

# Annual Report 2023

RHÖN-KLINIKUM AG



RHÖN-KLINIKUM  
AKTIENGESELLSCHAFT

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# Our Mission

**RHÖN-KLINIKUM AG** is one of the largest healthcare providers in Germany. We offer excellent medical care with a direct tie-in to universities and research facilities. With our campus approach we set standards for cross-sector medical, therapeutic and nursing care – and not just in rural areas.

Our five maximum- and intermediate-care hospital sites – Campus Bad Neustadt, Klinikum Frankfurt (Oder), Giessen and Marburg University Hospitals as well as Zentralklinik Bad Berka – are attractive employers and training centres.

RHÖN is a modern and diverse Company. Diversity is our strength. People from over 70 nations work for our Company. Our activities are defined by common values such as responsibility, tolerance, respect, integrity, openness and togetherness.

Sustainability is an essential part of our identity. It reflects how we create a healthy environment for our patients, employees, business partners and investors. At the same time, it enables us to safeguard our success on a sustainable basis.



Chairman of the Board of Management  
**Prof. Dr Tobias Kaltenbach**

# Dear Shareholders, Dear Ladies and Gentlemen,

RHÖN-KLINIKUM AG can look back on a satisfactory 2023. Over the past year our Company continued its solid economic performance. This is an extremely positive assessment given the highly fraught economic situation of hospitals in Germany, as well as very motivating for all employees and those in positions of responsibility in the Company. That encourages us to continue on our path. What made this possible was the reliable, hard work that continues to be done at our university hospitals in Giessen and Marburg, at our hospitals in Bad Neustadt, Bad Berka and Frankfurt (Oder), and at Group headquarters and our subsidiaries.

In 2023, we were also able to make significant strides in implementing our strategic initiatives. At the beginning of the year, the key White Paper Agreement with the Federal State of Hesse was concluded for our university hospitals Universitätsklinikum Gießen und Marburg (UKGM). It covers investments of nearly 850 million euros in healthcare provision as well as research and teaching over the next ten years. Federal state funding totalling roughly 530 million euros coupled with own funds of roughly 320 million euros will enable UKGM to implement an extensive modernisation of its medical, technical and building infrastructure. Coming on top of the over 750 million euros already invested in UKGM by our Company from own funds, these investments secure the important forward-looking strategy of UKGM. UKGM will thus further strengthen its role and attractiveness as Germany's third-largest university hospital.

For the employees in Giessen and Marburg, a job-protection-and-relief collective agreement recognising UKGM as an attractive employer and recruiter in the area of university medicine was also concluded. This is at once a sign of confidence, a pledge of trust and a mandate that we will honour together with the employees. Moreover, protection from redundancies and outsourcing now also applies to the roughly 300 employees of UKGM Service GmbH.

### Our goals and strengths

We are steadfastly pursuing our strategic objectives. For over 50 years, these have been reframed and revised time and again, something that has become more important than ever given the rapidly unfolding developments on the healthcare market. And it confirms that we are on the right path. Firstly, our hospitals will continue to focus on their core activities, i.e. **on inpatient treatment** services, with the goal of being able to provide our patients with cutting-edge medical care at all sites. We daily commit ourselves to ensuring that they feel safe in our hands, receive outstanding medical, nursing as well as therapeutic care, and are happy with our services. Ensuring that this remains the case at all times is our top priority. This is supported by our standards and expectations for medical excellence, a comprehensive quality management programme and close collaboration with our partners from the Asklepios Group.

Secondly, above and beyond that we are investing in the **expansion of outpatient care** so that we can offer patients alternatives to an inpatient hospital stay meeting a high quality of medical care without having to sacrifice the standards of a treatment at a hospital. These alternatives are being made possible thanks to the interdisciplinary competence, high level of medical technology and the possibility of enabling an inpatient treatment right next door should the urgent need arise. Since January of this year, the Catalogue of Outpatient Operations and Procedures Substituting for Inpatient Care (AOP Catalogue) has included an additional 171 operation and procedure codes (OPS). That puts the total at 3,312 services which can be provided in hospitals on an outpatient basis. The hybrid DRGs adopted at the end of last year also broaden the scope for outpatient procedures in the hospital yet further.

Last year, further outpatient offerings were added at all our sites. In Marburg, for example, we introduced an interdisciplinary thoraxoncological consultation. At the Outpatient Operation Centre (AOZ) of Bad Neustadt we established a new operating theatre enabling the implanting of cardiac pacemakers and defibrillators. At Klinikum Frankfurt (Oder) there is a new innovative point of contact for children and youth suffering from nervous system disorders or diseases that combines outpatient and inpatient care. Our hospital Zentralklinik Bad Berka modernised and expanded its outpatient diagnostic services, including in the area of laboratory services. Since October 2023, the University Hospital of Giessen has been collaborating with the neurology department of Lahn-Dill-Kliniken in Wetzlar, which in special consultations transfers outpatients to Giessen.

**Optimising our processes** is another strategic area of action. In addition to ongoing efforts to improve our clinical processes, the focus here is in particular on the purchasing and IT areas. Improvements in margins that can be achieved thanks to size advantages in purchasing as well as positive economies of scale help keep our Company on a sound footing. We have defined standards for processes or medical devices that are adopted at all our facilities across all sites.

**Expanding digitalisation** is one of the defining themes in healthcare provision. State-of-the-art systems and technologies are indispensable in all areas. Clinical information systems are increasingly being networked with medical equipment. A suitable IT infrastructure for this has to meet not only technical standards but also the highest safety standards. We use funds from the Hospital Future Fund (KHZF) specifically to make further improvements to IT security – particularly given the steadily growing risks posed to critical infrastructure in the hospital area as well.

### **Our economic performance in 2023**

RHÖN-KLINIKUM AG is a net debt-free Group with a high equity capital ratio. We met our financial targets in 2023. Over the past financial year, both our revenues and earnings witnessed a positive development in line with our targets. Revenues increased to 1.46 billion euros, despite the retirement of reimbursements from the legislator under COVID-19 legislation. Compared with the previous year, consolidated profit improved to 40.2 million euros. Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at 105.9 million euros. Materials and consumables used increased as a result of higher purchasing prices to 488.5 million euros. A total of 881,775 patients were treated on an inpatient and outpatient basis in the Group's hospitals and medical care centres, up 3.1 per cent over the previous year.

For the current financial year 2024, we expect revenues of 1.6 billion euros within a range of +/-5 per cent. For earnings before interest, tax and depreciation/amortisation (EBITDA), we expect a level of between 110 million euros and 120 million euros.

The positive trend of our Company spurs us on, as it shows that all our hard work is paying off. However, we still have to make sure we spare no efforts to offset the impact of a dismal sector environment. That is because we continue to face the tremendous challenges resulting from the fall-out of numerous global crises in the form of inflation and price increases as well as the increasing shortage of qualified employees. So far our Company has proven itself adept in meeting these challenges, which is why we see ourselves well-prepared for the planned hospital reform.

### **Our opportunities and future**

For us, acting sustainably is something non-negotiable. A sustainable orientation can be advantageous for a Company in many ways. It is about being more efficient, raising the Company's image, but also creating better opportunities when it comes to recruiting young staff. As a healthcare group, we also embrace our ecological obligations in addition to our medical, social and corporate responsibilities.

We are looking to achieve greenhouse gas neutrality in Scope 1 and Scope 2 emissions by financial year 2040. Already today our focus is to cut CO<sub>2</sub> emissions as well as reduce waste and water consumption without compromising on the safety and comfort of the care we provide to our patients. To achieve these goals, we invest in sustainable technologies and continuously optimise our processes at all our sites. We see the most significant challenge of supplying sustainable energy to our hospital sites. That is why last year we closely scrutinised both consumption and efficiency and came up with a transformation concept showing the scope for energy conservation and utilisation. A catalogue of measures was developed that serves as a roadmap for our environmental strategy.

Responsibility, sustainability, integrity, trust and loyalty: those are values to which our Company and its employees have always felt committed right from the start. Each day we provide medical services to the highest standards and create a healthy environment for our patients, business partners, investors and our employees. More than 18,000 people are employed at RHÖN-KLINIKUM AG. Roughly 1,700 people complete their training at our hospital-affiliated schools in nursing, medical, commercial and technical professions. For us, retaining our qualified employees and recruiting new staff members is hugely important. We offer good opportunities for personal advancement and are continuously investing in initial and ongoing training, healthcare management and attractive work-life services for our staff.

RHÖN is a modern, open and diverse Company. In science and research we work across borders, and at our hospitals we collaborate in multi-cultural teams. At the same time, demand for employees from the nursing and physician professions presents us with a particular challenge. Given the shortage of nursing staff seen nationally, we urgently need qualified professionals from abroad. And that is why we have stepped up our recruiting measures and international contacts to recruit nursing staff in over twenty countries and are doing everything we can to enable their good integration.

### **Dear Shareholders,**

Entrepreneurial freedom, dynamic development and change are the things that have characterised RHÖN, and that for 50 years now. We have always proven how efficient we are. That, too, is something that makes us stand out and is part of our DNA. Today, yesterday and tomorrow.

We are also ready to take on our future challenges. Particularly in times of great uncertainty at home and abroad, our Company undoubtedly demonstrates historical continuity, as well as new beginnings and future viability – we act responsibly and professionally. That is something we have always shown.

At this time my special thanks goes to our employees. We as the Board of Management are aware how challenging and demanding your tasks often are. That deserves our heartfelt recognition.

I thank you, dear Shareholders, for your loyalty and the trust you place in us.

Yours sincerely,

Prof. Dr Tobias Kaltenbach  
Chairman of the Board of Management  
RHÖN-KLINIKUM Aktiengesellschaft

Bad Neustadt a. d. Saale, March 2024



Chairman of the Supervisory Board  
**Dr Jan Liersch**

# Dear Shareholders, Dear Ladies and Gentlemen,

For RHÖN-KLINIKUM AG, 2023 was a really special year. In December 2023, we marked the Company's 50-year anniversary in a festive event held at Campus Bad Neustadt a.d. Saale. The success story of the Company that began in 1973 as a healthcare facility with just 66 employees and grew to become one of Germany's largest healthcare service providers is one that continues to this day even amid the socially and economically challenging times we currently face.

The year 2023 was also of particular importance for our university hospitals, Universitätsklinikum Gießen und Marburg (UKGM). After protracted and intense negotiations, we reached an agreement at the end of February 2023 with the Federal State of Hesse on the "White Paper Plus" for an investment volume of nearly 850 million euros. This puts UKGM on a solid footing for the future and enables urgently needed investments in this medical site, which will equally benefit both optimum healthcare provision and medical research and teaching. The negotiations with the Federal State of Hesse and the conclusion of the White Paper Agreement were thoroughly deliberated and discussed with the Supervisory Board.

In the following I would like to inform you in greater detail about the work of the Supervisory Board and its committees during financial year 2023.



## Cooperation between the Supervisory Board and the Board of Management

During financial year 2023, the Supervisory Board also examined on an ongoing basis and in detail the situation and development of the Company, performing fully, and with the requisite care, the duties incumbent on it by law, the Articles of Association and the Terms of Reference. These include continuously monitoring management activity and regularly advising the Board of Management on directing the Company. In performing its duties, the Supervisory Board was at all times guided by the decisive principles of appropriateness, compliance with legal provisions, expediency and efficiency. Observance of these principles by the Board of Management was monitored by a regular review of the Company's general organisation and verifying the instruments used for internal risk control.

The Supervisory Board was involved in fundamental and important decisions taken by the Board of Management of RHÖN-KLINIKUM Aktiengesellschaft. The Board of Management complied with its duties to keep us informed, doing so on a timely basis and comprehensively both in written form and orally. Documents and records of relevance for decisions were provided to us in good time prior to the respective consultations and meetings. We acknowledged the reporting and the information submitted by the Board of Management regarding strategic and operative business performance, compliance issues as well as risks and risk management, and reviewed the same for plausibility and comprehensibility, advised the Board of Management and discussed issues of business performance thoroughly with the Board of Management and also scrutinised the same.

As chairman of the Supervisory Board, I also personally engaged in a regular exchange of information and ideas with all members of the Board of Management – also between meetings held by the corporate bodies – and was kept thoroughly informed at all times about material developments and current business transactions. We thoroughly discussed the resolution proposals made by the Board of Management in the Supervisory Board committee responsible for the respective items and/or the Supervisory Board plenary session and, to the extent required by law, the Articles of Association and the Terms of Reference, gave our opinion on the same after a careful review. Where required in the case of particularly pressing and time-critical business matters, the Supervisory Board, or, as the case may be, the competent committee also adopted resolutions by voting in written form.

## Work of the Supervisory Board in the plenary session

In financial year 2023, a total of five meetings of the Supervisory Board plenary session were held (four ordinary meetings and one extraordinary meeting); moreover, four written resolutions were adopted in the writing voting procedure. The members of the Board of Management attended all meetings of the Supervisory Board except where agenda items relating to internal matters of the Supervisory Board and matters pertaining to the Board of Management were discussed. The meetings of the Supervisory Board plenary session were held as in-person meetings, with the possibility of joining the meetings virtually (so-called hybrid meeting).

At the meetings of the Supervisory Board the plenary session, based on detailed reports of the Board of Management on current developments, strategic issues and the financial position of the Group, as well as based on the written reports and presentations by the Board of Management, regularly deliberated together with the Board of Management on the net assets, financial position and results of operations, the trend in revenues and earnings, the performance data, key figures and human resources of the Company and Group as well as of the individual Group subsidiaries. The Supervisory Board was informed of deviations of business performance from the targets. The Board of Management moreover informed on current developments in healthcare policy, the healthcare environment, healthcare legislation and their impact on the Group as well as on the competitive situation. In particular, the planned hospital reform and its significance for the RHÖN-KLINIKUM Group was thoroughly discussed. The Supervisory Board moreover, together with the Board of Management, examined the sharp rises in costs of energy, commodities and materials, as well as the repercussions of the COVID-19 pandemic for the business development and the hospitals of the RHÖN-KLINIKUM Group.

Another focus of attention of the supervisory activity in financial year 2023 was on the deliberation and discussions relating to the situation at UKGM. At an extraordinary Supervisory Board meeting in February 2023, the Supervisory Board, after a thorough discussion, approved the conclusion of the – already mentioned – “White Paper Plus” with the Federal State of Hesse and the universities in Giessen and Marburg. In the further course of the year, the Supervisory Board then regularly examined the stage of implementation of the “White Paper Plus”, in particular the investment obligations agreed therein. Moreover, the Supervisory Board discussed the strike actions taken at UKGM in early 2023, their economic impact and the relief collective agreement.

In financial year 2023, the Supervisory Board also repeatedly examined the planned investment measures at the five hospital sites of the RHÖN-KLINIKUM Group. The Supervisory Board carefully reviewed the planned measures and – to the extent required by law, the Articles of Association and the Terms of Reference – gave its approval to the implementation of the investment measures.

At the balance sheet meeting in March 2023, which was also attended by KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), we thoroughly discussed in the Supervisory Board plenary session – after a statement given by the Audit Committee –, together with the Board of Management, the annual financial statements and management report of RHÖN-KLINIKUM Aktiengesellschaft as well as the consolidated financial statements and the Group management report for financial year 2022. The plenary session approved both the annual financial statements and the consolidated financial statements. In addition, the Supervisory Board resolved to support the Board of Management’s proposal for the appropriation of net distributable profit for financial year 2022. Furthermore, the non-financial report for 2022, the Dependent Company Report, the Declaration on Corporate Governance and the Remuneration Report were approved. At the balance sheet meeting the 2023 Annual General Meeting was also prepared and accordingly the agenda including the resolution proposals approved. In this context, the Supervisory Board approved the Board of Management’s proposal to hold the Annual General Meeting virtually.

In financial year 2023, the Supervisory Board also repeatedly examined matters pertaining to the remuneration of the Board of Management. At the Supervisory Board Meeting in March 2023, the achievement of targets of the members of the Board of Management for 2022 were discussed as well as applicable bonus payments. Moreover, the target agreements for 2023 were adopted. At the Supervisory Board Meeting in September 2023 – by mutual consent with the members of the Board of Management – it was decided that the target agreements of the members of the Board of Management were to be cancelled for 2023. Cancellation of the target agreements was merely done as a precautionary measure to safely exclude a possible violation of the bonus prohibition introduced as part of the energy price brakes. Such a violation might establish the obligation to return compensation and reimbursement payments pursuant to

section 26f of the German Hospital Financing Act (KHG) in a not insignificant scope. At the meeting in December 2023, the Board of Management presented the preliminary economic targets for financial year 2024 as well as the related framework conditions and measures. The submitted targets, target assumptions, target figures and the accompanying explanatory statements by the Board of Management were discussed in-depth in the plenary session of the Supervisory Board.

The Supervisory Board furthermore continuously examined whether in the course of the financial year there were any conflicts of interests of members of the Board of Management and the Supervisory Board. No such conflicts of interests arose in financial year 2023.

### **Work of the Supervisory Board in the committees**

With a view to performing its tasks in the best possible way, the Supervisory Board has set up standing committees whose members possess specific expertise and experience for the special issues dealt with in those committees. The committees prepare in particular the resolutions of the Supervisory Board. In individual cases, decision-making powers of the Supervisory Board may be delegated to the committees to the extent this is permitted by law. This division of responsibilities promotes the efficiency of the work of the Supervisory Board and has proven itself in practice.

In financial year 2023, the Personnel Affairs Committee and the Audit Committee held meetings. The other committees did not convene any meetings.

At two meetings in 2023, of which one was held in-person and one purely as a virtual meeting, the **Personnel Affairs Committee** prepared subjects relating to personnel matters of the Board of Management for the Supervisory Board and, to the extent required, adopted resolutions and accordingly made recommendations to the Supervisory Board on the adoption of resolutions.

The **Audit Committee** of the Supervisory Board met four times during financial year 2023, with one meeting held as an in-person meeting and three held purely as virtual meetings. Furthermore, the Audit Committee adopted a resolution in the written voting procedure.

The Audit Committee notably was responsible for review and preliminary consultation for the RHÖN-KLINIKUM Aktiengesellschaft consolidated annual financial statements for financial year 2022.

The Audit Committee assessed the independence of KPMG designated as statutory auditor to audit the consolidated financial statements and the Group management report as well as the annual financial statements and the management report for financial year 2023 and to conduct the review of the half-year financial report, obtained the statement regarding the auditor's independence, recommended to the plenary session of the Supervisory Board a proposal for the election of the auditor to be submitted to the Annual General Meeting and – after the election – issued the statutory auditor with the audit assignment and concluded with it a fee agreement for the same. The Audit Committee also defined the areas of emphasis of the audit of the 2023 annual financial statements that were to be considered by the statutory auditor beyond the statutory audit scope.

Questions of fundamental importance relating to accounting, corporate planning, the capital base, the monitoring of the accounting process, as well as the effectiveness of the internal controlling system, risk management system (including special business risks), and the internal audit system were discussed with the Board of Management and in some cases also with the statutory auditor. The interim reports were thoroughly discussed on a regular basis with the Board of Management prior to their publication, as well as the half-year financial report with the Board of Management and in the presence of the statutory auditor giving due regard to the review by the latter.

The Group controlling report on performance and finance controlling submitted quarterly, which forms part of our risk management system, was thoroughly discussed in each case with the Board of Management. Here, the development of service volumes and earnings of the Group and of the individual Group hospitals was also analysed, scrutinised and discussed with the Board of Management, also with regard to deviations from targets. The Audit Committee kept itself regularly informed about the activity of the Internal Audit and Compliance departments.

## **Corporate Governance and issuance of Declaration of Compliance**

Pursuant to section 161 of the German Stock Corporation Act (AktG), the management board and supervisory board of a German exchange-listed stock corporation are required to state each year in a Declaration of Compliance to what extent the company complies with the recommendations of the German Corporate Governance Code (GCGC) and in what respects it deviates from such recommendations.

The Board of Management and the Supervisory Board in December 2023 submitted such Declaration of Compliance pursuant to section 161 AktG – prepared by the Audit Committee – which is made permanently available on the website of RHÖN-KLINIKUM Aktiengesellschaft. The Supervisory Board reports on corporate governance jointly with the Board of Management in the Declaration on Corporate Governance likewise published on the website.

