appreciation/ Depreciation**	**31.12.2019**	**31.12.2019**
Shares in affiliated companies	**6,393,285**	**194,857**	**-2,268,223**	**-**	**4,319,919**	**4,662,739**	**-10,387**	**-**	**4,652,353**	**8,972,272**
Shares in aff. companies (HC Grundbesitz GmbH)	4,080,000	-	-	-	4,080,000	4,652,353	-	-	4,652,353	8,732,353
Shares in aff. companies (CR Capital Real Estate AG)	2,268,223	-	-2,268,223	-	-	10,387	-10,387	-	-	-
Shares in aff. companies (M1 Austria, M1 Australia, M1 Netherlands, M1 UK, M1 Swiss)	45,062	194,857	-	-	239,919	-	-	-	-	239,919

6.1.8 Other financial and non-financial assets

Other financial and non-financial assets in the 2020 financial year consisted mainly of receivables from customers and securities included in short-term assets.

	31.12.2020 in EUR	31.12.2019 in EUR
Other short-term financial assets	**32.184.093**	**23.393.970**
Receivables from affiliated companies	2.700.646	11.140.065
Other assets	3.091.489	232.978
Bonds	9.088.917	12.020.928
Loans with a remaining term of up to 1 year	17.303.042	-
Other short-term assets	**1.704.926**	**232.019**
Receivables from sales tax credits	1.096.192	121.125
Receivables from personnel	49.003	2.571
Accruals and deferred income	164.711	57.956
Further assets	395.020	50.366
Other long-term assets	**244.410**	**80.365**
Deposits	264.683	92.087
Prepaid expenses (Leasing)	-20.273	-11.722

6.2 Liabilities and equity

6.2.1 Short-term provisions

Short-term provisions include the audit costs of the consolidated companies, provisions for personnel costs, legal and consulting costs and other provisions. The values are determined using clearly defined calculation algorithms.

Provisions	01.01.2020 in EUR	Consumption in EUR	Liquidation in EUR	Increase in EUR	31.12.2020 in EUR
Audit and year-end closing costs	82,000	76,000	6,000	114,938	114,938
Personnel / holiday entitlements	612,088	318,392	293,696	440,203	440,203
Retention of records	22,921	-	-	13,325	36,246
Other	1,702,034	1,197,347	69,000	1,378,279	1,813,965
Total	**2,419,043**	**1,591,740**	**368,696**	**1,946,745**	**2,405,352**

6.2.2 Liabilities

Liabilities are measured at amortised cost using the effective interest rate method. It is assumed that the fair values correspond to the carrying amounts of these financial instruments due to the short maturities.

6.2.3 Leasing liabilities

In accordance with IFRS 16, M1 Kliniken AG capitalises leases from operating leases as rights of use and depreciates them over the term of the contracts. The future lease payments create liabilities which, depending on the term, are differentiated into short-term and long-term liabilities and are discounted.

	31.12.2020 in EUR	31.12.2019 in EUR
Right of use	11,759,629	11,227,570
Deposit	-1,500	
Prepaid expenses	-20,273	-11,722
Σ Assets	**11,737,856**	**11,215,848**
Short-term leasing liabilities	3,207,652	2,226,213
Long-term leasing liabilities	8,756,921	7,203,089
Σ Liabilities	**11,964,573**	**11,310,854**
Depreciation	-2,928,777	-2,018,289
Interest expense	-387,773	-339,263
Σ Income statement	**-3,316,551**	**-2,357,552**
Leasing expenses	3,202,637	2,262,546
Σ Correction of leasing expenses	**-3,202,637**	**2,262,546**
Delta Net profit/loss for the year	**-113,914**	**-95,006**

6.2.4 Other short-term financial liabilities

Other short-term financial liabilities to banks and other financial liabilities are recognised at amortised cost using the effective interest method. Other financial liabilities are mainly short-term liabilities to banks from loans and overdraft facilities, loans received and debtors with credit balances. The Executive Board is currently in negotiations with its banks to refinance the working capital lines.

6.2.5 Other short-term non-financial liabilities

Other short-term non-financial liabilities are recognised at amortised cost using the effective interest method. These are mainly liabilities from income taxes and liabilities within the scope of social security.

6.2.6 Contractual and reimbursement liabilities

Reimbursement liabilities include obligations from sales transactions that constitute financial instruments. A refund liability arises when the Company receives a consideration from a customer and expects the customer to be refunded all or part of that consideration. A refund liability is measured at the amount of the consideration to which the company does not expect to be entitled and is therefore not included in the transaction price.

A refund liability is recognised for sales with a right of return.

	31.12.2020 in EUR	31.12.2019 in EUR
Return delivery rights	1,563,173	1,179,018
Discount contracts / manufacturer discounts	5,418,649	3,198,603
Contract and reimbursement liabilities	**6,981,822**	**4,377,622**

6.2.7 Long-term provisions

The long-term provisions relate to obligations to preserve business records with a remaining term of more than one year.

6.2.8 Long-term financial liabilities

Long-term financial liabilities include liabilities to banks and were recognised at amortised cost using the effective interest method.

6.2.9 Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, including differences arising from consolidation, as well as for unused tax loss carry-forwards and tax credits. The valuation is based on the tax rates that are expected to apply to the period in which an asset is realised or a liability is settled. The tax rates and tax laws used are those that are enacted or substantively enacted at the balance sheet date. The company recognises an impairment against deferred tax assets when it is not probable that future taxable profit will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilised.

For tax deductible temporary differences associated with investments in subsidiaries, a deferred tax asset is recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are only offset if there is a legal right to offset actual tax refund claims and actual tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same authority for the same taxable entity.

No deferred tax assets were recognised as at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from

- goodwill for which amortisation is not deductible for tax purposes, or
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investments in subsidiaries, a deferred tax liability is recognised unless the timing of the reversal of the temporary difference can not be controlled by the Company and it is probable that this will not occur in the foreseeable future. Deferred tax as at December 31, 2020 relates to the following:

Temporary differences in TEUR	31.12.2019 in EUR	Accurals Consolidation 01.01.2020	recognised in profit or loss in	recognised directly in equity in 2020	31.12.2020 in EUR
Valuation of intangible assets	-	133	-74	-	59
Fair value measu-rement of existing financial instruments	993	66	400	-	1,459
Other valuation diffe-rences	4	4	-4	-	-
Deferred tax liabilities	**993**	**203**	**322**	**-**	**1,518**

Deferred taxes from the valuation of intangible assets arise at the level of the Haemato AG sub-group and amount to TEUR 59 as of the reporting date (previous year: TEUR 0). They result from the initial consolidation of a subsidiary acquired in 2009 and 2013 in the Haemato AG subgroup.

In connection with the fair value measurement of existing financial instruments, it was necessary to recognise deferred taxes of TEUR 1,459 (previous year: TEUR 933) as liabilities. The amount by which the IFRS values measured at fair value exceed the tax balance sheet values leads to a reduction in deferred taxes of EUR 65,000 in the area of Haemato AG, which was consolidated for the first time. The IFRS write-up at CR Grundbesitz GmbH and a value adjustment in short-term financial assets lead to the recognition of an additional tax liability of EUR 465,000. No deferred tax was previously recognised for the deviating value of the investment in HC Grundbesitz GmbH sold in the financial year compared to the tax values.

The deferred taxes carried as liabilities in the previous year for other valuation differences (e.g. from the determination of provisions and the valuation of assets and liabilities denominated in foreign currencies) offset each other in the past financial year and were derecognised in the amount of EUR 4,000 through profit or loss.