The Remuneration Report for the Board of Management as well as the remuneration scheme for the members of the Board of Management approved by the Annual General Meeting on 9 June 2021 is also publicly available on the website.

## **Examination and approval of the 2023 financial statements**

The Board of Management adopted the financial statements of the Company and the management report for the year ended 31 December 2023 in accordance with the provisions of the German Commercial Code (HGB), while the consolidated financial statements as at 31 December 2023 and Group management report for financial year 2023 were adopted pursuant to section 315e HGB in accordance with the principles set out in the International Financial Reporting Standards (IFRS). The auditor, KPMG, examined the annual financial statements and the management report of the Company for financial year 2023 as well as the consolidated financial statements and Group management report for financial year 2023. The statutory auditor issued an unqualified auditor's report in each case.

The financial statements and management report of the Company, the consolidated financial statements and Group management report as well as the reports of the auditor KPMG as statutory auditor on the result of its audit were received by all members of the Supervisory Board together with the Board of Management's proposal for the appropriation of the net distributable profit for the year. These documents were examined by the Supervisory Board and extensively discussed by the Audit Committee and by the Supervisory Board with representatives of the auditor at the respective balance sheet meetings. As part of the audit, the Audit Committee and the Supervisory Board examined both the accounting findings and the procedures and processes relating to the accounting findings and

their auditing. Based on the findings of the preliminary review by the Audit Committee, the Supervisory Board concurred with the findings of the auditor and, having conducted its own review, determined that it also sees no grounds for objections.

The Supervisory Board approved the financial statements of the Company and the consolidated financial statements prepared by the Board of Management at the meeting on 27 March 2024 on recommendation of the Audit Committee; the annual financial statements of the Company are thus adopted as final. The Supervisory Board approved the Board of Management's proposals for the appropriation of net distributable profit.

Moreover, the Supervisory Board, together with the Board of Management, adopted the remuneration report for financial year 2023 in accordance with section 162 AktG.

### **Review of separate condensed Non-Financial Report**

The Audit Committee and the Supervisory Board has furthermore examined the separate condensed Non-Financial Report prepared with the Board of Management for 2023. KPMG has conducted a review to obtain limited assurance and has issued an unqualified report. The documents were carefully reviewed by the Audit Committee at its meeting on 26 March 2024 and by the Supervisory Board at its meeting on 27 March 2024. The Board of Management thoroughly explained the Report at both meetings. Representatives of the auditor attended the meetings and reported on the key results of their review and answered additional questions from the Supervisory Board members. After its review, the Supervisory Board had no objections.

### **Audit of the Report on Relations to Affiliates**

Since the takeover by Asklepios Kliniken GmbH & Co. KGaA in 2020 and in the absence of a controlling agreement, a Report on Relations to Affiliates (also known as dependent company report) pursuant to section 312 AktG was to be prepared by the Board of Management of the Company annually. This report must state all legal transactions effected by the Company over the past financial year with the controlling enterprise or an enterprise affiliated with it or at the request or in the interests of such enterprises, and all other measures it has taken or refrained from taking in the past financial year at the request or in the interests of such enterprises.

The performance effected and consideration paid for the legal transactions, and the reasons for the measures and their advantages and disadvantages entailed for the Company and, in the case of disadvantages, how such disadvantages have been offset, must be stated.

KPMG, as statutory auditor, audited the Report of the Board of Management on Relations to Affiliates and issued the following auditor's opinion:

"Based on our duly performed audit and assessment, we hereby confirm that:

1. the factual statements of the Report are true,
2. for the legal transactions as specified in the Report, the consideration paid by the Company was not unduly high."

The Supervisory Board reviewed the Report on Relations to Affiliates and at its meeting on 27 March 2024, which was attended by KPMG as statutory auditor, discussed the Report with the Board of Management thoroughly. Questions put to the Board of Management on individual legal transactions and measures specified in the Report were answered by the Board of Management fully and to the satisfaction of the Supervisory Board. Based on its review the Supervisory Board takes the view that the Report of the Board of Management on Relations to Affiliates satisfies the legal requirements. Following the conclusive findings of the reviews conducted by the Supervisory Board, no objections are to be raised against the declaration by the Board of Management at the end of the Report. Moreover, the Supervisory Board approved the audit report of the statutory auditor.

### **Composition of the Board of Management and changes in the Board of Management**

There were no personnel changes on the Board of Management in financial year 2023. In accordance with Section 7 (1) of the Articles of Association of RHÖN-KLINIKUM Aktiengesellschaft, the Board of Management is currently composed of three persons: Prof. Dr Tobias Kaltenbach (CEO), Dr Stefan Stranz (CFO) and Dr Gunther K. Weiß (COO).

The personal details, functions and duties of the individual members of the Board of Management are presented in detail under the heading "Corporate bodies of the Company".

## Composition of the Supervisory Board and changes in the Supervisory Board

In accordance with the requirements of the Co-Determination Act (MitBestG), the Supervisory Board of RHÖN-KLINIKUM Aktiengesellschaft pursuant to section 10 (1) MitBestG is comprised of 16 members. Eight Supervisory Board members are elected by the shareholders and eight Supervisory Board members by the employees. In accordance with section 96 (2) AktG, at least 30 per cent of the Supervisory Board is to be made up of women and at least 30 per cent of men, which – relative to the entire Supervisory Board – corresponds to at least five seats.

There were no personnel changes on the Board of Management in financial year 2023. However, in September 2023 Mr. Georg Schulze notified the chairman of the Supervisory Board that he was resigning from his Supervisory Board mandate with effect from the expiry of 31 December 2023. By resolution of 7 December 2023, the Local Court of Schweinfurt then appointed Mr. Stefan Röhrhoff as member of the Supervisory Board of the Company to replace Mr. Georg Schulze with effect from 1 January 2024. Furthermore, Mr. Kai Hankeln notified the Company on 13 February 2024 that he was resigning his mandate as member of the Supervisory Board of the Company with immediate effect and left the Supervisory Board with effect from 13 February 2024. The Supervisory Board therefore resolved on 21 February 2024 on the recommendation of the Nomination Committee to propose Mr. Joachim Gemmel, Chief Executive Officer (CEO) of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, for the election to be held at the 2024 Annual General Meeting, to succeed Mr. Hankeln as member of the Supervisory Board of RHÖN-KLINIKUM Aktiengesellschaft for the remaining term of office. For the period until then, the Local Court of Schweinfurt, by Decision of 14 March 2024 issued on the application by the Board of Management based on a corresponding proposal of the Supervisory Board, appointed Mr. Joachim Gemmel as member of the Supervisory Board of the Company.

The personal details of the members of the Supervisory Board in 2023 are set out in the Notes to the consolidated financial statements. The section also provides information on the professional qualifications of the Supervisory Board members as well as their other mandates. The organisational structure of the Supervisory Board and the composition of the committees during the past financial year are set out in the overview provided following this Report.

The Supervisory Board thanks the Board of Management, all employees of the Group as well as the employee representatives of all Group companies for all their tremendous commitment and work that made financial year 2023 such a success.

The Supervisory Board

Dr Jan Liersch  
(Chairman)

Bad Neustadt a. d. Saale, 27 March 2024

## OVERVIEW OF THE ORGANISATIONAL STRUCTURE OF THE SUPERVISORY BOARD AND COMPOSITION OF THE STANDING COMMITTEES (AS AT 31 DECEMBER 2023)

### 1. Composition of the Supervisory Board

Dr Jan Liersch  
Chairman

Georg Schulze  
1<sup>st</sup> deputy chairman

Hafid Rifi  
2<sup>nd</sup> deputy chairman

Members	Number of meetings: 5	
	Attendance	
Peter Berghöfer	5	100%
Dr Julia Dannath-Schuh	5	100%
Regina Dickey	5	100%
Peter Ducke	5	100%
Prof. Dr Leopold Eberhart	5	100%
Irmtraut Gürkan	5	100%
Kai Hankeln	5	100%
Dr Jan Liersch	5	100%
Dr Martin Mandewirth	5	100%
Dr Thomas Pillukat	4	80%
Christine Reißner	5	100%
Hafid Rifi	5	100%
Oliver Salomon	5	100%
Georg Schulze (until 31 December 2023)	5	100%
Dr Cornelia Süfke	4	80%
Marco Walker	5	100%

The members of the Supervisory Board who were not in attendance were excused for their absence in each case and participated in the resolution adoption by casting a vote in writing.

## 2. Composition of the standing committees

### Personnel Affairs Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 2	
	Attendance	
Peter Ducke	2	100%
Kai Hankeln	2	100%
Dr Jan Liersch	2	100%
Dr Thomas Pillukat	2	100%

### Nomination Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Kai Hankeln		
Dr Jan Liersch		
Hafid Rifi		

### Mediation Committee

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Kai Hankeln		
Dr Jan Liersch		
Dr Thomas Pillukat		
Georg Schulze		

### Committee for Decisions on Related-Party Transactions

Dr Jan Liersch, Chairman

Members	Number of meetings: 0	
	Attendance	
Irmtraut Gürkan		
Dr Jan Liersch		
Oliver Salomon		
Georg Schulze		

### Audit Committee

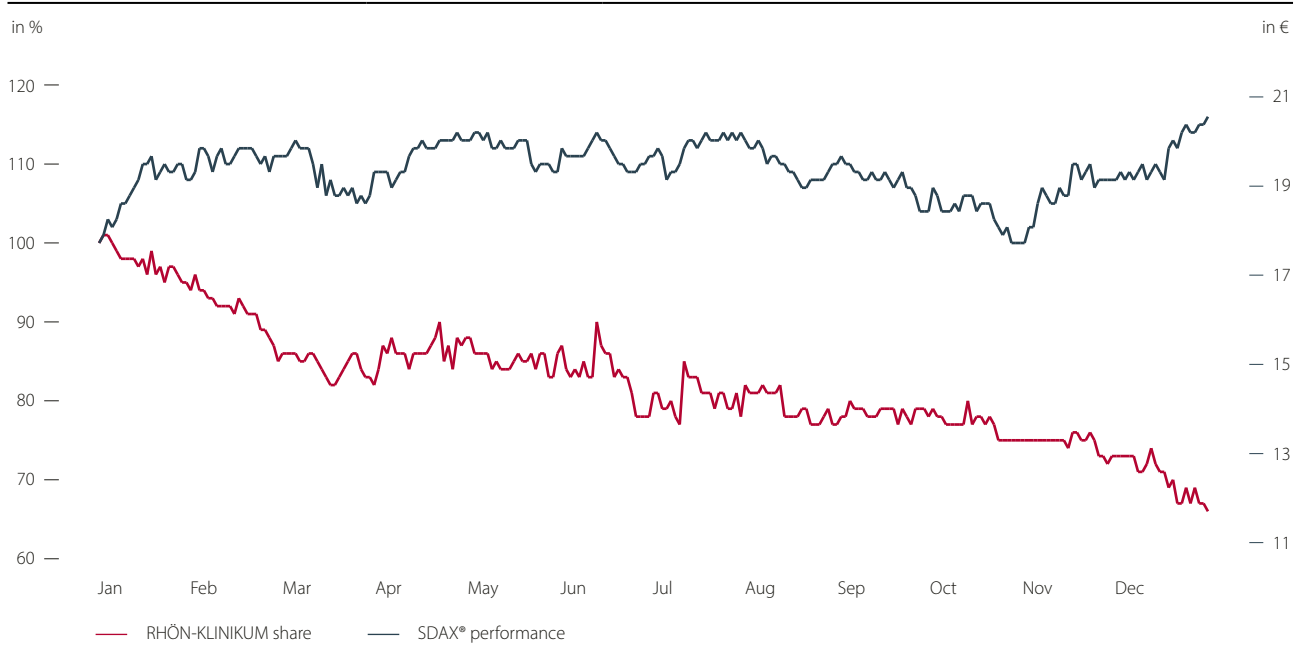
Hafid Rifi, Chairman

Members	Number of meetings: 4	
	Attendance	
Peter Berghöfer	4	100%
Regina Dickey	4	100%
Prof. Dr Leopold Eberhart	4	100%
Irmtraut Gürkan	4	100%
Dr Jan Liersch	4	100%
Hafid Rifi	4	100%

# THE RHÖN-KLINIKUM SHARE

The RHÖN share started out 2023 at a XETRA price of 15.20 euros, reaching its high for the year of 15.25 euros on 4 January 2023. The RHÖN share closed the stock market year at a XETRA price of 10.00 euros. This is against the backdrop of the previous year in which the RHÖN share had bucked the aggregate market trend with an increase of 6.4 per cent before declining in the course of 2023 along with the healthcare sector benchmark index DJ EURO STOXX Healthcare®. That compared with gains posted by the DAX, SDAX and DJ EURO STOXX 50® indices. The RHÖN share’s decline compared with the previous year’s closing price stood at 34.6 per cent.

RHÖN-KLINIKUM SHARE IN COMPARISON WITH THE SDAX®



Source: XETRA® stock performance indexed (2 January 2023 = 100)



## Performance of stock markets

The German leading index DAX® recorded an increase of 20.3 per cent in 2023 to close the stock market year at 16,752 points. Other comparison indices likewise put in a disproportionately strong performance against the RHÖN share. The second-tier index SDAX® rose by 17.1 per cent and closed the stock market year at

13,960 points. During the same period, the European leading index DJ EURO STOXX 50® climbed by 19.2 per cent. By contrast, the benchmark index for European stocks from the healthcare industry, DJ EURO STOXX Healthcare®, like the RHÖN share, recorded a decline. This drop in the benchmark index DJ EURO STOXX Healthcare® compared with the previous year's closing price was 2.4 per cent.

### RHÖN-KLINIKUM SHARE

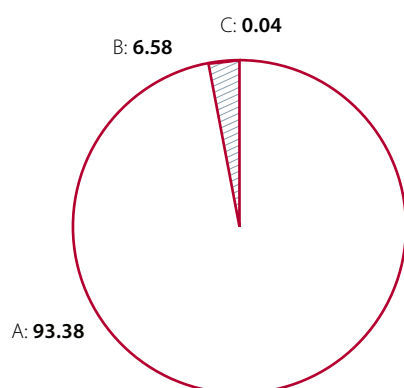
ISIN	DE0007042301	
Ticker symbol	RHK	
Share capital (€)	167,406,175	
Number of shares	66,962,470	
Share prices (€)	<b>01.01.–31.12.2023</b>	01.01.–31.12.2022
Closing price	10.00	15.30
High	15.25	16.20
Low	10.00	13.00
	<b>31.12.2023</b>	31.12.2022
Market capitalisation (€ m)	669.62	1,024.53

## Shareholder structure

According to the notifications of voting rights made pursuant to section 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), the shareholder structure of RHÖN-KLINIKUM AG is as follows.

### SHAREHOLDER STRUCTURE OF RHÖN-KLINIKUM AG

in %



- A: **AMR Holding GmbH, Dr Bernard große Broermann**
- B: **Free float**
- C: **Treasury stock**

As at 31 December 2023 (on the basis of the most recent notification of voting rights to the company)

### Prime Standard and indices membership

The RHÖN share is admitted to the Prime Standard of the Frankfurt Stock Exchange, the segment with the highest post-admission obligations for exchange-listed companies, and thus upholds the highest level of transparency.

The RHÖN share is listed in the CDAX composite index and the sector index DAXsector Pharma+Healthcare.

### Capital market communication

RHÖN-KLINIKUM AG is committed to transparent and fair communication. That is why investor relations (i.e. the dealings it has with the shareholders) take high priority for RHÖN-KLINIKUM AG. As part of its financial market communication, RHÖN-KLINIKUM AG therefore again strived in 2023 to convey a realistic picture of the Group. For that purpose, RHÖN-KLINIKUM AG makes available to investors, analysts and all other interested market participants a platform with comprehensive and timely information. Moreover, RHÖN-KLINIKUM AG seeks a direct, ongoing and personal dialogue with investors and analysts.

As part of its financial reporting, RHÖN-KLINIKUM AG provides information on operating business performance each quarter. Investors, analysts and the media are given current and share price-relevant information on the Group directly, in real time. Moreover, such information is published promptly as news items on the Company's website. Further sources of information are the regular annual events such as the analyst conference, the results press conference and the Annual General Meeting. The next Annual General Meeting will be held on Wednesday, 5 June 2024.

#### DATES FOR SHAREHOLDERS AND ANALYSTS IN 2024

28 March	Results press conference and analyst conference: publication of 2023 Annual Financial Report
8 May	Publication of Interim Report for the quarter ending 31 March 2024
5 June	Annual General Meeting
8 August	Publication of Half-Year Financial Report as at 30 June 2024
7 November	Analyst conference: publication of Interim Report for the quarter ending 30 September 2024

You will also find the financial calendar containing all important financial dates for 2024 on the website at [en.rhoen-klinikum-ag.com](http://en.rhoen-klinikum-ag.com) under the "Investor Relations" section.

# Corporate Social Responsibility Report

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# We are the reliable partner for our stakeholders

In 2023, RHÖN-KLINIKUM AG looked back on its 50-year history as a company. Starting out in 1973 with 66 employees, the Company grew to become one of Germany's largest healthcare service providers today. As such, it has a wide range of responsibilities in terms of medical, environmental and social matters.

We meet these obligations by ensuring that everything we do is determined by our common values such as integrity, responsibility, trust, loyalty and sustainability. In this regard, sustainability is an essential part of our identity. We thus strive each day to provide medical services to the highest standards and to create a healthy environment for our patients, employees, business partners and investors.

# Corporate Social Responsibility Report

## SUSTAINABILITY MANAGEMENT AND ORGANISATION

For us, sustainability is firmly established as part of our corporate strategy. Environmental protection, social matters and governance are just as important to us as issues from the medical world.

### Sustainability as an integral part of our corporate strategy

✓ | We do not understand sustainability as being just something that is “nice to have” but rather as being an integral part of the corporate strategy of RHÖN-KLINIKUM AG. That is why all members of the Board of Management deal with this in their work as they promote the continuous enhancement of all aspects of this subject within the Company. As a healthcare group, we embrace our medical, ecological, social and entrepreneurial responsibility.

✓ | Another way in which we define ourselves and the goals we strive to achieve is by holding each employee of RHÖNKLINIKUM AG to act with integrity at all times. In this regard the principles of conduct of our Corporate Code set out both the conduct of all employees amongst themselves and respectful dealings with our patients and business partners. In addition, Group-level works council agreements between the Board of Management and the employee representatives ensure the personal integrity of our employees also in their relationship with external entities.

### Transformation concept

✓ | In financial year 2023, we were thoroughly engaged with the subject of sustainability. In this context, environmental protection is taking up an increasingly important role for our Company. We see the most significant challenge in the issues of supplying sustainable energy to our hospital sites. That is why we created a transformation concept in 2023. It sets out a plan of action outlining specific options for the substitution of conventional energy sources and energy conservation potential. Furthermore, CO<sub>2</sub> reduction paths for the individual facilities were also identified. These measures lay out the potential roadmap for our environmental strategy.

### Sustainability strategy (ESG strategy)

✓ | Our sustainability strategy is built on the three pillars: environmental, social and governance. It is further developed and expanded on an ongoing basis. Overall responsibility lies with the Board of Management. Operative implementation is the responsibility of the individual sites. The Investor Relations & Sustainability division oversees the key objectives.

✓ | In the environmental area, RHÖN-KLINIKUM AG's goal is to achieve CO<sub>2</sub> reductions (Scope 1 and 2) of up to 42,900 tonnes by 2030. This roughly corresponds to half of Scope 1 and 2 emissions of the base year 2022. By financial year 2040, RHÖN-KLINIKUM AG is looking to achieve greenhouse gas neutrality in Scope 1 and 2 emissions. To do this, the Company is committed to a steadily expanding and more sustainable supply of energy from regenerative sources, more sustainable heat supply and advances in technology. In particular photovoltaic systems, but also wind power, are important pillars of the CO<sub>2</sub> reduction path ahead. A further conservation measure we have identified is the gradual expansion of LED lighting for our buildings. We are also planning to gradually switch to the purchase of electricity from 100 per cent renewable sources (green electricity, Scope 2).

✓ | We also believe waste avoidance makes a significant contribution to protecting the environment. By 2030, we are thus looking to reduce the amount of waste in relation to patient numbers.