6.2.10 Equity

The company's share capital of EUR 19,643,403 (previous year: EUR 17,500,000) is divided into 19,643,403 no-par value shares (previous year: 17,500,000 shares) with a nominal value of EUR 1.00 each. The increase in the company's share capital was carried out by utilising the authorised capital 2019 in the amount of EUR 2,143,403.00 as part of a capital increase in kind against contribution of 11,011,977 shares in Haemato AG previously held by MPH Health Care AG. The capital increase was entered in the commercial register on June 30, 2020. The new shares were fully subscribed and taken over by MPH Health Care AG.

For the development and composition of equity, please refer to the statement of changes in equity.

In the 2020 financial year, in accordance with the resolution of the Annual General Meeting of M1 Kliniken AG on July 9, 2020, the balance sheet profit was carried forward in full to new account.

At the time of preparation of the financial statements for the financial year 2020, a proposal for the appropriation of the balance sheet profit for the financial year 2020 has not yet been made.

7 Notes to the Consolidated Cash Flow Statement

The cash flow statement shows how the cash and cash equivalents of the M1 Kliniken Group have changed in the course of the reporting years due to cash inflows and outflows. In this cash flow statement, the cash flows are broken down into operating, investing and financing activities. The cash flows from investing and financing activities are presented using the direct method. Cash flows from operating activities, on the other hand, are presented using the indirect method. Cash and cash equivalents include immediately available cash and cash equivalents of EUR 21,958,919 (previous year: EUR 9,098,643).

In the cash flow from operating activities, the main items are the net profit for the period of EUR 7,424,913 (previous year: EUR 9,729,030), depreciation and amortisation of EUR 4,483,462 (previous year: EUR 3,402,081), the decrease in inventories of EUR 4,510,139 (previous year: EUR +115,470), and the increase in cash and cash equivalents from the increase in accounts receivable and accounts payable and other assets and liabilities of EUR 5,912,767 (previous year: outflow of EUR 12,339,872).

The cash flow for 'investing activities' is characterised by an inflow from the disposal of fixed assets with a total amount of EUR 2,203,080 (previous year: EUR 528,185) as well as investments in intangible and tangible assets of EUR 1,446,269 (previous year: EUR 1,345,528).

The cash flow from financing activities in the past financial year was significantly influenced by payments received from the change in liabilities to banks/loans amounting to EUR 4,042,644 (previous year: EUR -65,251) and payments made to amortize rights of use of EUR 3,201,374 (previous year: EUR 2,262,546). In the previous year, there was a net cash outflow of EUR 5,250,000 from the payment of the dividend for the 2018 financial year.

8 Segment Reporting

The reportable segments in the M1 Kliniken Group are the segments:

- Beauty and
- Trade.

The division into operating segments is based on the determinations of the Group's internal management and controlling on the basis of business activities. There is no segmentation according to regional aspects.

The Beauty segment consists of the Schlossklinik in Berlin-Köpenick, the surgical treatment activities in various affiliated clinics in Germany and the network of outpatient specialist centres. Aesthetic surgery treatments (especially breast augmentation, eyelid lifting and liposuction) are performed in the clinics, and further aesthetic and medical treatment services (especially injections of hyaluronic acid and botulinum toxin) are performed in the network of specialist centres. Customers of this segment are natural individuals for whom treatments are performed as well as operators of aesthetic medicine practices.

The Trade segment consists of all activities relating to the trading of pharmaceuticals and medical products. This is purely a trading activity. The products are not processed or refined in this context.

The segments only have very low Group-internal revenues.

Changes in segmentation or the allocation of individual activities to the segments took place in the 2020 financial year as Haemato AG is fully allocated to the "Trade" segment and the newly consolidated foreign companies of the M1 Group are fully allocated to the "Beauty" segment.

	2020 in EUR		2019 in EUR	
Group sales	**159,590,839**		**77,216,857**	
Trade	122,143,035	76.5%	36,938,586	47.8%
Beauty	37,447,804	23.5%	40,278,271	52.2%

Due to the full consolidation of Haemato AG from August 2020, the customer structure of the M1 Group has diversified significantly. The group now only generates more than 10% of consolidated revenue (EUR 19,152,500) with one customer. In the previous year (2019), three customers accounted for 80.0% of consolidated revenues (EUR 61,719,650).

9 Further Disclosures on Financial Instruments

9.1 Capital risk management

The Group has managed its capital with the aim of achieving a very high equity ratio so as not to become dependent on lenders and to keep its entrepreneurial freedom of decision open as far as possible. This ensures that all Group companies can operate under the going concern assumption and that decisions are not influenced significantly by any covenants from lenders.

At the respective balance sheet dates the equity capital amounts to:

	31.12.2020 in EUR	31.12.2019 in EUR
Equity	115,317,972	68,221,671
Balance sheet total	188,742,339	92,814,486
Equity ratio	61.1%	73.5%

The Group borrowed capital to implement its business model.

In the reporting period, liabilities to banks increased from EUR 84,295 to a total of EUR 27,129,629, of which EUR 18,099,743 was attributable to the Haemato subgroup. Due to the low level of interest rates, we currently see only limited interest rate risks.

9.2 Categories of financial instruments

For the financial instruments measured at amortised cost shown in the two tables below, the carrying amounts in the consolidated statement of financial position are a good approximation of the fair values.

Book values	**31.12.2020 in EUR**	**31.12.2019 in EUR**
Financial assets measured at amortized cost	**65,534,925**	**42,712,187**
Trade account receivables	20,480,830	22,242,645
Other short-term financial assets	23,095,176	11,370,898
Cash and cash equivalents	21,958,919	9,098,643
Financial assets at fair value through profit or loss	**21,091,578**	**20,993,200**
Other short-term financial assets	9,088,917	12,020,928
Other long-term financial assets	12,002,661	8,972,272
Book values total	**86,626,503**	**63,705,387**

As in the previous year, the net gains on financial assets measured at amortized cost essentially correspond to the interest income described in Note 5.2. As in the previous year, the net expenses from financial liabilities essentially correspond to the interest expenses described therein. The net gain on financial assets measured at fair value is composed of income from investments and changes in fair value.

9.3 Risk management policy and hedging measures

The risk management system of the M1 Kliniken Group aims to identify and record all significant risks and their causes at an early stage in order to avoid financial losses, defaults or disruptions. Hedge accounting within the meaning of IFRS 9 is not applied.

This procedure ensures that suitable countermeasures can be implemented to avoid risks. Essentially, this is an early warning system that serves to monitor liquidity and earnings development.

The risk management policy is essentially covered by the Management Board of M1 Kliniken AG. The controlling departments of the operational units, which provide support in this respect, monitor the operations and are thus able to identify deviations from plans in good time. If necessary, the respective persons responsible in the specialist departments together with the Management Board decide on the appropriate strategy for managing risks.

In general, the M1 Kliniken Group is exposed to risks that may arise from changes in framework conditions as a result of legislation or other regulations. However, should such changes occur, they usually do not occur suddenly and unexpectedly, so that there is sufficient reaction time to deal with the changes.

9.3.1 Risk from the default of financial and non-financial assets

Default risk is the risk that business partners are unable to meet their contractual obligations and that the Group thus suffers a financial loss. Due to the good knowledge of the company's customers, the default risk of trade account receivables can be well managed. Open positions are only taken when the actual settlement has been secured. The significance of the default risk for the M1 Kliniken Group is therefore low. If such risks nevertheless become recognizable, they are measured using the expected credit loss model described in section 4.5.4 in accordance with IFRS 9.

The maximum default risk of the financial assets is limited to the carrying amounts.