## With all measures, however, patient safety is always the top priority for RHÖN-KLINIKUM AG.



✓ | By this declaration of intent for environmental protection and further actions, the Company, as one of the largest healthcare groups in Germany, will contribute to climate change mitigation and climate change adaptation. With all measures, however, patient safety is always the top priority for RHÖN-KLINIKUM AG.

✓ | As a healthcare service provider, RHÖN-KLINIKUM AG's activities are socially oriented by definition. In this regard we put patient safety, patient satisfaction, the health of our employees, digital responsibility, initial and continued training as well as the interests of our employees at the centre of our social strategy.

✓ | Our governance measures promote responsible and ethical business practices which are embraced Group-wide through respect of our RHÖN principles of conduct. We likewise regard compliance with these principles as a key part of our supplier relationships.

### Sustainability reporting

✓ | The present Corporate Social Responsibility Report (CSR Report) includes the separate condensed Non-Financial Report (NFR) in accordance with sections 315b, 315c in conjunction with sections 289b to 289e of the German Commercial Code (HGB). RHÖNKLINIKUM AG thus fulfils its reporting requirements of the German Commercial Code both at the Company level and the Group level. Unless otherwise indicated, all information stated refers to the parent (AG or joint stock corporation) and the Group equally. Above and beyond the statutory requirements, we voluntarily report on specific employee issues as well as supplier management.

✓ | In our sustainability reporting the term "Asklepios Group" refers to those companies that belong to the corporate group of Asklepios Kliniken GmbH & Co. KGaA. The abbreviation "UKGM" as used in the following refers to the university hospital corporate entity Universitätsklinikum Gießen und Marburg GmbH.

✓ | The reporting period is from 1 January to 31 December 2023. The NFR covers all Group subsidiaries included in the consolidated financial statements. We moreover report on the results achieved and measures taken in connection with the strategic cooperation with the Asklepios Group. You will find information on our business model in the Group Management Report of the Annual Report in the section "Basic Characteristics of the RHÖN-KLINIKUM Group" and on the Internet under the link [www.rhoen-klinikum-ag.com](http://www.rhoen-klinikum-ag.com).

✓ | The paragraphs marked with a "tick" (✓) form the NFR and were reviewed by the accounting firm KPMG AG Wirtschaftsprüfungsgesellschaft in accordance with the auditing standard ISAE 3000 (Revised) with limited assurance. In this regard, see Auditor's Report.

✓ | This year, the option of orienting ourselves on general reporting frameworks on sustainability subjects when preparing the NFR was not exercised since our sustainability management is currently being expanded and medical subjects are not reflected in the relevant frameworks. From the year 2024, our reporting will be CSRD-compliant.

✓ | References to statements outside the Group Management Report constitute additional information and are not part of the NFR.

### Reporting according to EU taxonomy

✓ | With the European Green Deal, the European Union (EU) has set the goal of achieving climate neutrality by 2050. One element of the action plan developed for this is Regulation (EU) 2020/852 (EU Taxonomy Regulation), which serves as a classification system for environmentally sustainable economic activities and aims at diverting capital flows in the long term into sustainable investments.

✓ | Under the new EU Taxonomy Regulation, RHÖN-KLINIKUM AG is required to publish data on revenues (REV), capital expenditure (CapEx) and operating expenditure (OpEx) which relate to environmentally sustainable economic activities. Pursuant to Article 3 of the EU Taxonomy Regulation, economic activities are deemed to

be environmentally sustainable and taxonomy-aligned where such activities contribute substantially to one or more environmental objectives, do not significantly harm any of the other environmental objectives, and meet the requirements for compliance with the minimum social safeguards. The Company is required to report, in addition to the degree of taxonomy eligibility, also on the extent of taxonomy compliance by the identified economic activities. It also has to be noted in the following that in July 2023 the EU, by its Delegated Act C (2023) 3850 amending Delegated Regulation (EU) 2021/2139, defined additional technical screening criteria for environmental objectives 1 and 2 of the EU Taxonomy Regulation, and that the EU at the same time by Delegated Act C (2023) 3851 supplementing Delegated Regulation 2020/852 for the first time defined screening criteria for environmental objectives 3 to 6.

### Taxonomy-eligible economic activities

✓ | To identify the taxonomy-eligible economic activities, an impact analysis was already performed last year and, building on the same, a determination of the taxonomy-eligible economic activities of RHÖN-KLINIKUM AG. On this basis we updated and supplemented the impact analysis for 2023 in a working group made up of numerous specialist departments and representatives from our subsidiaries and supplemented the same by environmental objectives 3 to 6. All hospital sites were included in the process of review for substantial taxonomy-eligible economic activities.

✓ | The taxonomy-eligible economic activities for 2023 identified by the analysis are set out below. As in the previous year, there were fully assigned to environmental objective 1 "climate change mitigation".

### ✓ | ECONOMIC ACTIVITY

Nr.	Economic activity	Type of economic activity
3.3	Creation of low-carbon transportation technologies	Hybrid vehicles
4.29	Electricity generation from fossil gaseous fuels	Co-generation plants (CHPs)
4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Co-generation plants (CHPs)
5.5	Collection and transport of non-hazardous waste in fractions sorted at the point of collection	Waste treatment facility
7.1	Construction of new buildings	Construction of new paediatric and juvenile psychiatry clinic at Marburg site
7.2	Renovation of existing buildings	incl. refurbishment of administrative building at Bad Neustadt site
7.3	Installation, maintenance and repair of energy-efficient equipment	Installation and replacement of energy-efficient light sources; installation of air conditioning system
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and on parking spaces belonging to buildings)	Charging stations for electric vehicles
7.6	Installation, maintenance and repair of technologies for renewable energies	Photovoltaic system



Under the new EU Taxonomy Regulation, RHÖN-KLINIKUM AG is required to publish data on revenues (REV), capital expenditure (CapEx) and operating expenditure (OpEx) which relate to environmentally sustainable economic activities.



## Taxonomy-aligned economic activities

✓ | For the review of taxonomy compliance, the following approach was taken:

✓ | Review of compliance with the technical screening criteria with regard to each economic activity classified as taxonomy-eligible.

✓ | Review of fulfilment of the Do No Significant Harm (DNSH) criteria as well as the requirements for minimum social safeguards.

✓ | For these reviews the following statements apply:

– RHÖN-KLINIKUM AG is required to show exclusively CapEx and OpEx associated with the purchase of products from taxonomy-aligned economic activities and individual measures which enable the target activities to become low-carbon or lead to greenhouse gas reductions. For that reason the compliance review must already be carried out at the supplier level. Such review also covers the minimum safeguards.

– RHÖN-KLINIKUM AG in particular supports the SME segment. As a general rule, it therefore procures its services and goods in the construction area from smaller, local businesses. These businesses were not always able to show compliance with the minimum social safeguards referred to in Article 3(c) EU Taxonomy Regulation. As far as possible, the minimum social safeguards were assessed with the help of a digital analysis platform.

✓ | In addition to the degree of taxonomy eligibility, the degree of taxonomy conformity of the identified economic activities was likewise determined and presented using the mandatory templates. To avoid double counting, plausibility tests were performed when preparing the CapEx and OpEx key performance indicators. For example, in the area of construction expenditures new construction projects were viewed separate from refurbishment projects and individual measures. The key performance indicators are based on the accounting methods used in financial reporting. In the event of uncertainties regarding the interpretation of terms and expressions used in the EU Taxonomy Regulation and in the Delegated Acts, the additional publications of the EU Commission in the form of FAQs and also the "Questions and Answers" published by the Institute of Public Auditors in Germany (IDW) were used as orientation.

✓ |

Economic activities	Codes	Absolute turnover euros	Proportion of turnover %	Criteria for a substantial contribution						
				Climate change mitigation %	Climate change adaptation Y; N; N/EL	Water and marine resources Y; N; N/EL	Circular economy Y; N; N/EL	Pollution Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	
<b>A. TAXONOMY-ELEGIBLE ACTIVITIES</b>										
<b>A.1. Environmentally sustainable economic activities (Taxonomy-aligned)</b>										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	–	0	0	–	–	–	–	–	–	–
Of which enabling (E)	–	0	0	–	–	–	–	–	–	–
Of which transitional (T)	–	0	0	–	–	–	–	–	–	–
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	–	0	0							
<b>Total (A.1. + A.2)</b>	–	0	0							
<b>B. NOT TAXONOMY-ELEGIBLE ACTIVITIES</b>										
Turnover of not Taxonomy-eligible activities (B)	–	1,463,979,246	100							
<b>Total (A+B)</b>	–	<b>1,463,979,246</b>	100							



**Revenue KPI**

✓ | As in the previous year, no revenues were identified for RHÖN-KLINIKUM AG for financial year 2023 on the basis of the criteria list which are associated with a taxonomy-eligible economic activity.

## ✓ | PROPORTION OF CAPEX/TOTAL CAPEX

in %

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

## DNSH criteria ("Do No Significant Harm")

Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible turnover – year N-1	Category (enabling activities)	Category (transitional activities)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
-	-	-	-	-	-	-	0	-	-
-	-	-	-	-	-	-	0	-	-
-	-	-	-	-	-	-	0	-	-
							<b>0</b>	-	-
							<b>0</b>	-	-

**CapEx KPI**

✓ | The basis of calculating (denominator) the capital expenditures includes additions of property, plant and equipment and intangible assets as well as rights of use in accordance with IFRS 16 before depreciation/amortisation and any revaluations for the financial year.

✓ | The CapEx KPI, pursuant to Annex I 1.1.2.2 of Delegated Regulation (EU) 2021/2178 indicates the proportion (numerator) of capital expenditure that is either (a) associated with a taxonomy-aligned economic activity (b), part of a plan to expand or achieve environmentally sustainable economic activity (CapEx plan), or (c) associated with the purchase of products and services output by taxonomy-aligned economic activities.

✓ | For financial year 2023, RHÖN-KLINIKUM AG reports 25.1 per cent taxonomy-eligible CapEx (previous year: 44.5 per cent) and 1.4 per cent taxonomy-aligned CapEx (previous year: 0.0 per cent), all of which fall under category (c).

**✓ | PROPORTION OF CAPEX/TOTAL CAPEX**

in %	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.4	25.1
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0





Economic activities	Codes	Absolute CapEx euros	Share of CapEx %	Criteria for a substantial contribution						
				Climate change mitigation %	Climate change adaptation Y; N; N/EL	Water and marine resources Y; N; N/EL	Circular economy Y; N; N/EL	Pollution Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	
<b>A. TAXONOMY-ELEGIBLE ACTIVITIES</b>										
<b>A.1. Environmentally sustainable economic activities (Taxonomy-aligned)</b>										
3.3 Creation of low-carbon transportation technologies	C.29.1	138,136	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
5.5 Collection and transport of non-hazardous waste in source segregated fractions	E.38.11	50,658	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.3 Installation, maintenance and repair of energy-efficient equipment	F.43	671,493	1.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.6 Installation, maintenance and repair of renewable energy technologies	F.43	2,618	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)</b>	C.29.1, E.38.11, F.43	862,905	1.4	–	–	–	–	–	–	–
Of which enabling (E)	C29.1, F.43	812,247	1.3	–	–	–	–	–	–	–
Of which transitional (T)		0	0							
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
3.3 Creation of low-carbon transportation technologies	C.29.1	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
4.29 Electricity generation from fossil gaseous fuels	D.35.11	1,450,018	2.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D.35.30	1,450,018	2.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.1 Construction of new buildings	F.41.2	1,795,300	2.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.2 Renovation of existing buildings	F.41, F.43	11,006,606	17.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.6 Installation, maintenance and repair of renewable energy technologies	F.43	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
<b>CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)</b>	D.35.11, D.35.30, F.41, F.41.2, F.43	15,701,941	25.1	–	–	–	–	–	–	–
<b>Total (A.1. + A.2)</b>	C.29.1, E.38.11, D.35.11, D.35.30, F.41, F.41.2, F.43	16,564,846	26.5	–	–	–	–	–	–	–
<b>B. NOT TAXONOMY-ELEGIBLE ACTIVITIES</b>										
CapEx of not Taxonomy-eligible activities (B)	Q.86.1	45,882,185	73.5							
<b>Total (A+B)</b>	C.29.1, E.38.11, D.35.11, D.35.30, F.41, F.41.2, F.43, Q.86.1	62,447,030	100.0							

DNSH criteria ("Do No Significant Harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible CapEx – year N-1	Category (enabling activities)	Category (transitional activities)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
–	Y	Y	Y	Y	Y	Y	0.0	E	
–	Y	–	Y	–	–	Y	0.0		
–	Y	–	–	Y	–	Y	0.0	E	
–	Y	–	–	–	–	Y	0.0	E	
							0.0		
							0.0	E	
							0.0		T
							0.2		
							0.0		
							0.0		
							10.6		
							33.5		
							0.1		
							44.5		

**OpEx KPI**

✓ | The underlying (numerator) operating expenditures result among other things from the direct, non-recognised costs associated with research and development, building refurbishment measures, short-term leases, maintenance and repairs.

✓ | The OpEx KPI, pursuant to Annex I 1.1.3.2 of Delegated Regulation (EU) 2021/2178 indicates the proportion (numerator) of business expenditure that is either (a) associated with a taxonomy-aligned economic activity (b), part of a plan to expand or achieve environmentally sustainable economic activity (CapEx plan), or (c) associated with the purchase of products and services output by taxonomy-aligned economic activities.

✓ | For financial year 2023, RHÖN-KLINIKUM AG reports 19.9 per cent taxonomy-eligible OpEx (previous year: 18.2 per cent) and 0.8 per cent taxonomy-aligned OpEx (previous year: 0.0).

**✓ | PROPORTION OF OPEX/TOTAL OPEX**

in %

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.8	19.9
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0





Economic activities	Codes	Absolute OpEx Currency	Share OpEx %	Criteria for a substantial contribution					
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
<b>A. TAXONOMY-ELEGIBLE ACTIVITIES</b>									
<b>A.1. Environmentally sustainable economic activities (Taxonomy-aligned)</b>									
3.3 Creation of low-carbon transportation technologies	C.29.1	19,146	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL
7.3 Installation, maintenance and repair of energy-efficient equipment	F.43	499,970	0.7	Y	N/EL	N/EL	N/EL	N/EL	N/EL
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F.43	8,377	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)</b>	C.29.1, F.43	<b>527,493</b>	0.8	–	–	–	–	–	–
Of which enabling (E)	C.29.1, F.43	527,493	0.8	–	–	–	–	–	–
Of which transitional (T)		0	0						
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
4.29 Electricity generation from fossil gaseous fuels	D.35.11	263,875	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D.35.30	263,875	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.2 Renovation of existing buildings	F.41, F.43	13,389,032	19.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
<b>OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)</b>	F.41, F.43	<b>13,916,782</b>	19.9	–	–	–	–	–	–
<b>Total (A.1. + A.2.)</b>	D.35.11, D.35.30, F.41, F.43	<b>14,444,276</b>	20.7	–	–	–	–	–	–
<b>B. NOT TAXONOMY-ELIGIBLE ACTIVITIES</b>									
OpEx of not Taxonomy-eligible activities (B)	Q.86.1	55,318,233	79.3						
<b>Total (A+B)</b>	D.35.11, D.35.30, F.41, F.43, Q.86.1	<b>69,762,509</b>	100.0						



DNSH criteria ("Do No Significant Harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible OpEx – year N	Category (enabling activities)	Category (transitional activities)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
–	Y	Y	Y	Y	Y	Y	0.0	E	
–	Y	–	–	Y	–	Y	0.0	E	
–	Y	–	–	–	–	Y	0.0	E	
							0.0		
							0.0	E	
							0.0		T
							0.1		
							0.1		
							18.0		
							18.2		

### Details on templates

✓ | RHÖN-KLINIKUM AG operates co-generation plants (CHPs) to generate electricity and heat from fossil gaseous fuels at its Bad Berka, Bad Neustadt a. d. Saale, Giessen and Marburg sites. The activities in the areas of generating electricity from fossil gaseous fuels as well as operation of plants for co-generation of heat/power from fossil gaseous fuels were reflected in CapEx and OpEx to an insignificant extent. There is no taxonomy alignment for CapEx and OpEx as a result of economic activities 4.29 and 4.30. RHÖN-KLINIKUM AG has no economic activities in the areas of nuclear energy. Given the scope of presentation of Templates 1 to 5 of Delegated Regulation (EU) 2022/1214, a tabular presentation was not used since most of the templates would contain nil reports.

### Key issues

✓ | The Board of Management of RHÖN-KLINIKUM AG has thoroughly examined the materiality analysis and deems the following subjects to be material for RHÖN-KLINIKUM AG:

- Patient safety
- Patient satisfaction
- Employee health
- Reducing waste (including food waste)
- Reducing water consumption
- CO<sub>2</sub> reduction
- Strengthening awareness of Code of Conduct/principles of action

✓ | These issues are necessary both for understanding the business performance, results of operations and position as well as the impact of business operations on the non-financial aspects. They are of particular strategic importance for business development and represent areas of focus for us which are to be driven forward and guided by measures and the appropriate KPIs. We report in detail on the objectives, actions and results in the relevant sections as set out in the table below.

✓ | As part of responsible corporate governance, we also regard training, including initial, continued and higher-qualification training, as well as data protection and supply management as important subjects and report on them voluntarily.

### ✓ | NFB REFERENCING

Aspect referred to in section 289 (2) HGB	Specific aspect relevant to RHÖN-KLINIKUM AG	Reported in section
Social matters	Patient safety Patient satisfaction	Patients
Employee matters	Employee health	Employees
Anti-corruption Respect of human rights	Strengthening principles of conduct	Compliance
Environmental matters	Waste reduction (including food waste) Reducing water consumption CO <sub>2</sub> reduction	Environmental protection

✓ | In financial year 2024, we will carry out and adopt a new materiality analysis pursuant to the CSRD requirements. The preliminary work for this was begun already in financial year 2023.

### Non-financial risks

✓ | The Board of Management of RHÖN-KLINIKUM AG has implemented a Group-wide risk management system to detect imminent risks early on and to specifically counter them in a systematic process. At the same time, our risk management function relates not only to financial risks but also all manner of risks within the Company. We regard the risk to the life and health of our patients generally associated with a medical intervention as the greatest risk.

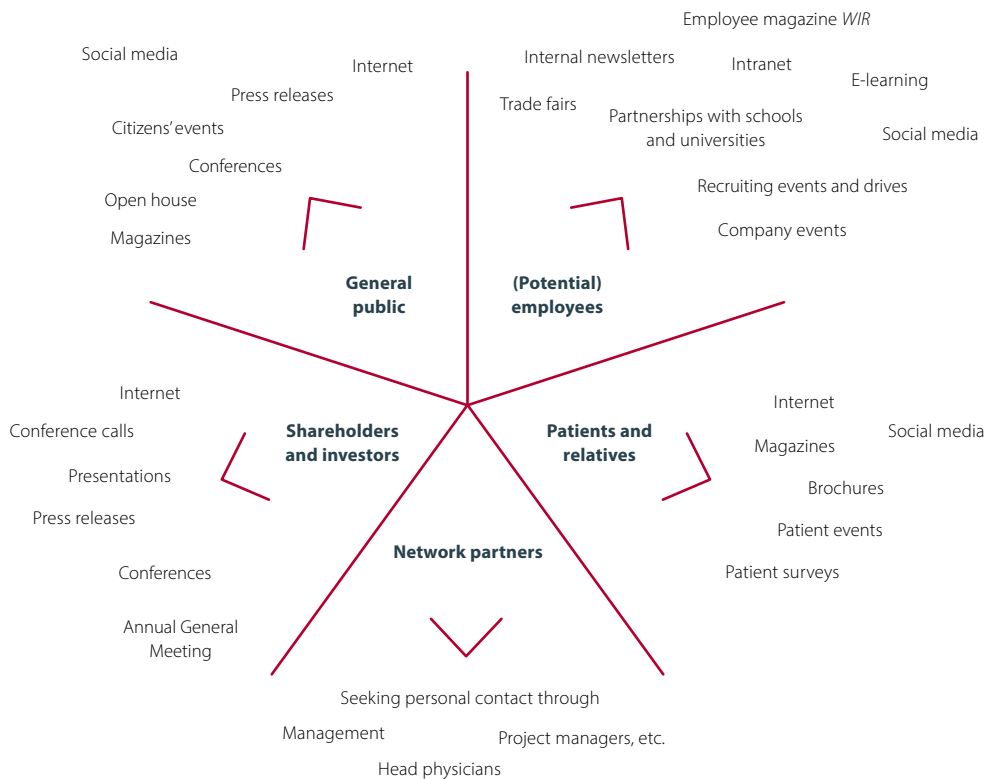
✓ | RHÖN-KLINIKUM AG has implemented risk reduction measures. On a net view of risks, no risks were identified that are very likely to have a serious adverse impact financial as well as non-financial aspects.