9.3.2 Liquidity risk

The Group manages liquidity risks to ensure ongoing solvency by constantly monitoring forecasted and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following tables show the expected cash flows of financial liabilities as of December 31, 2020 and December 31, 2019. Interest payments were not taken into account. Liabilities with a term of more than one year were not discounted:

Financial liabilities measured at amortized cost	Book value 31.12.2020 in EUR	Cash flow up to 1 year in EUR	Cash flow > 1 year to 5 years in EUR	Cash flow > 5 years in EUR
Other long-term financial liabilities	5,027,196	27,196	5,000,000	-
Trade account payables	15,840,478	15,840,478	-	-
Other short-term financial liabilities	22,328,108	22,328,108	-	-
Other short-term liabilities and advance payments received	6,205,447	6,205,447	-	-

Financial liabilities measured at amortized cost	Book value 31.12.2019 in EUR	Cash flow up to 1 year in EUR	Cash flow > 1 year to 5 years in EUR	Cash flow > 5 years in EUR
Other long-term financial liabilities	84,295	57,099	27,196	-
Trade account payables	7,777,026	7,777,026	-	-
Other short-term financial liabilities	58,484	58,484	-	-
Other short-term liabilities and advance payments received	2,337,471	2,337,471	-	-

EUR 15,840,478 (previous year: EUR 7,777,026) of non-interest-bearing financial liabilities is attributable to trade account payables and EUR 22,328,108 (previous year: EUR 58,484) to other short-term financial liabilities.

9.3.3 Other price risks

Other price risks may result from rising purchase prices. There are some long-term supply contracts or similar measures that could limit these risks. Such contracts would adversely affect management's required flexibility in compiling the product portfolio according to demand.

In recent years, the company has been able to significantly reduce the purchasing prices for the treatment materials used through an elaborate purchasing policy. Declining purchase prices are also expected for the future. The Trading segment will also benefit from falling purchase prices in the future.

10 Other Disclosures

10.1 Guarantees, contingent liabilities and other financial commitments

There are no contingent liabilities. Other financial obligations are in line with normal business transactions. At the end of 2020, rental and lease liabilities amounted to EUR 11,964,573 (previous year: EUR 11,310,854), of which EUR 8,756,921 (previous year: EUR 9,084,642) were long-term liabilities and EUR 3,207,652 (previous year: EUR 2,226,213) were short-term liabilities.

10.2 Related companies and persons

Related companies and persons with regard to "IAS 24 Related Party Disclosures" are members of the Management Board and the Supervisory Board, their close family members and all companies belonging to the investment group of the parent company of M1 Kliniken AG, MPH Health Care AG (Schönefeld) and Magnum AG (Schönefeld), which controls MPH Health Care AG. Since MPH Health Care AG, as an investment entity under IFRS 10, does not prepare consolidated financial statements, M1 Kliniken AG is not included in any further consolidated financial statements of a parent company.

The business relationships with related parties are not of a formative nature for M1 Kliniken AG. They mainly relate to the purchase of products and services. The aim of these business relationships is regularly to bundle purchasing and sales benefits with related parties in order to optimize the market presence of all parties involved. The supply of goods and services could also have been obtained in this way from other third parties.

These related parties were not involved in any transactions with companies of the M1 Group that were unusual in nature or quality. All transactions between related parties were concluded at arm's length conditions, as between third parties.

If transactions with these companies result in assets or liabilities, these are reported under other assets and other liabilities.

The Management Board and the Supervisory Board of M1 Kliniken AG are regarded as 'key management'. There were no changes in the persons affected in the past financial year:

Management Board

Family name	First name	Function/ Profession	Power of representation
Brenske	Patrick	Merchant	Sole power of representation until 30.11.2020
Dr. von Horstig	Walter	Merchant	Sole power of representation

Board of Supervisors

Family name	First name	Profession	Function
Dr. Wahl	Albert	Industiral engineer	Chairman
Zimdars	Uwe	Merchant	Deputy Chairman
Prof. Dr. Dr. Meck	Sabine	University lecturer	Member

The following transactions were conducted with related parties:

Transactions with related parties and persons	31.12.2020 in EUR	31.12.2019 in EUR
Deliveries and services rendered	**446,358**	**15,596,352**
Of companies controlled by majority shareholders	446,358	15,596,352
To majority shareholders	-	-
To supervisory board members	-	-
Deliveries and services received	**2,713**	**1,969,256**
Of companies controlled by majority shareholders	2,713	1,969,256
Of supervisory board members	-	-

The total remuneration of the Supervisory Board and the Executive Board amounted to EUR 520,784 in the 2020 financial year (previous year: EUR 442,212). The Supervisory Board accounted for a total of EUR 30,000 (previous year: EUR 30,000). The Management Board accounted for EUR 490,784 (previous year: EUR 412,212). This includes variable payments to the Management Board of M1 Kliniken AG (based on target criteria for financial year 2019) in the amount of EUR 100,000 (previous year: EUR 107,825). The Supervisory Board did not receive any variable remuneration components. The Management Board and Supervisory Board do not receive any pension entitlements.

There are no receivables from members of the Supervisory Board or the Management Board.

There were no other business relationships with related parties in the 2020 financial year.

10.3 Auditors' fee

The fees charged by the auditor for the past financial year totalled EUR 114,938 (previous year: EUR 30,000).

10.4 Events after the balance sheet date

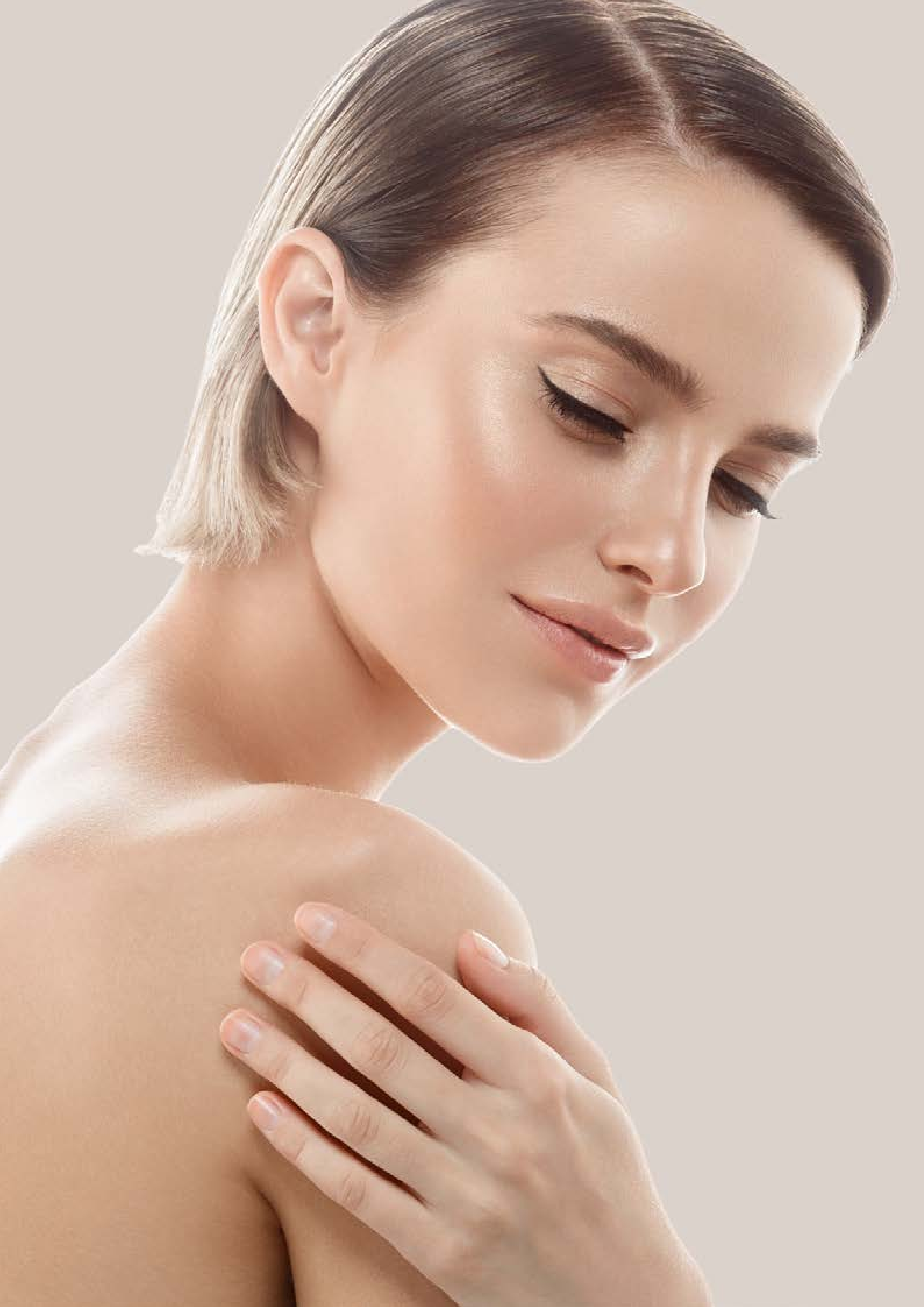
There were no significant events after the balance sheet date.