✓ | For detailed information on our risk management and our material risks, also in connection with non-financial aspects, please see section "Opportunities and Risk Report" of our Group Management Report.

### Our stakeholders

✓ | Our patients and their well-being are always our first priority. That is why their feedback is especially important to us. But also maintaining a continuous dialogue with our other stakeholders – first and foremost patients' relatives, (potential) employees, the general public, the shareholders and investors, as well as the members of our network – is important to us.

### ✓ | FORMS OF DIALOGUE WITHIN STAKEHOLDER ENVIRONMENT



## PATIENTS

We daily commit ourselves to ensuring the patients turning to us feel safe, receive excellent medical care and are happy with our services. Ensuring that this remains the case at all times is our top priority. We achieve this goal thanks to our standards and expectations for medical excellence, a comprehensive quality management programme with interfacility structures and close collaboration with our partners from the Asklepios Group. In this way we can introduce innovations, live up to our own standards of quality and set new standards.

### Our management approach

✓ | Together with our partners we are constantly seeking ways to improve the quality of our medical services, to integrate innovative technologies and to further improve clinical processes. For this purpose, an exchange takes place in medical bodies which we further harmonised and integrated between RHÖN-KLINIKUM AG (RHÖN) and the Asklepios Group during the reporting year.

### Group-wide exchange among doctors with the newly structured corporate bodies

✓ | Our organisational structure enables good cooperation between the various departments and sites. The medical body's work takes place primarily at the operative level and as part of the expert panels. It is supplemented by consultations of representatives from the medical management boards and directors with the chief medical officer (CMO).

✓ | Overarching subjects of a medical-strategic nature concerning all subgroups of the Asklepios Group are discussed in the Medical Advisory Board of Asklepios, which also includes representatives from RHÖN and MediClin AG. The consultations are supplemented and complemented by regular coordination efforts of the CMOs.

### Growing importance and responsibilities of expert panels

✓ | Physicians from the respective specialist areas of different sites meet in the ten medical expert panels of RHÖN-KLINIKUM AG. They also deliberate on non-medical issues in the Group divisions of Materials Management, IT, Human Resources and Patient Safety, Quality Management & Hygiene. Such networked, interfacility exchange benefits patients from all Group hospitals: the doctors meet and advise our patients on a daily basis, which enables them to draw attention to the perspective of our relevant stakeholders in the panels in an optimal manner.

✓ | Following the strategic harmonisation of the medical bodies with the Asklepios Group, each expert panel was expanded by one to three members from various Asklepios hospitals. In this way we promote Group-wide networking of medical experts and knowledge transfer. The expert panels usually meet twice a year as part of hybrid events.

✓ | Subjects that were routinely on the agenda also in 2023 include recruiting and human resources development, quality management and communications work. Moreover, the four expert panels Oncology, Musculoskeletal Surgery, Cardiovascular Medicine and Neuromedicine, for instance, once again in 2023 examined the outpatientisation of medicine, standardisation in materials management as well as the trend in costs and service volumes and made their recommendations to the medical management boards and directors of the sites. The panels thus also play a key role in further enhancing our overall business and sustainability strategy.

✓ | Overview of expert panels:

- Neuromedicine
- Oncology
- Musculoskeletal Surgery
- Anaesthesia
- Intensive Medicine
- Psychiatry/Psychosomatics
- Hygiene
- Emergency Medicine
- Laboratory Medicine
- Cardiovascular Medicine

### Cooperation with Asklepios Group further ramped up – also with digital assistance

✓ | In 2023, we steadily increased our strategic cooperation with the Asklepios Group also in the digital area, for example when reporting on medical quality and through use of a software program for ensuring and enhancing patient safety. The CIRS software we use for internal critical incident reporting allows us to report and respond to critical incidents and to create a comparison basis within the Asklepios Group.

✓ | Also in the interest of promoting patient safety, a Group-wide Clinical Risk Management Working Group was established in 2022. It is comprised of representatives from Asklepios, MediClin and RHÖN and has since held a total of seven meetings. As a result, a uniform concept for implementing clinical risk management using a software program was created in the three groups. In addition to clinical risk management, the software will also perform long-term tracking of the implementation of preventative measures and their sustainable positive impact on the safety of patients and employees.

### Medical strategy and objectives

✓ | We want to ensure outstanding medical care for everyone and at all times. Our goals are to continuously improve the quality of medical care, further increase patient safety and satisfaction as well as improve patient communications and patient services. We have moreover set ourselves the target of achieving an at least 90 per cent fulfilment rate for statutory quality assurance. We have achieved this self-imposed goal for 2022. And we expect to meet this target for 2023 as well.

✓ | Our medical strategy focuses on cross-sector care and digitalisation. We examine and treat our patients using the latest evidence-based therapy procedures with state-of-the-art medical technology, offer comprehensive treatment and care and in this way create the basis for sustainable treatment success.

✓ | Given the positive trend of the pandemic and low incidence numbers, the last meeting of the RHÖN Corona Taskforce was held in January 2023. Since then the pandemic has continued to be monitored by the RHÖN Expert Panel on Hygiene, and the RHÖN facilities are adapting the rules individually to the current development of the pandemic. The Panel last met in November 2023. In 2023, no new Group-wide pandemic rules were introduced.

### Further development of outpatient care

✓ | Further enhancing the already existing scope of outpatient care and cooperation of our hospitals is one of our key goals. Our aim is to avoid unnecessary inpatient hospital stays for our patients. In 2022, we established the Outpatientisation Working Group. With this goal in mind in 2023 as well, the experts participating in this Working Group developed new cross-sector concepts and strategies whilst maintaining the high quality of treatment and care provided to our patients.

✓ | The primary focus was in particular on issues arising from the hospital reform: outpatient operations, the new catalogue of operations to be performed on an outpatient basis (AOP Catalogue) and the possibility of hospitals to provide day-care treatments. For this, the Working Group conducted and evaluated a survey on the status quo of outpatientisation at all RHÖN facilities. Moreover, the "Outpatientisation Strategy Day" was held in October in Bad Neustadt. Members from RHÖN's Board of Management and the hospitals' management bodies further developed the strategy there.

✓ | An annual conference of the medical care centres (MVZs) was held in June to promote an exchange in outpatient medicine between Asklepios, MediClin and RHÖN.

✓ | In practice we also pressed ahead with outpatientisation at the RHÖN hospitals in 2023. At the Outpatient Operation Centre (AOZ) of Bad Neustadt we established a new operating theatre enabling the implanting of cardiac pacemakers and defibrillators. At the Campus these operations in future will take place at the AOZ. The CMO, management, head physician of the AOZ and project manager discuss at a regular Jour Fixe the strategic further development of AOZ Bad Neustadt. For example, they are developing ways to make patients' stay as pleasant as possible and to ensure the quality of medical care.

✓ | Moreover, in 2023 an interdisciplinary thoraxoncological consultation was introduced in Marburg. It is particularly addressed to patients with thoracic cancer diseases at a localised stage. Treating doctors from the involved medical disciplines of radio oncology, oncology and thoracic surgery can now discuss outpatient therapy schedules with these patients individually.

### Medical excellence

✓ | During the 2023 reporting period we took numerous additional measures to help improve medical excellence and quality for the well-being of patients. We present some select examples of these to you in the following.

## Forging ahead with digitalisation

✓ | Medical excellence can be achieved only if we avail ourselves of all available technical support and integration means and always ensure that our equipment is state-of-the-art. We therefore succeeded in advancing the area of teledermatology also in 2023. For example, the dermatology unit of the University Hospital of Marburg offers its teleconsulting service to the acute clinic of Campus Bad Neustadt and to the psychosomatic clinics. Through fast, digital exchange of data and the involvement of the Marburg University experts, we save precious time in the treatment process and thus improve the quality of diagnosis and care.

✓ | After the teleconsulting service was used for the first time in 2022 by an external partner, three additional cooperation partners were integrated in 2023. We are currently in talks with further prospective cooperation partners interested in joining. Those interested can obtain extensive information about the service by visiting [www.derma-online.de](http://www.derma-online.de).

✓ | We have also made further progress with our sektOR-HF project launched in 2020. It brings a significant improvement in the treatment of patients suffering from left ventricular failure. The goal is to reduce the mortality rate and hospital referrals through optimum care and coordinated cooperation amongst all service providers – such as GPs or specialists, hospitals, specialist post-care providers – whilst at the same time raising the quality of life of patients suffering from cardiac failure.

✓ | The patient and telemedicine play an active role in this. In a training course, each participant learns how to send his or her vital signs or details about their current state of health via app or Internet portal to the competent doctors and a network contact. If monitoring reveals any anomalies, this app can define specifically adapted measures and coordinate individual treatment recommendations with the physicians involved.

✓ | The project, which is funded by the Joint Federal Committee (JFC), successfully completed the intervention phase in 2023. In the second half of 2023 until the end of the project in 2024, the focus is on evaluation and publication of the results. In September the sektOR-HF consortium partner RWI – Leibniz Institute for Economic Research, which is responsible for the external evaluation, carried out a focus group survey among patients, doctors and relatives.

✓ | Another goal we are pursuing with the sektORHF project is to establish a cross-sector care model by which the underlying processes can thus be coordinated and remunerated on a new basis. A Remuneration Sub-Working Group researched this alternative remuneration model and then published the results after presenting them at the 2023 Annual Conference of the German Health Economics Association (dggö).

✓ | At Zentralklinik Bad Berka all wards have been equipped with a digital care analysis and service recording system since September 2023. Moreover, preparations are under way to enable care visits to be performed digitally. In the pilot areas of the heart centre, anaesthesia and nephrology, preparations have begun for realising the full digitalisation of the information process. In the middle of October 2023 the training courses and a test phase were launched.

✓ | At the healthcare campus in Frankfurt (Oder), in 2023 the roll-out of the digital patient record iMedOne/LEP began. Records can now be called up from any workstation. Long paths and searching for patient records become a thing of the past, redundant examinations are avoided and the diagnosis can be made with greater precision thanks to the better flow of information. Moreover, patients are given an overview of their state of health. An e-medication plan is part of this roll-out. It allows for in-house pharmacies to record a nationally uniform medication plan already at the centralised patient admissions department and to escort the inpatient process from the start. The digital patient record thus enables more secure and, at the same time, more efficient care. That benefits both our patients and employees as well as other persons involved in the recovery of our patients.

✓ | In addition to a high standard in the quality of its medical services, a good hospital is characterised by exemplary communication with its patients and a comprehensive service offering. We are continuously striving to excel increasingly in both criteria. To measure patient satisfaction, we created a digital survey using processes harmonised Asklepios-wide and a uniform questionnaire in January 2023. Additionally, in a pilot project at our University Hospital in Marburg the possibility of digital surveying by means of smartphone via QR code was introduced. The experience gained was presented in the "Forum for Quality Management and Clinical Risk Management". The other sites will also be using this possibility from January 2024 at the latest.



In addition to a high standard in the quality of its medical services, a good hospital is characterised by exemplary communication with its patients and a comprehensive service offering.



#### **We meet the highest quality standards**

✓ | In April 2023, the neurology clinic at Campus Bad Neustadt was able to meet the high standards for certification by the German Parkinson Association. The clinic is one of roughly 20 Parkinson specialist clinics throughout Germany. It offers multi-modal complex therapy for patients with Parkinson's syndrome, which combines drug treatment with elements of physiotherapy, sports and occupational therapy, music therapy, speech therapy and neuropsychology.

✓ | At the University Hospital of Giessen the risk auditing company Gesellschaft für Risikoberatung (GRB) in 2023 audited the clinical areas already covered in previous year. The purpose of this was to review the work being done on areas with room for improvement identified in the preliminary audit. The auditors confirmed that clear progress had been made. Overall, we reached 94 of 100 points.

✓ | The orthopaedic unit of the University Hospital of Giessen was certified in October 2023 by the German Society for Orthopaedy and Orthopaedic Surgery (DGOOC), the German Society for Endoprosthetics (AE) and the Professional Association of Orthopaedics and Trauma Surgery (BVOU) as an endoprosthetics centre (EPZ). This highlights the competence and quality of all the clinic's treatment stages in the area of artificial joints.

✓ | Our Klinikum Frankfurt (Oder) in October 2023 obtained the quality seal "Certified Foot Treatment Facility DDG" from the German Diabetes Association (DDG). The clinic thus meets the high quality standards defined by the DDG for the treatment of diabetes foot syndrome.

#### **We are steadily enhancing our treatment offering**

✓ | The EndoProthetikZentrum (EPZ) of the endoprosthetic unit in Bad Neustadt introduced a new concept in June 2023, the "Endo Pro® - path of quick recovery" to help patients back on their feet as early as possible following the placement of an artificial joint. The concept supports patients from their first contact with the clinic until their discharge. They thus learn in a patient school already before the operation about the medical background and find out how they can help with their recovery.

✓ | With the newly created section for neuropaediatrics at Klinikum Frankfurt (Oder), there has been a point of contact for children and youth suffering from nervous system disorders or diseases since August 2023. As part of the clinic for children's and juvenile medicine, the new section will enable an innovative combination of outpatient and inpatient care.

✓ | During the reporting period, Zentralklinik Bad Berka was expanded by a geriatric rehabilitation clinic. Particularly for the elderly in our society, there is a significant care gap in the area of rehabilitation. The clinic allows those patients affected to gradually regain their independence following serious diseases or operations typically associated with old age, whilst at the same time reducing their need for nursing care. Investment was also made in a new day-care clinic. The refurbishment now allows for outpatient diagnosis of gastroenterology, outpatient infusions, chemotherapies as well as MRI diagnoses under anaesthesia.

✓ | In June 2023, our facilities in Bad Neustadt, Bad Berka and Frankfurt (Oder) entered into quality agreements for operations with three public healthcare funds under which, for the first time, total endoprostheses (TEP) are placed in the hip or knee joint in cases of severe arthrosis. The programme is aimed at making lasting improvements in treatment quality and care outcomes for patients. Talks are also under way with our university hospitals in Giessen and Marburg on an agreement for participation in this programme. For 2024 we have our sights set on a further quality agreement with Asklepios in the obstetrics area.

✓ | Since October 2023, the University Hospital of Giessen has been cooperating even more closely with the neurology department of Lahn-Dill-Kliniken in Wetzlar. The agreement provides for the referral of outpatients to Giessen in special consultations. Moreover, inpatient referral of seriously ill patients is to be ensured and stepped up. In addition to that, it is possible to introduce patients in case conferences in Giessen.

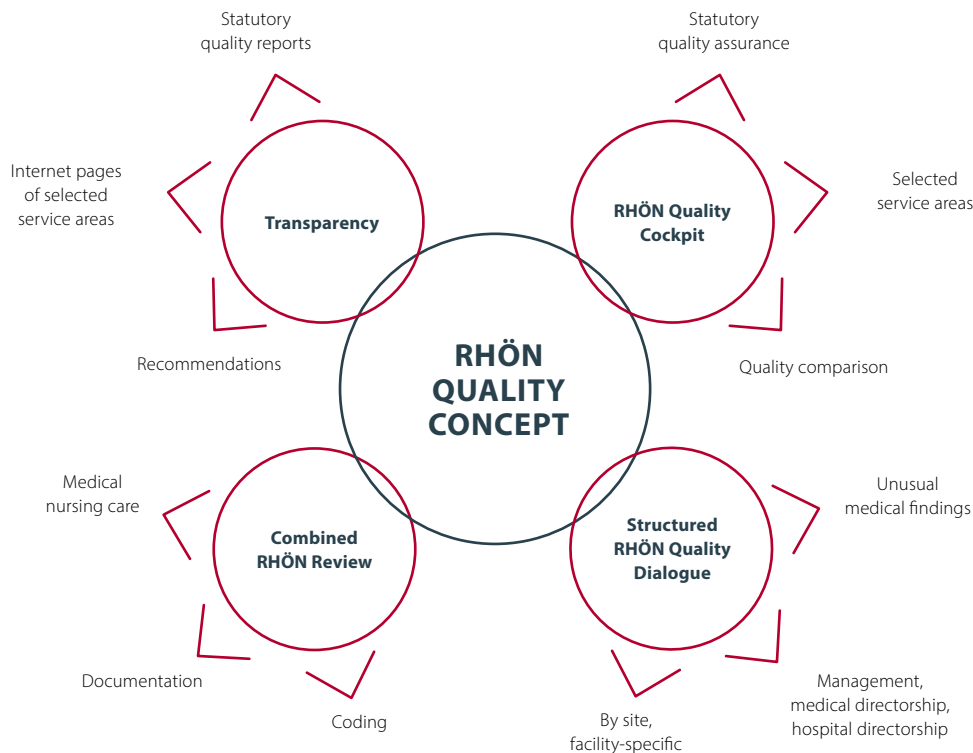
### RHÖN Quality Concept

✓ | With our RHÖN Quality Concept we are pursuing the goal of safeguarding and steadily improving our medical quality through a comprehensive approach. It is a key tool also for further enhancing patient safety. Together with the Quality division of Asklepios Group, we have implemented our strategy of harmonising the areas of quality and clinical risk management throughout the Group.

✓ | The RHÖN Quality Concept is based on four core elements: the RHÖN Quality Cockpit, structured RHÖN quality dialogues, the combined RHÖN reviews, and transparency. The results are regularly reported to the CMO and discussed in the expert panels.

✓ | The RHÖN Quality Cockpit helps us direct and guide our medical quality. We measure and continually assess defined quality indicators from which we derive measures for improvement. The RHÖN Quality Cockpit is now established with the Asklepios hospitals as an internal quality reporting system. Where required, the content is further structured and supplemented uniformly so that both companies benefit from this result.

### ✓ | RHÖN QUALITY CONCEPT





✓ | We ensure transparency in the quality of care provided by publishing the legally mandatory quality reports of select specialist fields on the Internet sites of the hospitals, providing a comparison with the federal and in some cases federal state average. These publications give patients, relatives, referring doctors and health insurance funds the possibility of informing themselves extensively on the treatment quality at the hospitals of RHÖN-KLINIKUM AG.

✓ | The combined RHÖN reviews established since 2018 were also performed in 2023 locally at two hospital sites. Nonetheless, we engaged with the Asklepios Group with a view to identifying areas in which we might complement each other.

### Clinical risk management expanded and optimised

✓ | We give top priority to the safety of our patients. During the reporting period we put into service components of a software program for an internal error reporting system, specifically the risk management, whistleblower system and audit management modules. The risk management module helps to identify relevant risks as well as establish and introduce risk mitigation measures. The whistleblower system is in response to the Whistleblower Protection Act (Hinweisgeberschutzgesetz, HinSchG). With the help of the audit management module, inspections of any kind can be planned, executed and documented. Improvement measures established from these can be plausibly monitored for implementation. For 2024, the introduction of a further module for claims management is planned.

✓ | In 2023, risk audits at all five hospital sites were carried out by the risk auditing company Gesellschaft für Risikoberatung (GRB). Our security level in clinical risk management was found to have significantly increased compared with the previous inspection. It is now at least at the same level as the average of all hospitals audited by the GRB, and in some cases at an even higher level.

### Patient KPIs

✓ | During the reporting period, we laid the foundations for reporting two new key performance indicators (KPIs) for 2023. The KPIs, which are based on a Group-wide standard, make it possible to compare the subgroups of the Asklepios Group. The new KPIs relate to the field of patient satisfaction in terms of the recommendation rate based on a questionnaire, as well as the subject of patient safety measured using the Critical Incident Reporting System (CIRS). As a reporting and learning system, CIRS is an essential part of clinical risk management. With CIRS all clinical employees can anonymously draw attention to errors and adverse events in clinical processes. A "learning-from-mistakes" is enabled by the system across departments and facilities. Cases of overarching relevance are passed on to all sites with specific prevention recommendations.

#### ✓ | Patient KPIs

Key performance indicator <sup>1</sup>	2023
<b>Critical Incident Reporting System (CIRS)</b>	
Reports received	232
Usable reports	62%
Processed CIRS reports	100%
CIRS reports with resulting measures <sup>2</sup>	96%
Implemented measures from CIRS <sup>3</sup>	62%
Measures from CIRS still outstanding	41%
<b>Recommendations derived from questionnaires</b>	95%

<sup>1</sup> Key performance indicators excluding Giessen site

<sup>2</sup> Disclosure of CIRS reports with derived measures proportionate to number of usable reports in per cent

<sup>3</sup> Disclosure of implemented measures from CIRS in proportion to number of derived measures in per cent

## EMPLOYEES

They are the backbone of our success – motivated, healthy and efficient employees with outstanding qualifications. They make it possible to keep our clinical operations running and are our most valuable assets. That is why we spare no efforts when it comes to valuing our employees and supporting them in their needs. Our principles of conduct and values, our comprehensive offering of initial, ongoing and higher-qualification training as well as healthcare management are what make RHÖN-KLINIKUM AG an attractive employer.

✓ | With 18,246 employees, we are one of Germany's biggest healthcare groups. Thanks to the strategic cooperation with the Asklepios Group that has continued since 2020, the range of opportunities we can offer in the human resources area has grown further. Together, we have developed and implemented concepts with the aim of making us even more attractive and important as an employer. These include the Employee Assistance Program (EAP) introduced throughout the Group that we have been implementing together with an external service provider since 2021.



With 18,246 employees,  
we are one of  
Germany's biggest  
healthcare groups.



✓ | When it comes to excellent medical care it is important for us to maintain a steadfast commitment to competence and know-how whilst at the same time building a close relationship with a human approach. As an established hospital operator, we enjoy tremendous recognition as an employer. That was also confirmed among other things by the study published in November 2023 by the analysis and consultancy firm Service Value in cooperation with the newspaper Wirtschaftswoche entitled "Germany's 1,000 most valuable employers for the common good", which from November 2023 ranked us among the 21 best-rated employers. It reviewed a total of 2,121 companies.

In the survey-based study "Germany's Best Employers" conducted by Service Value in cooperation with the newspaper WELT in October 2023, we also earned the highest company score in the rating "with very high employer attractiveness".

✓ | We have a high level of digitalisation, act responsibly and have a highly efficient and sound structure. As a corporate group with a network of hospitals, we offer good opportunities for personal advancement. That is something that is particularly valued by doctors in Germany. As attractive large intermediate- and maximum-care facilities with access to university medicine, our hospitals have a unique selling point.

### Our human resources management

✓ | Our two-tier organisation and human resources management approach has once again proven itself during the 2023 reporting period. Each of our hospitals has its own human resources management department that reports to the respective hospital management. Under this decentralised structure, operative decisions producing the best outcomes for the hospital site can be made. By contrast, any strategically important decisions are made centrally with the involvement of Group Human Resources. At the Group level, all issues of fundamental importance are pooled, such as questions relating to the orientation of the Group's human resources policy and establishment and promotion of the employer branding concept. Here, we always maintain a close dialogue with the Asklepios Group. This has led to a further professionalisation and improvement in HR management. Moreover, we offer bonus and employee benefits programmes.

✓ | We use new e-learning software procured together with the Asklepios Group. The learning content is constantly being updated in close professional collaboration with the Asklepios Group. In 2023, we also began updating the junior management development programme of RHÖN-KLINIKUM AG to reflect a changing labour market.

### **Our strategic cooperation makes us a viable and attractive employer**

✓ | The strategic cooperation, pooling our know-how and mutual transfer of knowledge between RHÖN-KLINIKUM AG and the Asklepios Group make us more resilient to the many different challenges we face as a result of energy and economic crisis, persistent staff shortages as well as healthcare policy, e.g. increasing regulation, a growing documentation workload or increasing outpatientisation.

✓ | RHÖN-KLINIKUM AG is established as an independent employer brand. Working in close cooperation we have expanded our continued training and employee advisory services and now post job offers across the entire corporate group.

### **We bring together new colleagues from Germany and abroad**

✓ | In 2023, we successfully stepped up our activities to recruit new staff from abroad, to provide them with continued and higher-qualification training and to retain them in our Company. Here we take account of cultural differences, overcoming language barriers as well enabling the smoothest possible integration.

✓ | In Bad Neustadt we succeeded in recruiting 70 international employees, with a further 60 staff to be added next year from India, Tunisia and Western Balkan states. At the Giessen site, 100 nurses have already been recruited, with 150 additional staff members to be added in 2024, mainly from Turkey. During the reporting period, Marburg took on 17 new apprentices for the most part from Morocco, Tunisia, Iran and India. In Bad Berka, 51 employees were added from abroad, including 21 apprentices. They are from India, Tunisia, Turkey, Cameroon, Morocco and Iran. At the Frankfurt (Oder) site, up to 29 employees from Brazil will join that facility in 2024. In 2023, this site also participated in the selection process of the Global Skills Partnership project of the Federal Ministry of Health with the Phillipines. Under the project, nursing staff were trained in their home country with course content adapted to German requirements.

✓ | Our Nursing Initiative Board is made up of representatives from all hospitals who meet regularly for an exchange of experience and ideas on the very broad subject of nursing. In the specialist bodies, specific aspects are further elaborated. Among other things, the Nursing Initiative Board looks at issues relating to the integration of foreign staff. Throughout the Group, focus issues such as the academisation of nursing, future-orientated workplace design and defining high-maintenance key performance indicators were formed which then reached a first implementation readiness stage in the second quarter of 2023.

✓ | In addition, in 2023 we continued our training cooperation scheme with the Asklepios Group at our sites in the Federal State of Hesse. The goal pursued by this intensified cooperation in the training area is to better coordinate the offerings and to offer additional joint training courses. For example, Asklepios staff obtained additional qualification to give practical training to apprentices at UKGM and staff from the UKGM attended an Asklepios teaching event for emergency care or wound management.

✓ | In the area of job applicant management, we use a uniform system at Zentralklinik Bad Berka, in some areas of RHÖN-KLINIKUM Campus Bad Neustadt and at the Klinikum Frankfurt (Oder) site. In future, we also want to offer this uniform job applicant management system at the university hospitals in Giessen and Marburg.

### **We look after our employees and their health**

✓ | Our overall aim as an employer is to preserve, restore or improve our employees' health, work and performance capacity as well as their well-being and job satisfaction – depending on the specific needs. We want to help and assist our employees with various offerings, thus fulfilling our role as a responsible employer.

✓ | Our occupational healthcare management covers the following measures:

- regular visits and risk assessments
- occupational integration management
- operational addiction prevention
- nutritional advice
- de-escalation management
- health reporting
- psychosocial support and assistance (occupational social advice)
- occupational medical care
- workplace ergonomics
- health conferences
- occupational health promotion (various sports courses and preventative offerings)
- further training in issues of relevance for health
- executive training events
- supervision and coaching
- mediation and conflict management
- resilience training

✓ | Some of these measures are developed, implemented and offered in close cooperation with healthcare funds and occupational insurance agencies, including established structures such as corporate integration management, at all sites of RHÖN-KLINIKUM AG.

**Ensuring fair compensation through in-house collective agreements and special benefits**

✓ | Fair remuneration has an influence on employee satisfaction. Our employees benefit from in-house collective agreements we have negotiated for our hospitals with the social partners ver.di and Marburger Bund. Compared with other collective wage agreements in the healthcare system our employees enjoy, for example, high night-shift premiums and differential surcharges exempt of tax and social insurance contributions. Further scope for payments exempt of tax and social security contributions, such as inflation relief bonuses, are also exhausted giving due regard to the legal prerequisites. For our UKGM site, negotiations on a collective agreement for job security and relief were taken up at the beginning of 2023 and were concluded at the beginning of November 2023.

✓ | With all these measures we want to express our high level of appreciation for our employees.

✓ | In addition to a Job Ticket for local public transport, we also offer a leasing model for financing a "Job Bike".



With all these measures we want to express our high level of appreciation for our employees.



**Promoting health with the Employee Assistant Programme**

✓ | We implemented our Employee Assistance Programs (EAP) in 2023 at all hospital sites. This measure also is part of our aim to promote the health of our employees. Under the EAP, employees of RHÖN-KLINIKUM AG can take advantage of consultations with the trained and knowledgeable staff of highly reputed external service provider whenever they find themselves in difficult personal situations. Employees are thus provided with assistance in finding their way out of their current difficulties.

✓ | At the end of the reporting period, we evaluated the level of use of the programme for the Frankfurt (Oder) as well as Giessen and Marburg sites since the EAP has already been offered there for roughly one year. Frequently, employees also reach out for help to prevent mental health issues and stress-related health risks as well as the related problems of work performance and sickness-related absences. Moreover, the EAP is specifically used to train executive staff, HR departments and works councils in managing employees dealing with psychological stress and addiction-related problems.

✓ | Employees may have an individual consultation at the hospital premises, by phone, or by video conference via a specific password-protected Internet link to our cooperation partner.

✓ | Moreover, we expanded the resilience training offering in the Group.

**Focus on our employees' work-life balance**

✓ | In 2023, 8,225 employees (roughly 45.1 per cent) were employed part-time. We have entered into individual agreements for each site in which we take greater account of employees' personal priorities. Here, our efforts are focused on ensuring clear stand-in arrangements. In addition, we try to take personal requests into account and establish on-call services or staff pools.

✓ | We are aware that work-life balance also makes a decisive contribution to stable mental and physical health. We therefore see it as our responsibility to create the conditions that enable our employees to achieve a good work-life balance. We achieve this by organising working hours as flexibly as possible and introducing regulations for trust-based working hours, flexitime and part-time work. In 2023, 8,225 employees (around 45.1%) were employed part-time. We have concluded individual agreements for each location in which we take greater account of the personal priorities of the workforce. We rely on clear substitution arrangements. We also try to take personal wishes into account and set up on-call services or standby pools.

✓ | Our employees and their families also benefit from the extensive childcare offering: for example, we run our own child day-care centres, cooperate with facilities locally, and provide individual childcare options for employees attending continued training courses or mandatory events. We help employees providing nursing care to relatives to cope with balancing their work with looking after their relatives. For example, UKGM has been certified as a family-friendly employer already since 2009 by Beruf und Familie GmbH of the Federal Ministry for Family Affairs. Since the end of 2021, RHÖN-KLINIKUM Campus Bad Neustadt has been part of Familienpakt Bayern (Bavarian Pact for the Family).

✓ | We have learned from the organisational challenges of the Covid-19 pandemic, and together with the Group-level works council agreed on a Group-level works council agreement for mobile working in September 2023. This allows employees to perform mobile work in specific areas for up to 50 per cent of their normal working hours. The Group-level works council agreement took effect in October 2023 and will apply initially up to and including July 2025.

### Putting initial, continued and higher-qualification training front and centre

RHÖN-KLINIKUM AG invests in the training of new staff members and the qualification of its employees. It promotes development opportunities with numerous continued and higher-qualification training offerings addressed to all professional groups represented in the Group. That is just as true for our nursing employees as it is for our doctors and therapists. Doctors, for example, can obtain additional qualifications including specific focus areas, and can be trained as specialist doctors at all the Company's sites.

Our strategic cooperation with the Asklepios Group also opens up additional opportunities for improving the quality of continued and higher-qualification training. Expenditure on training including continued and higher-qualification training totalled roughly 5.3 million euros in 2023 – after 4.3 million euros in the previous year. At the same time, it strengthens our role as a trustworthy and valued provider of healthcare training.



RHÖN-KLINIKUM AG  
invests in the training of  
new staff members and  
the qualification of its  
employees.



### Sitting close together in the virtual classroom

Also in the 2023 reporting year, we combined the advantages of online instruction with those of in-person training. With this “blended learning” approach, we can impart both theoretical and practical knowledge to our employees. This is made possible by a learning management system (LMS) that is accessible to all employees. The already extensive offering is being continuously expanded. With the system we can also provide pre-defined mandatory training courses for specific employee groups. The instructors at the various sites coordinate the course subjects with one another. Content for the offering was created by means of an authoring tool. As planned, we have also added a new software program to the system during the reporting year.

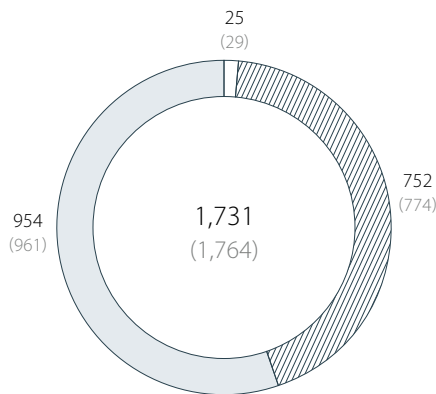
### Number of persons in training remains stable at a high level

In financial year 2023, 1,731 apprentices were employed in our Company (previous year: 1,764). We attribute the nearly stable number of apprentices compared with the previous year to the level of training remuneration and the good reputation of RHÖN-KLINIKUM AG as an attractive employer.

During the reporting period, 954 young persons completed their training in nursing professions, 25 in commercial professions and 752 in other areas. In 2023, 222 graduates were taken over into an employment relationship in their last training year.

APPRENTICES, TRAINING YEAR 1–3 2023 (2022)

Headcount



- Apprentices, nursing professions (nurses, etc.)
- Apprentices, commercial professions
- Apprentices, other professions

### We invest in tomorrow's junior talent

As a healthcare Group, we are continually investing in our own schools to train qualified staff ourselves. We run schools for nursing care, physiotherapy, ergotherapy, speech therapy, dietician services, for medical assistance professions in the areas of functional diagnosis (MTAF), laboratory (MTLA), radiology (MTRA) and medical documentation (MDA). We also provide vocational training in the business, gastronomy and IT fields.

RHÖN-KLINIKUM IT Service GmbH also further expanded its training offering. In addition to the existing possibility of training to become an "IT specialist" (Fachinformatiker), the offering for training as a "digitalisation management specialist" (Kaufmann für Digitalisierungsmanagement) was expanded. Moreover, this company is accredited as a training partner and in cooperation with the Baden-Wuerttemberg

Cooperative State University (DHBW) has offered for the first time since October 2022 the dual study programme "Business Information Systems, Degree Course in E-Health" (Wirtschaftsinformatik, Studiengang E-Health).

Also in financial year 2023, RHÖN-KLINIKUM AG has continued its commitment as member of an association promoting young researchers, the Initiative Junge Forscherinnen und Forscher e.V. (IJF). With the joint MINT (Math, Informatics, Natural sciences, Technology) education project of the IJF, RHÖN-KLINIKUM AG and the technical and vocational school Staatliche Fachoberschule und Berufshochschule Bad Neustadt a. d. Saale (FOSBOS), the participating partners want to revive the labour market in the region and inspire young people to pursue careers in science, technology and IT. The IJF project days at FOSBOS combine theory and practice. In 2023, RHÖN-KLINIKUM AG supported the training cooperation and organised excursions at the Campus Bad Neustadt providing insights into state-of-the-art medical technology and digital applications for patient care.

### Attractive employer: We embrace diversity

During the reporting period, people from many different nations worked for our Group. Irrespective of their age, gender identity, qualification or what their interests may be, they work side by side on a daily basis and perform outstanding work. The basis for that is respectful and fair dealings with one another. For us diversity is a self-evident part of our day-to-day hospital activities. We are fully committed to diversity and stand firmly against discrimination or harassment in any form. This is also underscored by a new works council agreement on whistleblower protection concluded in 2023 as well as several training courses in intercultural skills, communication and cooperation additionally held in 2023. We maintain the principle of equal opportunities by filling positions exclusively on the basis of qualifications. Almost 31 per cent of executives at the three management levels below the Board of Management are women. We also make sure that our teams are made up both of young and of experienced employees.



The basis for that is respectful and fair dealings with one another.



## HR ratios (KPIs)

✓ | In the 2022 Annual Report, the following KPIs were published in tabular form for the first time in addition to the previously specified key performance ratios at the Group level. The KPIs, which are based on a Group-wide standard, make it possible to compare the subgroups of the Asklepios Group.

### ✓ | HR RATIOS (KPIs)

Indicator	Unit	2023	2022
<b>Employees (incl. apprentices)</b>	headcount	18,246	18,140
<b>Employees subject to collective agreements</b>	headcount	16,971	16,885
<b>Employees under unlimited-term employment contracts</b>	per cent	75.6	75.3
women	per cent	73.7	73.6
men	per cent	26.3	26.4
<b>Employees under limited-term employment contracts, total</b>	per cent	24.4	24.7
women	per cent	65.1	65.3
men	per cent	34.9	34.7
<b>Full-time employees, total</b>	per cent	54.9	56.5
women	per cent	62.1	62.9
men	per cent	37.9	37.1
<b>Part-time employees, total</b>	per cent	45.1	43.5
women	per cent	83.1	82.9
men	per cent	16.9	17.1
<b>Apprenticeship places</b>	quantity	710	766
<b>Training &amp; development expense (initial and continued training)</b>	€ m	5.3	4.3
<b>Professions (initial training)</b>	quantity	26	23
<b>Women in management positions</b>	per cent	30.8	28.2
<b>Paid sick leave</b>			
Absences	per cent	6.7	7.5
Medical service	per cent	3.8	4.5
Medical-technical service	per cent	6.6	7.5
Functional service	per cent	8.4	9.4
Nursing service	per cent	8.3	9.1

### ✓ | HR RATIOS (KPIs)

Indicator	Unit	2023	2022
<b>Staff turnover by professional group</b>			
Medical service	per cent	17.3	17.6
Nursing service	per cent	11.3	11.2
Medical-technical service	per cent	14.9	14.0
Functional service	per cent	11.4	15.2
Hospital support staff	per cent	20.8	26.3
Operations management/ misc. service	per cent	23.6	28.0
Technical service	per cent	10.9	22.8
Administrative service	per cent	12.6	25.2
Special services and training facility staff	per cent	11.0	14.9
Other staff	per cent	56.6	57.0
<b>New joiners by age and gender</b>			
Total, women	per cent	67.0	64.4
Total, men	per cent	33.0	35.6
< 20 total	per cent	11.8	14.9
women	per cent	14.6	18.2
men	per cent	6.2	9.0
20–29	per cent	43.8	43.0
women	per cent	44.7	44.6
men	per cent	42.0	40.3
30–39	per cent	23.1	22.5
women	per cent	20.3	20.0
men	per cent	28.7	27.1
40–49	per cent	12.0	11.1
women	per cent	11.8	10.2
men	per cent	12.2	12.5
50–59	per cent	6.6	6.0
women	per cent	6.3	5.0
men	per cent	7.3	7.9
≥ 60	per cent	2.7	2.4
women	per cent	2.2	2.0
men	per cent	3.6	3.2
<b>Age structure</b>			
< 20	per cent	2.9	3.4
20–29	per cent	21.0	21.1
30–39	per cent	24.2	23.5
40–49	per cent	19.4	19.5
50–59	per cent	21.2	22.2
≥ 60	per cent	11.2	10.3
<b>EAP expense</b>	€ '000	603.6	564.2



## COMPLIANCE

The compliance standards at RHÖN-KLINIKUM AG promote a legally compliant conduct of our employees. This is sustained and supported throughout our Group – both internally within our Company and in the relationship with our external stakeholders.

✓ | Trust between clinical staff and patients is the basis of our day-to-day work. We understand this in the light of the principle that “we treat all people in the same way we also would like to be treated ourselves”. This principle applies without exception to all our employees. For us, trust and integrity form an integral part of our sustainable corporate activity. Compliance rules promote fair dealings in the internal and external relationship.



Our compliance management system provides the framework for legally compliant behaviour, fair dealings and responsible corporate governance.



### Compliance rules promote fair cooperation in internal and external relationships

✓ | Our compliance management system provides the framework for legally compliant behaviour, fair dealings and responsible corporate governance. The compliance management system is continuously enhanced. In our Group-wide principles of conduct, requirements setting out the relationship with our patients, customers, suppliers, shareholders and the general public as well as the conduct of employees amongst one another are described.