11 Approval by the Management Board for the Publication of the 2020 Consolidated Financial Statements in accordance with IAS 10.17

These consolidated financial statements take into account all events known to the Management Board up to March 19, 2021

Berlin, March 19, 2021

Dr. Walter von Horstig
(Management Board)



Independent Auditor's Report

To the Management Board of M1 Kliniken AG, Berlin

Audit opinions

I have audited the consolidated financial statements of M1 Kliniken AG which comprise the consolidated balance sheet as of December 31, 2020, the statement of comprehensive income for the period from January 1, 2020 to December 31, 2020, the consolidated cash flow statement for the period from January 1, 2020 to December 31, 2020, the statement of changes in equity for the period from January 1, 20120 to December 31, 2020, the development of consolidated fixed assets as of December 31, 2020, the notes to the consolidated financial statements for the period from January 1, 2020 to December 31, 2020 and the group management report.

In my opinion, based on the findings of my audit:

- the accompanying consolidated financial statements comply in all material respects with IFRS and the German commercial law provisions applicable to corporations and give a true and fair view of the net assets and financial position of the Group as of December 31, 2020 and of its results of operations for the fiscal year from January 1, 2020 to December 31, 2020 in accordance with German principles of proper accounting, and

- provides a suitable understanding of the Group's position with the attached Group management report. In all material respects, this group management report is consistent with the consolidated financial statements, complies with IFRS and German legal requirements and suitably presents the opportunities and risks of future development.

In accordance with § 322 III 1 HGB, I hereby declare that my audit has not led to any objections to the correctness of the consolidated annual financial statements and the Group management report.

Basis for the audit opinions

I conducted my audit of the consolidated financial statements and the Group management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements as established by the Institut der Wirtschaftsprüfer (IDW). My responsibility under these rules and principles is described in more detail in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" in my audit opinion. I am independent of the Company in accordance with German commercial and professional law and have fulfilled my other German professional duties in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements and the Group management report.

Management's Responsibility for the Consolidated Financial Statements and for the Group Management Report

The legal representatives are responsible for the preparation of the consolidated annual financial statements, which comply in all material respects with IFRS and the German commercial law provisions applicable to corporations, and for ensuring that the consolidated annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls which they have determined, in accordance with German generally accepted accounting principles, to be necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they are responsible for disclosing matters relating to the continuing operation of the entity, if relevant. They are also responsible for accounting policies used in the preparation of the financial statements that are consistent with the going concern principle, except where there are facts and circumstances that prevent this.

In addition, the legal representatives are responsible for the preparation of the Group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with IFRS and German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a Group management report in accordance with IFRS or the applicable German legal regulations and to provide sufficient suitable evidence for the statements made in the Group management report.