✓ | The highest level of responsibility for compliance is held by the Chairman of the Board of Management who reports to the Audit Committee of the Supervisory Board. A Central Compliance department for establishing the compliance framework and promoting the compliance management system is set up at the Group level.

✓ | The restructuring and cooperation between RHÖN-KLINIKUM AG and the Asklepios Group in the area of compliance already presented in 2021 Annual Report was further implemented in 2023. The close cooperation is leading to synergies in the area of compliance, thus also having a positive effect on the further development of the compliance management system of RHÖN-KLINIKUM AG.

✓ | The Central Compliance department is supported locally by compliance officers. They report to this central department and act as local contacts.

✓ | In addition to broadening the compliance framework, the Compliance Department in 2023 focused on enhancing the whistleblower system giving regard to the statutory requirements of the Whistleblower Protection Act (Hinweisgeberschutzgesetz, HinSchG) as well as a complaints procedure pursuant to the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG).

### Response to compliance reports

✓ | Employees of RHÖN-KLINIKUM AG can submit compliance reports using various reporting channels – also anonymously if requested. In addition to written reports sent by post, intranet and e-mail, reports may also be made by phone. In addition, a point of contact exists for persons affected by sexual harassment at the workplace.

✓ | In addition to the senior executives, the employees of the Central Compliance department as well as the compliance officers at the individual hospital sites and in other subsidiaries of RHÖN-KLINIKUM AG in particular also act as contact persons when compliance reports are made.



## Data Protection

The General Data Protection Regulation (GDPR) and the resulting revised German federal and state rules on data protection have been in force since 25 May 2018. In this context, the Board of Management of RHÖN-KLINIKUM AG adopted a data protection policy which is adapted to the rules and regulations and addresses key points of the Regulation, sets out the organisational framework for employees and thus provides the basis to ensure the best possible protection of personal data. The policy includes firstly Group-wide requirements, for example on data protection management, required rights and role concepts, on responsibilities as well as consequences in the event of breaches of requirements under data protection legislation. It moreover covers information on the operative implementation which is being adapted by the Group-affiliated facilities in the context of their own data protection concepts.

Each month and on an ad hoc basis, we conduct a screening of our website using special software to ensure that our privacy policy notices there are legally compliant and accessible. To comply with the GDPR principle of data accuracy, we introduced an external software program during the reporting year. It helps us keep data stored by us, such as address details, up-to-date and to optimise the data updating process.

The introduction of the whistleblowing system in 2023 was accompanied by a data protection impact assessment. The assessment reached by the Group data protection officer was that reports are processed through this system in compliance with data protection rules.

A particular challenge has to do with the international transfer of personal data, especially whenever services from the US are used. Whenever such services are commissioned by RHÖN-KLINIKUM AG, all processors are checked to ensure they provide for an adequate level of data protection, and are also required to present relevant certifications.

In addition, implementation of data protection-compliant actions is rounded off by manifold technical and organisational measures. Internal and external audits help ensure compliance with the requirements and enable the measures established to be improved. In addition, employees and executive staff are given greater awareness of the lawful management of personal data through web-based training and target group-based in-person training sessions.

### Data protection key performance indicator (KPI)

✓ | BREACH OF PROTECTION OF PERSONAL DATA

Indicator	2023	2022
Number of cases reported	20	22



Internal and external audits help ensure compliance with the requirements and enable the measures established to be improved.



## ENVIRONMENTAL PROTECTION

When it comes to protecting our environment, RHÖN-KLINIKUM AG takes the same level of care and diligence as it does when looking after the well-being of our patients and staff. That is why we are looking to further reduce our waste and emissions levels as well as to make even more conscientious use of our energy and water resources – without compromising on the security and comfort of the care provided to our patients. Also in 2023 we made numerous strides in these efforts which we describe for you below.

### Environmental management

✓ | Given the decentralised structure of RHÖN-KLINIKUM AG, environmental management is firmly established in the technical control departments of the hospitals. Overall responsibility lies with the Board of Management. The respective technical control department is responsible for the hospital's safe operation: it monitors all technical and medical-technical equipment and systems but also construction projects, and takes on the task of energy controlling as well as refurbishment and optimisation planning.

✓ | On all matters of environmental management, there is continuous strategic dialogue with the relevant departments of the Asklepios Group.

✓ | We procure gas and electricity Group-wide in RHÖN-KLINIKUM Energie für Gesundheit GmbH (REFG); the Frankfurt (Oder) and Giessen sites purchase district heating directly from their local energy providers. REFG posts invitations to tender via an electronic portal where it purchases the necessary quantities of gas and electricity. Here, the share of renewable energies in the energy mix according to the utility provider's disclosure for the reference year 2022 valid from 1 November 2023 is 59.3 per cent (previous year: 57.7 per cent).

✓ | With regard to all statutory requirements and questions, REFG is advised by an external service provider which also charges the centrally purchased energy to the facilities of RHÖN-KLINIKUM AG. REFG performs the monthly controlling.

✓ | The first energy audit according to DIN EN 16247-1 was carried out in 2016. This audit was then successfully repeated in 2020. According to the Energy Efficiency Act (Energieeffizienzgesetz, EEEffG), RHÖN-KLINIKUM AG is now required to implement and certify an energy management system.

### Lowering energy consumption and emissions

✓ | Modern hospital operations need a lot of energy. We use a wide variety of technical equipment and systems that are important for the treatment and care of the patients. Moreover, our patients and employees rely on rooms being kept at the right temperature. And the increasing pace of digitalisation and expansion of equipment-based medical care will also bring increasing demand for energy. At RHÖN-KLINIKUM AG, emissions are produced primarily in the form of carbon dioxide (CO<sub>2</sub>) from generation of electricity and heat based on fossil fuels or from external electricity purchases. Through modernisation measures, energy efficiency improvements and the use of renewable energies, we succeeded in reducing the sum of Scope 1 and 2 emissions in 2023.

✓ | To ensure energy-optimised operations, we invest in sustainable technologies at all our sites. Since we control the reduction in emissions through our primary energy consumption, automation of our buildings plays a key role in the hospitals and properties. State-of-the-art instrumentation and control equipment with numerous metering points creates greater transparency, shows us where there is a specific need for action and allows us to take targeted and highly effective countermeasures. In this way, energy consumption can be adapted to user-specific requirements. All our hospitals are currently being equipped with new instrumentation and control equipment. In the following section we present some measures which we have already taken and which have enabled us to both save energy and reduce emissions.

### Energy efficiency with co-generation plants

✓ | For more than 20 years, we have been generating energy using efficient co-generation plants. We also used, refurbished and expanded them in 2023. The plants deliver electrical energy and heat from burning natural gas. We also use the heat to generate the required cooling energy using absorption coolers – heat which would otherwise have to be generated by electrical energy. All that helps reduce CO<sub>2</sub> emissions at RHÖN-KLINIKUM AG.

✓ | With co-generation plants we now cover 79 per cent of our electricity demand ourselves at the Bad Berka site, 37 per cent in Bad Neustadt, 28 per cent in Marburg and 23 per cent in Giessen. We do not operate our own co-generation plant at our Frankfurt (Oder) site. Here we purchase 100 per cent of our electricity externally and are connected to the district heating grid of the City of Frankfurt (Oder).

✓ | In 2023, work moved ahead with refurbishing the four existing co-generation plants Bad Berka. By the end of 2024, we will adapt the four existing heating boilers to the new requirements and bring the central cooling unit in line with the new operating environment in several construction stages. These measures will significantly reduce CO<sub>2</sub> emissions and cut energy consumption by roughly 10 per cent once the project has been completed.



These measures will significantly reduce CO<sub>2</sub> emissions and cut energy consumption by roughly 10 per cent once the project has been completed.



✓ | During the reporting year 2023 we have taken further steps to harness the potential of photovoltaics (PV) at our sites. As part of a transformation concept, we have analysed the feasibility and viability of PV systems at all sites. Corresponding proposals for this are currently being reviewed. Moreover, we are analysing the feasibility of power purchase agreements (PPA) with private solar farm operators.

### Further reduction in climate-harmful anaesthetic gases

✓ | All anaesthetic gases are direct and potent greenhouse gases. They accelerate global warming when they enter the atmosphere through exhaust air. In 2023, we made further efforts to cut down on their use. For the most part we already previously managed to discontinue the use of anaesthetic gas in favour of other methods such as total intravenous anaesthesia (TIVA) or regional block anaesthetics.

✓ | At the Marburg site we have eliminated the use of desflurane, an anaesthetic gas which is particularly harmful for the climate, since 2022 for the most part, and at the Bad Neustadt and Giessen sites since 2023 completely. At the Bad Berka site three quarters of all desflurane vaporisers were already decommissioned. Also in Frankfurt (Oder), the use of desflurane was reduced to a minimum. At all our sites, we instead use less climate-damaging as well as cheaper gases such as sevoflurane. Likewise, we further reduced our consumption of nitrous oxide (also known as laughing gas) in 2023. Across all sites, nitrous oxide was only very rarely used, for example in special paediatric anaesthesia indications. In Marburg, anaesthetic gases are already captured with the help of an anaesthetic filter.

✓ | Moreover, in Frankfurt (Oder) 31 new electrically powered anaesthesia apparatuses that ventilate patients without the need for driver gas have been in use since October 2023. That makes these units 13-times more energy-efficient than similar older-generation devices. We expect to achieve energy savings of around 12,000 kWh per year.

### Keeping buildings in good condition makes good ecological and economic sense

✓ | Ecological aspects and the potential for saving energy feature very prominently in all refurbishment measures we perform on our buildings. Also in 2023, we identified and adopted new approaches in this regard.

✓ | We continued switching over existing lighting systems used in our hospitals, outdoor installations and parking facilities to efficient LED technology. For all new buildings and extensions as well as modernisation measures, we have committed ourselves to the exclusive use of LED lamps anyway. In Bad Neustadt the lion's share of fluorescent tubes in old buildings has been replaced by LED lamps – as of September 2023 alone we replaced roughly 600 fluorescent lamps by LEDs. Also in Bad Berka and Giessen, upgrades to LED lighting were made, and in Marburg motion sensors were additionally installed.

✓ | We see further energy savings potential in refurbished heating, ventilation and air conditioning units (HVAC units). Our previous refurbishment of these units has shown that when combined with modern building automation they enable a reduction in energy

consumption and CO<sub>2</sub> by up to 50 per cent per unit. For this reason, the modernisation of the central operating theatre in Marburg will also include a refurbishment of the HVAC units.

✓ | We achieved further energy optimisation in 2023 with the modernisation and re-insulation of a flat roof in Giessen. In Bad Neustadt we also refurbished the façades of a building including the windows. For 2024 this site is also planning roof greening and reforestation projects.

✓ | In 2024, we are planning to implement a Group-wide uniform metering point software which we hope will enable us to identify and where possible eliminate other energy inefficiencies.

✓ | In all new construction and refurbishment measures, we provide for redundancy and availability of the technical facilities to make sure we are ready for any failure of the external energy supply grid. Two emergency power generators per hospital ensure self-sufficiency in electricity for several days. With oil-operated boilers, we moreover ensure a sufficient supply of heat and steam in emergencies. We are thus able to ensure secure patient care in the event of protracted external supply failures.

✓ | At our Marburg site, our energy use was further optimised by further lowering the heating curves of individual temperature heating circuits by around 5 Kelvin from 70 to 65 degrees Celsius, and by turning off the radiators in the hallways and stairwells, as well as – after internal consultation with the hygiene officer – the hot water in the public toilets. Moreover, the air volumes of the HVAC units were reduced there.

### Sustainable building

✓ | At the Marburg site, the new construction of a residence for apprentices is planned. The project is being financed by an investor and UKGM will act as lessor. For the first time, wood will be used as the main construction material in the planned building design. Likewise, PV systems which will cover electricity demand of the apartments and e-charging stations will be used. Hot water will be supplied with regenerative energies.

### Inspiration from within: the Green Hospital Working Group

✓ | The Green Hospital Working Group established in 2022 at Universitätsklinikum Gießen und Marburg (UKGM) has continued to be an important inspirational force also in 2023. This employee Working Group representing various professional groups from different hospitals and disciplines develops ideas for integrating sustainability as well as climate and environmental protection into the day-to-day work of hospitals. Depending on the area of focus, senior executives or representatives from different business and clinical areas are invited

to the Working Group's meetings. Here, ways of steadily improving and newly implementing sustainable practices are discussed and actively pursued.



The Green Hospital Working Group established in 2022 at Universitätsklinikum Gießen und Marburg (UKGM) has continued to be an important inspirational force also in 2023.



✓ | In 2023, this Working Group's main focus of interest was on reducing waste in the operating theatre. The biggest proportion of waste is attributable to UKGM. The group is striving to step up recycling measures in this area, but is being faced with challenges from the area of hospital hygiene. Developing sustainable solutions that are both environmentally friendly and hygienically safe calls for a robust and innovative approach. At the group's initiative, waste separation in the operating theatre was already partially implemented in 2023. There, single-use plastic cups are no longer used either. Further measures in the operating theatre are being coordinated with the hygiene departments internally.

✓ | Moreover, at the initiative of Green Hospital in 2023, hospital catering services were changed to provide patients with more sustainable and healthier meals. It is also thanks to the Group's efforts that energy-efficient motion sensors became the standard in new and refurbishment construction measures. The Group stepped up a climate protection campaign in 2023 with distributed stickers, flyers and posters.

## Sustainable mobility

✓ | In the area of mobility, we also pressed ahead with emissions-cutting measures in 2023. In Giessen two new electric cars as well as an electric van were purchased. For these, three new e-charging stations for company vehicles were installed. In Bad Neustadt, Giessen as well as Marburg, the costs for local transport of staff are covered. In Bad Berka the cost of the Deutschlandticket (D-Ticket, valid for local transport throughout Germany) has been covered for apprentices since December 2023. In Frankfurt (Oder) we offer a Job Ticket, an employer-subsidised ticket for regional transport, for example from Berlin to Frankfurt (Oder). In addition, all employees at our Bad Berka, Frankfurt (Oder), Giessen and Marburg sites qualify for our Job Bike leasing offer. In Bad Neustadt there has been a Job Bike offer since January 2024.

## Sustainable medical technology

✓ | We are committed to sustainability also in the area of medical technology. For example, in trauma medicine at the Bad Neustadt site we have put in place sustainable wound and bone irrigation systems (lavages). Compared with conventional single-use lavages, the ones used by us earn high marks for sustainability with the versatility of their handpieces, their phthalate-, PVC- and latex-free rinsing set materials, and their lighter-weight design thanks to their fully recyclable aluminium housing. This can help cut waste and CO<sub>2</sub> emissions.

## Measurable results

✓ | In 2023, we generated with combined heat and power units a total of 35,561 megawatt hours (MWh) (previous year: 40,296 MWh) of electricity, covering roughly 32 per cent (previous year: 35 per cent) of our own demand. This is cost-efficient and in 2023 saved roughly 10,156 t in CO<sub>2</sub> emissions as compared with conventional energy supply. Compared with the previous year, electricity consumption at RHÖN-KLINIKUM AG in 2023 saw a reduction by 3.5 per cent to 110,680 MWh (previous year: 114,723 MWh). Heat consumption decreased by about 5.0 per cent to 143,634 MWh (previous year: 151,188 MWh).<sup>1</sup>

✓ | The lower energy requirements of our hospitals and the energy-saving measures taken have also resulted in a reduction of Scope 1 CO<sub>2</sub> emissions. These Scope 1 emissions are produced directly on site in our own heat and electricity generation. During the reporting period, these amounted to 37,676 t of CO<sub>2</sub> (previous year: 40,344 t of CO<sub>2</sub>)<sup>2</sup>. Scope 2 emissions cover all indirect emissions from district heating and electricity deliveries. In 2023, they increased slightly to 39,520 t of CO<sub>2</sub> (previous year: 38,333 t of CO<sub>2</sub>). Compared with the previous year, the Scope 2 figure also includes emissions from cooling media which were recorded for the first time in 2023.

<sup>1</sup> The previous year's figure was corrected from 94,338 MWh to 151,188 MWh.

<sup>2</sup> The previous year's figure was corrected from 45,544 tons of CO<sub>2</sub> to 40,344 tons of CO<sub>2</sub>.

## Reducing waste volumes through waste avoidance and recycling

✓ | Waste is unavoidable, especially in hospitals with their stringent hygiene requirements. Nevertheless, our goal is to reduce waste in the medium term. That is why RHÖN-KLINIKUM AG recognises the tremendous importance of avoiding and otherwise recycling waste as far as possible as well as ensuring proper sorting and disposal of waste. The waste officers at each of our sites monitor compliance with the regulations and train new employees and apprentices in the careful management of consumables (waste avoidance), proper segregation (recycling of raw materials) as well as the correct disposal methods for different types of waste.

✓ | We are making every effort to use all available means of recycling and to constantly find new recycling methods. We dispose of any non-recyclable waste in an environmentally sound manner to the highest disposal standards. That is why we exercise the utmost care when selecting our service providers and ensure that the disposal conditions are defined by contract.

✓ | In 2023, UKGM put special emphasis on waste management training. In Giessen, mandatory events are now held once a year for all employees with an additional waste management unit. This is especially important for new employees so that they gain heightened awareness of waste management and environmental protection as soon as they begin their work. Also in Marburg, more than 1,000 employees, and especially new team members, received further training in targeted waste management courses held in close cooperation with the occupational safety department. Increasingly, more possibilities for collecting materials in the operating theatre are being offered in cooperation with the Green Hospital Working Group. With these measures, the waste volume of both sites was already reduced significantly in 2023.

✓ | In cooperation with a medical waste specialist, single-use instruments are to be separately collected and recycled from 2024. Likewise, projects are being discussed in Giessen in which cardiac catheter tips and other electrode tips containing valuable raw materials are to be collected and recycled.

✓ | We continue to offer reusable coffee cups and salad bowls in the cafeterias at our sites (except Bad Neustadt). For our patients and employees, we use reusable dishes.

## Food waste

✓ | Reducing food waste as far as possible is an ongoing concern. We are pursuing this goal by conducting a survey of patient requests which is daily updated at all hospital sites. In this way only foods that are used are purchased, prepared and processed.

✓ | The Frankfurt (Oder) site switched to the new "Cook & Freeze" catering system in December 2023. Meals there are precision-portioned and delivered flash-frozen. This can help reduce food leftovers. Given the long storage life, this also avoids overproduction. At the Bad Neustadt site, the above "Cook & Freeze" method was adopted in January 2024.

✓ | Overall during the reporting period, the amount of category A-B waste produced was 4,236 t (previous year: 4,284 t). Compared with the previous year, volume of category A-B waste thus fell by 1.1 per cent. Category C-E waste decreased to 94 t (previous year: 132 t). The lower waste volumes are attributable to successful measures such as training courses and instructions on waste avoidance and recycling as well as lower volumes of waste from personal protective equipment (PPE) such as masks, gloves and gowns as a result of the easing situation of the Covid-19 pandemic.

## Reducing water consumption, ensuring water purity

✓ | (Drinking) water is a valuable resource that is not always available in all parts of the world. That is why we are also engaged in targeted efforts to lower water consumption in our day-to-day clinical activities.

✓ | In this connection we have implemented measures in recent years enabling us to conserve water to a noticeable extent. All toilets are equipped with water-saving buttons for minimum flushing volumes. The sink fixtures are set to predetermined limits on the amount and temperature of the water running through them.

✓ | As a rule, we take sparing use of the natural resource water into account in refurbishment and new construction measures. In the construction of the new paediatric and juvenile psychiatry clinic in Marburg, water saving fixtures were installed on sinks, showers and toilets. In another Marburg building, the dimensions and flow rates of drinking water lines and manifolds were reduced and adapted to requirements in 2023.

✓ | For a healthcare group like RHÖN-KLINIKUM AG, it is absolutely essential to be able to offer high-quality drinking water. That is why we drew up our own "Water Use Policy" already years ago. Strict compliance with these requirements is to ensure the high quality of drinking water from the point of delivery from the public water mains to the point of use. We also conduct regular water quality inspections through microbiological tests that exceed the legal requirements.