Auditor's responsibility for the audit of the financial statements and the management report

My objective is to obtain reasonable assurance as to 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 a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the findings of our audit, complies with German legal requirements and fairly presents the opportunities and risks of future development, and to express an opinion that includes our audit opinion on the consolidated financial statements and the group management report.

Sufficient assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements defined by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from violations or misstatements and are considered to be material if it could reasonably be expected that they will affect, individually or in aggregate, the accounting principles used and significant estimates made on the basis of these consolidated financial statements and the group management report.

During the audit, I exercise due discretion and maintain my critical basic attitude.

Beyond that:

- I identify and evaluate the risks of material misstatement, whether intentional or not, of the consolidated financial statements and the group management report, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the termination of internal control.

- I understand the internal control system relevant to the audit of the consolidated financial statements and the procedures and measures relevant to the audit of the group management report to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the reasonableness of accounting estimates made and related disclosures made.

- I draw conclusions about the appropriateness of the accounting principles used by the legal representatives to continue the company's operations and, on the basis of the audit evidence obtained, whether there is any material uncertainty in relation to events or circumstances that could raise significant doubts about the Group's ability to continue as a going concern. If I conclude that there is a material uncertainty, I am required to express an opinion on the related consolidated financial statements and on the group management report or, if the information is inappropriate, to modify our respective audit opinion. I draw my conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances could cause the Group to cease operating.

- I assess the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures and whether the consolidated annual financial statements present the underlying transactions and events in such a way that the consolidated annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS and German generally accepted accounting principles.

- I express an opinion on the consistency of the group management report with the consolidated financial statements, its legal pronouncements and the group management report.

- I perform audit procedures on the forward-looking statements in the group management report as presented by the legal representatives. On the basis of sufficient and suitable audit evidence, I particularly verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. I do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, I discuss with those responsible for monitoring the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that I identify during my audit.

Berlin, April 21, 2021

Dipl.-Kfm. Harry Haseloff
Auditor

DIPL.-KFM. HARRY HASELOFF
WIRTSCHAFTS-
PRÜFER
SIEGEL
BERLIN

Glossary

AMNOG
German law on the new regulation of the pharmaceutical market. Entry into force on January 1, 2011.

Botulinumtoxin
botulinum neurotoxin or botulinum. The name comes from the Latin (botulus = sausage and toxin = poison) and denotes one of the most poisonous, but also most effective therapeutic substances. It is used for spasticity, tension headache and migraine and excessive sweating. In cosmetic medicine it is used for the treatment of mimic wrinkles and much more.

Cash Flow
An economic measure that says something about a company's liquidity. Represents the inflow of liquid funds during a period.

EBT
Earnings before taxes. It is the total profit of a company in a certain period of time.

EBITDA
Earnings before interest, taxes, depreciation and amortization: Depreciation and amortization of valuables and intangible assets are added to earnings before interest and taxes.

Hyaluronic acid
Hyaluronic acid is one of the resorbable fillers. Hyaluronic acid is a water-binding, natural sugar compound that occurs in large quantities in young skin and is increasingly degraded over the course of life. In aesthetic medicine it is used to build up volume and for deep wrinkles.

Dermal filler
Dermal filler are special filling substances for the volume build-up of e.g. sunken cheeks or for the augmentation of lips. The substance will biodegrade after some time.

Licence
An official approval required to offer, distribute or supply an industrially manufactured, ready-to-use drug

Sources

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2 BPI: Pharma-Daten 2020, S. 12
3 BPI: Pharma-Daten 2020, S. 46-50
4 IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im Dreivierteljahr 2020, S. 7
5 IQVIA, Arzneimitteltrends 2018: Einführung und Etablierung neuer Therapien, S. 5
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7 BPI: Pharma-Daten 2020, S. 62-63
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Deputy Chairman of the Supervisory Board:
Uwe Zimdars
Member of the Supervisory Board:
Prof. Dr. Dr. Sabine Meck

Registry court:
Amtsgericht Charlottenburg

Registry number:
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