✓ | During the 2023 reporting period, water consumption was reduced by conservation measures by roughly 5.4 per cent to 643,730 m<sup>3</sup> (previous year: 680,360 m<sup>3</sup>).

✓ | For environmental reasons it is also very important to us to keep contaminant levels in our effluent discharges as low as possible. Effluent contaminants result from separation of contrast agents or medications. Effluent containing grease from the preparation of foods as a rule is passed through grease separators and only then discharged to the public sewerage system. In our kitchens, we also dispense with the use of cleaning and disinfection products containing chlorine. In 2023, the amount of effluent at all sites was roughly 629,789 m<sup>3</sup> (previous year: 642,454 m<sup>3</sup>).

## New system of indicators to enable comparability of Groups

✓ | In financial year 2022, RHÖN-KLINIKUM AG for the first time reported on its environmental KPIs in tabular presentation form. The KPIs correspond to a Group-wide standard and thus create comparability between the subgroups of the Asklepios Group.

✓ | Environmental key performance indicators (KPIs)

Indicator	Unit	2023	2022
<b>Total energy consumption (electricity)</b>	GWh	110.7	114.7
<b>Third-party purchase (electricity)</b>			
Electricity consumption (ex CHPs + PV)	GWh	76.7	76.2
Natural gas consumption (ex CHPs + PV)	GWh	55.2	56.8 <sup>1</sup>
District heating	GWh	42.1	42.5
<b>Self-generated energy</b>			
Electric energy produced by CHPs	GWh	35.6	40.3
Heat produced by CHPs	GWh	46.4	51.8
Number of CHPs	quantity	15	16
Photovoltaic	GWh	0.02725	0.000352
<b>Mix of energies (main electricity supplier)</b>			
Renewable energy sources	per cent	59.3	57.7
Nuclear power	per cent	4.8	9.1
Coal/lignite and natural gas	per cent	34.8	32.4
Other fossil fuels	per cent	0.8	0.9
<b>Waste, total weight</b>	t	5,062	5,117
<b>Water consumption</b>	m <sup>3</sup>	643,730	680,360
<b>Direct emissions (Scope 1)</b>	t CO <sub>2</sub>	37,676	40,344
<b>Indirect emissions from energy provided (Scope 2)</b>	t CO <sub>2</sub>	39,520	38,333

<sup>1</sup> The previous year's figure was corrected from 85.4 to 56.8.

## SUPPLIER MANAGEMENT

To obtain the best quality of products at the lowest prices, we have centralised our supplier management activities for the entire Group and work together closely with the purchasing managers of our hospital sites. We will build on this proven practice also in future.

### Trusted, long-term partnerships with our suppliers

Over the years, the business relationships with our suppliers have turned into partnerships based on mutual trust and reliability. In this way we are able to fully meet our requirements for quality, dependability and efficiency. This is something we notice time and again with our main suppliers in our annual supplier ratings. In addition, our top priority is for our suppliers to respect human rights and to meet the requirements of the Supply Chain Act (Lieferkettensorgfaltspflichten-gesetz, LkSG). What has proven to be a big advantage in this regard is the strategic cooperation we have been pursuing with the Asklepios Group purchasing department since October 2020. It is also responsible for entering into new contractual agreements. As experience has shown, this has given us an even stronger position in contract negotiations with our partners.

In addition to the purely economic effects of synergies, this also promotes the growth in knowledge which we achieve by pooling the know-how found in the Asklepios Group. This is being done among other things through joint specialised working groups. For example, in 2023 we established two further joint groups for neuroradiology and vascular prosthetics.

The cooperation has had an extremely positive effect when it comes to avoiding supply bottlenecks. For example, by working beyond the bounds of the Company and across our sites, we have been able to find solutions for what are now particularly rare goods. We reduce supply shortages by working together with at least two suppliers for each product group. Any short-term supply difficulties can usually be bridged through inventories or alternative products. Already during the purchasing phase, we thus make a decisive contribution towards the quality of our services.

### Inflation and regulatory challenges

As before, high energy costs continue to weigh heavily on our business. We feel the effects mainly indirectly through our suppliers. Higher energy costs have a huge impact on the production costs of the items we need, as well as on transport and logistics costs.

The EU Medical Device Regulation in force since May 2021 had an impact on prices also during the reporting year. The Regulation requires a new certification of medical devices. The costs associated with this are passed on by suppliers to customers, such as hospitals. Likewise, manufacturers are constantly considering the possibility of pulling low-margin products from the market instead of bearing the high costs of a certification. This is leading to shortages, pushing up costs even further.



In addition to the purely economic effects of synergies, this also promotes the growth in knowledge which we achieve by pooling the know-how found in the Asklepios Group.





It continues to be our primary objective, and one we have already embraced, to use only those products that have proven themselves for us from a medical standpoint and are of good quality. Maintaining this objective is indeed proving challenging in the current geopolitical situation.

Key goods categories of RHÖN-KLINIKUM AG are:

- drugs and blood products (blood supplies and blood coagulation factors)
- transcatheter aortic valve implants (TAVI)
- cardiac pacemakers and defibrillators
- stents
- endoprosthetics
- care products

**Standardisation of products ensures their availability**

For some time we have been trying to standardise and harmonise the products we purchase. Coming after that is cost aspect, since many manufacturers give rebates on large volume purchases. As the frank discussion amongst the materials management heads and in the medical expert panels of RHÖN-KLINIKUM AG has revealed, such standardisation does not lend itself to all products.

However, standardisation has proven advantageous in the following medical areas:

- surgical supplies (sterile OR gloves, suture material, staple suture material, surgical drapes, etc.)
- endoprosthetics (hips, knees, kyphoplasty, etc.)
- cardiology (pacemakers, defibrillators, heart valves, stents, etc.)
- anaesthetics (tubing, syringes, sensors, etc.)
- laboratory medicine (urine diagnostics, blood gas analysis, etc.)
- nursing (urine measurement systems, suctioning, dressing materials, infusion solutions, sanitary products, etc.)
- hygiene products (water filters, disinfectants, etc.)

In the non-medical area, we are pursuing for example the standardisation of office items or paper, the harmonisation of service providers in the technical area as well as the use of a uniform inventory management system for all hospital sites. In practice it was shown in 2023 that users are now well familiar with the procedure and have come to appreciate that their purchasing expertise is being heard.



In 2023, the requirements of the German Supply Chain Act were implemented by an interdisciplinary team centrally within RHÖN-KLINIKUM AG in collaboration with the Group parent company Asklepios.



In 2023, the requirements of the German Supply Chain Act were implemented by an interdisciplinary team centrally within RHÖN-KLINIKUM AG in collaboration with the Group parent company Asklepios. Following this we established, in addition to a first risk-adjusted survey of our suppliers, also a complaints procedure on our Group website. Already before the new Act was introduced, we acted in accordance with Kant’s imperative to “act only in accordance with that maxim through which you can at the same time will that it should become a universal law”.

**Supplier management indicators (KPIs)**

✓ | In the 2022 Annual Report, the following KPIs were published for the first time at the Group level to ensure comparability of the subgroups of the Asklepios Group.

✓ | Supplier management indicators (KPIs)

Indicator	unit	2023	2022
<b>Procurement volume</b>	€ m	488.5	446.6
<b>Total number of suppliers</b>	quantity	3,667	3,543



# Group Management Report

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# *Group Management Report*

During financial year 2023, we treated 881,775 patients in our hospitals and medical care centres, generating revenues of €1,464.0 million, EBITDA of €105.9 million and consolidated profit of €40.2 million. We thus achieved our financial targets for 2023.

Financial year 2023 was impacted by the rippling effects from numerous global crises in the form of inflation and price increases as well as the increasing shortage of qualified employees.

A successful agreement was reached with the Federal State of Hesse on the granting of investment funding as well as on the enhancement of separate accounting at Universitätsklinikum Gießen und Marburg (UKGM) at the end of 2023 ("White Paper Agreement Plus").

## 1 | BASIC CHARACTERISTICS OF THE RHÖN-KLINIKUM GROUP

### 1.1 Overview

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

With eight hospitals and 5,460 beds/places at a total of five sites in four federal states, we are one of the largest hospital operators in Germany. A total of 881,775 patients (previous year: 855,333) were treated in our facilities in financial year 2023. Despite high inflation and price increases, we generated EBITDA amounting to €105.9 million (previous year: €105.6 million) on revenues of €1,464.0 million (previous year: €1,446.1 million). At the balance sheet date, the Group employed 18,246 persons (31 December 2022: 18,140).

### 1.2 Future of the Group

RHÖN-KLINIKUM AG can look back on a satisfactory financial year 2023. This is an extremely positive assessment given the highly fraught economic situation of hospitals in Germany. That is because we continue to face the tremendous challenges resulting from the rippling effects of numerous global geopolitical crises in the form of inflation and price increases as well as the increasing shortage of qualified employees in the sector.

The Company continues to press ahead with its strategic objectives. The hospitals will continue to focus on their core activities, i.e. inpatient treatment services, and to invest in the expansion of outpatient care. Other areas of action include the optimisation of the processes which in addition to the ongoing improvement of clinical processes in particular focus on the purchasing and IT areas as well as expanding digitalisation with through modern IT systems and technologies.

For the university hospital Universitätsklinikum Gießen und Marburg (UKGM), an agreement was reached at the end of lengthy, marathon negotiations between the Federal State and the managers of the Group, the universities and UKGM on its entitlement to investment funding. With the "White Paper Plus" signed at the end of February 2023, UKGM will make available nearly €850 million for investments in healthcare provision as well as research and teaching over the next ten years. Federal state funds totalling roughly €530 million

coupled with own funds of roughly €320 million will enable the university hospital to implement an extensive modernisation of its medical, technical and building infrastructure. Coming on top of the over €750 million already invested in UKGM by our Company from own funds, these investments secure an important forward-looking strategy of UKGM which further strengthens its role and attractiveness as a university hospital.

For RHÖN-KLINIKUM AG, acting sustainably is something non-negotiable. As a healthcare group, we also embrace our ecological obligations in addition to our medical, social and corporate responsibilities. Our sustainability strategy is built on the three pillars: environmental, social and governance. It is being further developed on an ongoing basis.

### Attractiveness as employer

RHÖN-KLINIKUM AG is a modern, open and diverse Company. In science and research we work in our hospitals across borders in multi-cultural teams.

More than 18,200 people are employed at RHÖN-KLINIKUM AG. Roughly 1,700 people complete their training at our hospital-affiliated schools in nursing, medical, commercial and technical professions. For us, retaining our qualified employees and recruiting new staff members for our Company is hugely important. As one of the largest German healthcare service providers, we enjoy a good reputation as an attractive employer and training provider. We look after our employees, for example with offerings helping them to balance their career and family life as well as a wide range of offerings under our company health management scheme. We also offer good opportunities for personal advancement and are continuously investing in initial and ongoing training and attractive work-life services for our staff.

### Medical and nursing excellence

With RHÖN-KLINIKUM Campus Bad Neustadt, Zentralklinik Bad Berka, Klinikum Frankfurt (Oder) as well as the Giessen and Marburg University Hospitals (UKGM), RHÖN-KLINIKUM AG has five maximum- and intermediate-care hospitals throughout Germany. As academic teaching hospitals, all facilities maintain a close collaboration with research institutions. The strong interdisciplinary cooperation and individual therapies for our patients based on state-of-the-art diagnostics enable a holistic provision of medical, nursing and therapeutic care to patients.

RHÖN-KLINIKUM AG and its locations enjoy a high standing in the medical community. Our hospitals are certified to provide high quality treatment. Many of them hold multiple certifications.

We daily commit ourselves to ensuring the patients turning to us feel safe, receive excellent medical care and are happy with our services. Ensuring that this remains the case at all times is our top priority. Our aim is to achieve this goal through our standards and expectations for medical excellence, a comprehensive quality management programme with interfacility structures and close collaboration with our partners from the Asklepios Group.

### Corporate Code

Sustainability, responsibility, integrity, trust and loyalty – values that we have fully committed to right from the beginning. They are enshrined in the principles of conduct of RHÖN-KLINIKUM AG. The principles of conduct form the basis which is to apply to all employees, regardless of what position they hold. Everyone without exception – each to the best of their abilities – is responsible for adhering to these principles.

With integrity and respect to these principles of conduct in their day-to-day work, the employees meet their responsibility towards themselves, RHÖN-KLINIKUM AG, the patients as well as our business partners. The principles of conduct moreover represent important, uniform ground rules governing the entrepreneurial activity of RHÖN-KLINIKUM AG.

### Corporate social responsibility

As a provider of healthcare services, an employer and a Company, RHÖN-KLINIKUM AG is wholly committed to sustainability. With our commitment, we create a healthy environment for our patients, employees, business partners and investors. At the same time, it enables us to safeguard our success.

We also report on this in the section “Corporate Social Responsibility Report” (CSR Report) in the Annual Report published on our website. Further information can be found in the integrated separate Non-Financial Report (NFB) for the Group provided there pursuant to sections 315 b, 315 c in conjunction with sections 289 b to 289 e of the German Commercial Code (Handelsgesetzbuch, HGB).

#### a) Improving People’s Quality of Life

The well-being of patients is the top priority for RHÖN-KLINIKUM AG. Ethical behaviour, providing excellent medical and therapeutic care and nursing of course form part of our corporate philosophy.

We are committed to integrated care completely oriented to the needs of patients – at each individual facility as well as in cooperation with other facilities and sectors. With our Rhön Campus approach we are committed to excellent, cross-sector care – particularly in rural areas.

#### b) Protecting the environment

When it comes to protecting our environment, RHÖN-KLINIKUM AG takes the same level of care and diligence as it does when looking after the well-being of our patients and staff. For us, protecting the environment and being a conscientious steward of energy and water resources is inseparably bound up with responsible corporate governance. We pursue our activity without compromising on the security of care and the comfort of patients.

By financial year 2040, RHÖN-KLINIKUM AG is looking to achieve greenhouse gas neutrality in Scope 1 and 2 emissions. To do this, the Company is committed to a steadily expanding and more sustainable supply of energy from regenerative sources, more sustainable heat supply and advances in technology.

#### c) Supporting and retaining employees

The employees are the backbone of our success. They make it possible to keep our clinical operations running and are our most valuable assets. That is why we spare no efforts when it comes to valuing our employees and supporting them in their needs.

Our principles of conduct and values as well as our comprehensive offering of initial, ongoing and higher-qualification training are what make RHÖN-KLINIKUM AG an attractive employer. We reach out to students early, run our own schools and train people in nursing, medical, commercial and technical professions. Moreover, we specifically promote the ongoing and higher-qualification training of all professional groups within the Group. That is just as true for nursing staff as it is for doctors and therapists.

We realise that keeping a work-life balance is also key when it comes to maintaining stable mental and physical health. That is why we see it as our duty to create the environment in which our employees can succeed in harmonising their professional and personal life.

### 1.3 Objectives and strategies

In our 50-year company history, we have played an outstanding role as a particularly innovative company in the healthcare sector. Given the rapid pace of developments on the healthcare market we will continue setting new milestones in future as well, and together with Asklepios will gain an even stronger position on the market and continue reaping the benefits from the strategic cooperation and standardisation of processes and products. Together, our objective is to develop and promote path breaking concepts of healthcare delivery to ensure we can continue providing excellent medical care.

On the one hand, our hospitals in future will continue to focus on their core activities, i.e. on inpatient treatment services, with the goal of being able to provide our patients with cutting-edge medical care at all sites and anytime. Above and beyond that we will continue to invest in the expansion of outpatient care so that we can offer patients alternatives to an inpatient hospital stay meeting the high quality of medical care standards without having to sacrifice the standard of care provided in a hospital.

In addition to ongoing efforts to improve our clinical processes, our goal is to optimise the processes and further press ahead with product standardisation. At the same time, we have defined standards for processes and medical devices in all our facilities which are adopted across all sites. Improvements in margins that can be achieved thanks to size advantages in purchasing as well as positive economies of scale require a sound business development and stable internal financing so that in future also we can continue making investments in our healthcare facilities.

We continue to pursue our objective of taking on new challenges and, meeting them through appropriate investments. In addition to medical advances, we have move ahead even faster with digitalisation. State-of-the-art systems and technologies are indispensable in all areas. Clinical information systems are increasingly being networked with medical equipment. The prerequisite for this to have a suitable IT infrastructure that not only meets the technical standards but above all satisfies the highest safety standards as well. In future we will continue to use funds from the Hospital Future Fund (KHZF) to make further improvements to IT security, particularly given the steadily growing risks posed to critical infrastructure in the hospital area as well.

The conceptual and constructional modernisation of our sites continues to be a further significant goal. In Germany, we have a very good healthcare system with highly qualified and committed employees. To make sure this stays that way in future, this heavily regulated system must be funded in line with the principle of dual financing. That means that the operating costs are borne by the healthcare funds and the investment costs of the hospitals by the federal states regardless of their ownership (public or private) and their care level or category. It is therefore vital for the federal states to step up to the plate and once again better meet their statutory responsibility to assume the investment costs and to ensure the future viability of hospitals in Germany. For Universitätsklinikum Gießen und Marburg, an agreement was reached between the State Government of Hesse and the managers of our Group, the universities and the university hospital

on the latter's entitlement to investment funding. In February 2023, the "White Paper Plus" was signed under which nearly €850 m will be invested in healthcare provision as well as research and teaching over the next ten years. We are firmly convinced that Universitätsklinikum Gießen und Marburg can look ahead to very good prospects in the long term. Our extensive Group-wide investments will provide a positive impetus for medical care to patients.

As a healthcare group, we are also embracing our future ecological obligations in addition to our medical, social and corporate responsibilities. A part of our sustainable activities, we intend to reach climate neutrality by financial year 2040. To achieve this, we have created a transformation concept showing the scope for energy conservation and utilisation potential and have developed a catalogue of measures serving as a roadmap for our environmental strategy. Already now we invest in sustainable technologies, continuously optimise our processes and consider waste avoidance and water consumption reduction as essential when it comes to protecting the environment without compromising on the safety and comfort of the care we provide to our patients.

Our objectives continue to be ambitious and will present RHÖN-KLINIKUM AG and our employees with a wide range of challenges. RHÖN-KLINIKUM AG is a modern, open and diverse Company. Every day, people from over seventy nations work together in a team and do outstanding work. Here, we pay considerable attention to retaining and recruiting qualified staff, particularly also given the general shortage of qualified staff in the medical and nursing fields. With the shortage of nursing staff seen nationally, our goal is to recruit qualified professionals from abroad. That is why we have stepped up our recruiting measures and international contacts to recruit nursing staff in over twenty countries and will do everything we can to enable their good integration. We continue to offer our employees good opportunities for personal advancement and are continuously investing in initial and ongoing training as well as in attractive work-life offerings for our staff.

Not a few hospitals will have to close down due to the huge cost pressures and as a result of the planned hospital reform. We continue to face the tremendous challenges resulting from the rippling effects of numerous global crises and the associated huge cost burdens in the areas of energy, medical supplies or services. Many different structural changes are needed to safeguard the efficiency of the healthcare system in Germany.

Our ongoing goal is to pursue new paths to uphold the standard of offering the best medical care to our patients. In this way we can better respond to the changes and increasing requirements as compared with the market as a whole thanks to the merger with Asklepios and our large sites with highly specialised centres. Here, our RHÖN Campus approach for cross-sector and future-oriented healthcare delivery in rural areas will make an increasingly significant contribution towards creating the care delivery concepts and structures of the future.

We will also vigorously and unflinchingly continue pursuing the necessary task of helping to reshape the healthcare system and implementing our corporate goals.

#### 1.4 Controlling system

The Group of RHÖN-KLINIKUM AG is directed and managed by the Board of Management of RHÖN-KLINIKUM AG. The Group is managed giving due regard to medical, strategic and financial targets.

The target system defines the most important key performance indicators of relevance for control such as revenues and EBITDA, as well as key performance indicators for the growth in medical service volumes. These key performance indicators are monitored by the Board of Management. Monthly reporting to the Board of Management includes the hospitals. Group management costs are fully distributed to the operative segments. The monthly target-to-actual and actual-to-actual comparison in the report to the Board of Management, by aggregating the operative segments into one reporting segment, serve to control the targets published in the Company forecast. It is our firm view that profitable growth in our service volumes, number of cases or our valuation ratios as well as our revenues are important factors when it comes to increasing our enterprise value.

Revenues are among the most important financial performance indicators. For the purposes of measuring and controlling, revenues as a general rule are adjusted for consolidation effects so as to calculate organic growth.

Furthermore, RHÖN-KLINIKUM AG is controlled internally at the Company level by earnings before interest, tax, depreciation on tangible and amortisation on intangible assets (EBITDA). EBITDA, which is also one of the most important financial performance indicators, describes our operative performance before depreciation/amortisation, interest and tax and represents an important controlling-relevant financial performance indicator.

In addition to the most important financial controlling values, consolidated profit after tax (EAT) is decisive when it comes to measuring the earnings strength at the Group level, which however does not primarily have controlling relevance. This figure has an influence on earnings per share (EpS) used for capital market communication.

The number of cost weights and case numbers are significant, control-related, non-financial performance indicators for RHÖN-KLINIKUM AG. Cost weights are a key figure used to bill medical services in hospitals. Cost weights are given for each diagnosis-related group (DRG) in combination with the case mix index (index of the average severity of cases in the system of DRGs). Multiplying the cost weights by the so-called base rate produces the amount that a health insurance fund has to pay a hospital for such a case. This performance indicator provides RHÖN-KLINIKUM AG important information when it comes to both case numbers and the assessment of quality. Through supplementary fees and remuneration e.g. for new forms of treatment, this amount may increase further in certain cases.

In addition to the controlling variables, the Board of Management uses further non-financial performance indicators not primarily of relevance for controlling to promote the Company's further development on a sustainable basis. The further non-financial performance indicators include quality assurance, human resources development and the subjects of energy and the environment.

#### 1.5 Quality

We daily commit ourselves to ensuring the patients turning to us feel safe, receive excellent medical care and are happy with our services. Ensuring that this remains the case at all times is our top priority. We achieve this goal thanks to our standards and expectations for medical excellence, a comprehensive quality management programme with interfacility structures and close collaboration with our partners from the Asklepios Group. In this way we can introduce innovations, live up to our own standards of quality and set new standards.

Further information can be found in the separate Non-Financial Report (NFB) for the Group pursuant to sections 315 b, 315 c in conjunction with sections 289 b to 289 e HGB in the Annual Report published on our website.

## 1.6 Medical research and its translation into practice

Thanks to the direct tie-in to university maximum care and the direct access to university research findings made possible with the Giessen and Marburg university hospitals, the healthcare facilities of RHÖN-KLINIKUM AG can translate state-of-the-art research findings quickly and precisely into medical care and effectively deliver it to the regions.

Our excellent healthcare is based on this continuous transfer of knowledge from research into daily clinical practice. Our hospitals collaborate in national and international research associations and projects and benefit from the close networking as well as strategic exchange within the Asklepios Group.

## 1.7 Compliance

The compliance standards at RHÖN-KLINIKUM AG promote a legally compliant conduct of our employees. This is sustained and supported throughout our Group – both internally within our Company and in the relationship with our external stakeholders. Our sustainable corporate activity is built on trust and integrity.

The trust between clinical staff and patients is the basis of our day-to-day work. We understand this in the light of the principle that “we treat all people in the same way we also would like to be treated ourselves”. This principle applies without exception to all our employees.

Our compliance management system provides the framework for legally compliant behaviour, fair dealings and responsible corporate

governance. It is continuously being enhanced and promoted. In our Group-wide principles of conduct, requirements setting out the relationship with our patients, customers, suppliers, shareholders and the general public as well as the conduct of employees amongst one another are described.

Further information can be found in the separate Non-Financial Report (NFB) for the Group pursuant to sections 315 b, 315 c in conjunction with sections 289 b to 289 e HGB in the Annual Report published on our website.

## 1.8 Corporate Governance

### Subscribed capital

The subscribed capital of RHÖN-KLINIKUM AG stated in the consolidated financial statements is completely made up of 66,962,470 ordinary voting bearer shares (non-par shares) each having a nominal share in the registered share capital of €2.50. Restrictions on voting rights or the transfer of shares – even if these may result from agreements of shareholders – do not exist or are not known to us. None of our shares is issued with special rights that confer on its holder special powers of control. Employees who hold shares exercise their voting right freely. Shareholders may exercise their voting rights themselves at the Annual General Meeting or through proxies appointed for this purpose.

Based on the threshold events notified to us, the following picture pursuant to section 33 f. of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) in terms of shareholder structure emerges as at the relevant key date of 31 December 2023:

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

## Consolidated financial statements, communication with shareholders and analysts

The consolidated financial statements are drawn up in accordance with the provisions of International Financial Reporting Standards (IFRS) applicable within the European Union and applying section 315 e of the HGB, and audited in accordance with both national and international auditing standards. When issuing auditor mandates, due care is taken to ensure the requisite independence of the auditors

appointed. The audit mandate for the annual and half-year financial statements of the Group as well as for the Group's ultimate parent company is issued by the chairman of the Audit Committee after due examination pursuant to the resolutions adopted at the Annual General Meeting.



We publish our consolidated financial statements in March of the following financial year. The Annual General Meeting normally takes place within the first six months of the new financial year. We announce our forecasts for the respective financial years in accordance with the requirements. We conduct analyst and analysis and investor discussions and also report on business performance in analyst conference calls. With our financial calendar published in the Annual Report and in the Internet on our website, we inform our shareholders, shareholder associations, analysts and the media of all other recurring key dates.

### Corporate bodies

The Board of Management and the Supervisory Board are constituted according to legislation governing German stock corporations. Under this regime the Board of Management directs the Company; the Supervisory Board advises the Board of Management and supervises its management activity. Members of the Supervisory Board and the Board of Management are appointed and dismissed in accordance with the provisions of stock corporation law (Supervisory Board: section 101 et seq. of the German Stock Corporation Act (Aktengesetz, AktG); Board of Management: section 84 of the AktG) and the German Co-Determination Act (Mitbestimmungsgesetz, MitbestG).

In line with the principle of equal representation of shareholders and staff pursuant to the German Co-Determination Act (Mitbestimmungsgesetz, MitbestG) and the Articles of Association, the Supervisory Board of RHÖN-KLINIKUM AG comprises an equal number of employee and shareholder representatives (16) and held five meetings in 2023 (2022: seven meetings).

At the ordinary Annual General Meeting of RHÖN-KLINIKUM AG on 7 June 2023, the shareholders, in addition to the appropriation of net distributable profit, approved the actions of the members of the Board of Management and Supervisory Board, the Remuneration Report pursuant to section 162 of the German Stock Corporation Act (Aktengesetz, AktG), the appointment of the statutory auditor for financial year 2023, various amendments to the Articles of Association as well as the amendment to the Articles of Association concerning the authorisation to convene virtual general meetings.

As at the reporting date of 31 December 2023, the composition of the Supervisory Board remained unchanged compared with the reporting date of 31 December 2022. Mr. Georg Schulze notified the Company by letter of 5 September 2023 that he was resigning his mandate as member of the Supervisory Board of the Company with effect from 31 December 2023, and accordingly left the Supervisory Board pursuant to Section 10 (3) of the Articles of Association of 14 June 2023. The Local Court of Schweinfurt – by Decision of 7 December 2023 issued on application by the Board of Management based on a corresponding proposal of the Supervisory Board – then appointed Mr. Stefan Röhrhoff, Regional Director of Ver.di, region of Hesse, health department, as member of the Supervisory Board of the Company with effect from 1 January 2024. By letter of

13 February 2024, Mr. Kai Hankeln notified the Company that he was resigning his mandate as member of the Supervisory Board of the Company with immediate effect.

As at 31 December 2023, 31.3% of the Supervisory Board is currently comprised of women and 68.7% of men. There are six standing committees: the Mediation Committee as well as the Personnel Affairs Committee, the Audit Committee and the Committee for Deciding on Transactions with Related Parties within the meaning of section 111 a of the AktG ("Related Party Committee") as committees with the power to adopt resolutions within the meaning of section 107 (3) AktG, as well as the Nomination Committee for candidates of the shareholders' representatives and the Medical Innovation and Quality Committee. The respective committee chairmen report to the Supervisory Board as required at regular intervals on the work of the committees.

The Board of Management of RHÖN-KLINIKUM AG is responsible for directing the Company. In accordance with the Terms of Reference, its business operations are carried out under joint responsibility. The Board of Management reports regularly, without delay and comprehensively to the Supervisory Board on all significant issues relating to the business development and position of the Group and its subsidiaries. The composition of the Board of Management has not changed compared with 31 December 2022. As at 31 December 2023, the Board of Management of RHÖN-KLINIKUM AG is composed of three members: Prof. Dr Tobias Kaltenbach (CEO), Dr Stefan Stranz (CFO) and Dr Gunther K. Weiß (COO).

For information on remuneration of the Board of Management and of the Supervisory Board, reference is made to the Remuneration Report published on our website.

Terms of Reference have been adopted for the activities of the Board of Management as well as of the Supervisory Board, including cooperation between these two bodies, in which among other things the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

### Shareholdings of members of corporate bodies

As at 31 December 2023, the members of the Supervisory Board and the Board of Management and their related parties together held, pursuant to Article 19 of the Market Abuse Regulation (MAR), 0.0% (previous year: 0.0%) of the Company's registered share capital, of which the Supervisory Board and its related parties account for 0.0% (previous year: 0.0%) of the shares in issue. As in the previous year, the members of the Board of Management and their related parties do not hold any interests in the registered share capital.

We continue to disclose all transactions of members of the Board of Management and the Supervisory Board which are subject to notification pursuant to Article 19 of the MAR.



### Other contracts containing a change-of-control clause

The White Paper Plus (Zukunftspapier Plus) signed at the end of February 2023 between the Federal State of Hesse, RHÖN-KLINIKUM AG, Asklepios Kliniken GmbH & Co. KGaA, Universitätsklinikum Gießen und Marburg GmbH (UKGM), as well as their universities with their faculties of medicine, relating to the granting of investment funds for UKGM provides, as of 1 January 2023, for a re-transfer of shares to the Federal State of Hesse under certain circumstances in the event of a change of control. A change of control exists if 50.0% of the shares in RHÖN-KLINIKUM AG or more than 50.0% of the shares in Asklepios Kliniken GmbH & Co. KGaA or its personally liable shareholder is acquired by another natural or legal person.

Various contracts relating to financial instruments exist in which the lenders may demand immediate re-payment in the event of a change of control. In this regard a change of control is defined as the takeover of more than 50.0% of the interests in RHÖN-KLINIKUM AG. For the former anchor shareholders B. Braun Melsungen AG/Asklepios Kliniken GmbH & Co. KGaA/Mr. Münch (HCM SE) and Ms. Münch, exceptions did and do exist in the promissory note loan agreement from financial year 2018 and the registered bond from financial year 2019. According to the contract documentation, no change of control exists if one or more of the former anchor shareholders acquire(s) more than 50.0%, but no more than 70.1% maximum (promissory note loan agreement 2018) and 70.3% maximum (registered bond 2019), respectively, of the voting shares in RHÖN-KLINIKUM AG within the group of anchor shareholders.

### 1.9 Declaration on Corporate Governance

The Declaration on Corporate Governance, in addition to the Declaration of Compliance of the Board of Management and the Supervisory Board pursuant to section 161 of the AktG, also contains information on corporate governance practices, the work approach of the Board of Management and the Supervisory Board as well as the committees established by them, reporting on equal participation of men and women in management positions and the diversity concept.

For further details please visit our website [www.rhoen-klinikum-ag.com](http://www.rhoen-klinikum-ag.com) where the Declaration on Corporate Governance is made accessible to the public under the section "Corporate Governance".

## 2 | ECONOMIC REPORT

### 2.1 Macroeconomic environment

In 2023, the German economy stagnated as it struggled with high, albeit declining inflation. The was attributable above all to massive losses in purchasing power resulting from the crisis in energy prices that weakened private consumption. The downbeat trend on the global economy and with it weak foreign demand hampered Germany's export-driven economy, already under pressure from significantly higher energy prices. Coming on top of this were the subduing economic effects resulting from geopolitical tensions and crises. The mood in the German economy deteriorated in December 2023. After reaching 90.1 points in January 2023, climbing to 91.5 points in May 2023 and declining to 87.2 points in November 2023, the ifo business climate index further declined to 86.4 points in December 2023. Price-adjusted gross domestic product was 0.3% lower in 2023 compared with the previous year.

The effects of the weak economy could also be seen on the labour market. Unemployment and underemployment saw a significant increase on average over 2023, with the number of unemployed persons increasing by 191,000 to 2.609 million compared with the previous year. The jobless rate stood at 5.7% as an annual average for 2023. In December of the previous year, the rate was 5.3%.

### 2.2 Sector-specific environment

Like the economy as a whole, hospitals have been hugely impacted by price increases as a result of significant uncertainties in connection with the geopolitical risks since 2022. In addition to high inflation which has now subsided again, high collective wage increases coupled with a lack of refinancing as well as increasing outpatientisation with insufficient financial and structural framework conditions are responsible for the massive deterioration in the financial situation of hospitals seen over the past years. This has confronted hospital operators with a tremendous challenge.

On 10 July 2023, the Federal Government and the States reached agreement on the key points of a hospital reform. On 22 September 2023, the Federal Ministry of Health tabled a first working draft for an act that is to contain provisions on improving the quality of care delivery in hospitals and reforming remuneration structures. The working draft is currently in further consultations between the Federal Government and the Federal States. The hospital reform provides for reforming the system of purely volume-based DRG remuneration and introducing a merely indirectly volume-dependent component in the form of remuneration for maintaining the availability of capacities. Under this scheme, the existing case flat rates (DRGs) are to be lowered. The level of financing capacity availability is to be linked to service groups which are assigned to the individual hospitals by the Federal States and which require the hospitals to meet uniformly defined quality criteria. The hospital reform now offers the opportunity to tackle fundamental challenges like the chronic underfunding of hospitals in Germany. However, the Federal Government's current

reform proposal has still failed to address the key questions of implementation and funding. We are not yet able to gauge the specific effects of the reform on the hospitals of RHÖN-KLINIKUM AG at this time since the final details, in particular regarding the planned allocations of service groups and the terms of financing capacity availability, have not yet become known. Nonetheless, we believe the position of our hospitals makes us well prepared for the impending reform.

On 3 August 2023, the Act Amending the EWPBG and Amending the Electricity Price Brake Act (Gesetz zur Änderung des Strompreisbremssengesetz (StromPB-ÄG)) as well as Amending Other Energy Industry, Environmental and Social Legislation entered into force. By this Amending Act, numerous provisions of the Gas and Heat Price Brake Act (Erdgas-Wärme-Preisbremssengesetz (EWPBG)) and the Electricity Price Act Brake Introduction Act (Strompreisbremssengesetz (StromPBG)) adopted at the end of 2022 were amended. The aim of the legislation is to implement adaptation measures in specific areas identified for this. Funding in the amount of €6 billion to provide relief for energy price increases for hospitals thus remains unchanged. Nonetheless, a reallocation was made. Since it emerged that the amount of €4.5 billion originally intended to compensate for direct increases in energy costs cannot be called in the full amount by the hospitals, an amount of €2.5 billion of this will now be distributed likewise as a lump sum on the basis of bed numbers. The relief payments provide have a payment period from 1 October 2022 to 30 April 2024.

The German Federal Parliament on 19 October 2023 adopted the Act Promoting the Quality of Inpatient Care through Transparency (Hospital Transparency Act (Krankenhaustransparenzgesetz, KTG)). The Act provides the basis for the planned publication of hospitals' structural and performance data. With the Hospital Transparency Act, the Federal Government is flanking and bolstering the planned hospital reform. The hospitals are to be required to collect and report on more comprehensive data relating to their services and quality than was previously the case. This is to enable patients to recognise which hospital in their vicinity offers which services and how such hospital scores in terms of quality as well as staffing of doctors and nurses. The Federal Ministry of Health (BMG) is expected to publish current data on the service offering and quality aspects relating to the situation of inpatient care in Germany on the Internet in the form of a transparency list. For that purpose, hospitals are assigned to care levels and the distribution of service groups amongst the individual sites of the hospitals will be presented more transparently. On

24 November 2023 the Federal States requested a thorough revision of the Act in the Federal Council and called for the Mediation Committee to be convened.

## 2.3 Business performance

### 2.3.1 Overall statement on economic position

Financial year 2023 continued to be impacted by the rippling effects of geopolitical crises in the form of inflation and price increases as well as an increasing shortage of qualified staff. Our Company's economic performance continues to be robust, and can be viewed as positive given the fraught financial situation of hospitals in Germany.

During the reporting year, a total of 881,775 patients sought medical at our hospitals and medical care centres (MVZ). That is a total increase of 26,442 or 3.1%. The trend from inpatient to outpatient care is still continuing, also at our facilities. In terms of the cost weights, we report a slight decline in line with inpatient and semi-inpatient patients, also as a result of the labour dispute at the Giessen and Marburg university hospitals early this year.

Compared with the previous year, we report a rise in revenues by €17.9 million to €1,464.0 million (previous year: €1,446.1 million), a rise in EBITDA by €0.3 million to €105.9 million (previous year: €105.6 million) as well as a rise in EBIT by €4.3 million to €40.4 million (previous year: €36.1 million). Consolidated profit increased by €13.3 million to reach €40.2 million.

### 2.3.2 Trend in service volumes

	Hospitals	Beds
<b>As at 31 December 2022</b>	<b>8</b>	<b>5,445</b>
Change in capacities	–	15
<b>As at 31 December 2023</b>	<b>8</b>	<b>5,460</b>

Since 31 December 2022, adjustments in hospital plans and renewals of care delivery contracts resulted in minor changes in our inpatient as well as semi-inpatient and day clinic capacities:

	Approved beds/places		Change	
	31 Dec. 2023	31 Dec. 2022	absolute	in %
Inpatient capacities				
Acute hospitals	4,629	4,634	-5	-0.1
Rehabilitation hospitals and other inpatient facilities	612	602	10	1.7
	5,241	5,236	5	0.1
Semi-inpatient and day-clinical capacities	219	209	10	4.8
<b>Total</b>	<b>5,460</b>	<b>5,445</b>	<b>15</b>	<b>0.3</b>

As at 31 December 2023, we operate nine medical care centres with a total of 60.75 specialist practices:

	Medical care centres	Specialist practices
<b>As at 31 December 2022</b>	<b>9</b>	<b>61.75</b>
<b>Opened/acquired</b>		
MVZ Bad Berka	-	0.25
MVZ Bad Neustadt a. d. Saale	-	0.50
MVZ Frankfurt (Oder)	-	1.00
<b>Disposals</b>		
MVZ Bad Berka	-	-2.00
MVZ Marburg	-	-0.75
<b>As at 31 December 2023</b>	<b>9</b>	<b>60.75</b>

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

January to December	2023		Change	
	2022	absolute	in %	
Inpatient and semi-inpatient treatments at our				
Acute hospitals	187,600	189,803	-2,203	-1.2
Rehabilitation hospitals and other facilities	5,301	5,056	245	4.8
	<b>192,901</b>	<b>194,859</b>	<b>-1,958</b>	<b>-1.0</b>
Outpatient attendances at our				
Acute hospitals	476,091	452,491	23,600	5.2
Medical care centres	212,783	207,983	4,800	2.3
	<b>688,874</b>	<b>660,474</b>	<b>28,400</b>	<b>4.3</b>
<b>Total</b>	<b>881,775</b>	<b>855,333</b>	<b>26,442</b>	<b>3.1</b>

### 2.3.3 Results of operations

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

Consolidated performance figures developed as shown below:

January to December	2023		Change	
	2022	absolute	in %	
<b>Income</b>				
Revenues	1,464.0	1,446.1	17.9	1.2
Other income	272.4	220.1	52.3	23.8
<b>Total</b>	<b>1,736.4</b>	<b>1,666.2</b>	<b>70.2</b>	<b>4.2</b>
<b>Expenditure</b>				
Materials and consumables used	488.5	446.6	41.9	9.4
Employee benefits expense	974.4	949.8	24.6	2.6
Other expenditure	167.3	164.2	3.1	1.9
Result of impairment on financial assets	0.3	0.0	0.3	n.a.
<b>Total</b>	<b>1,630.5</b>	<b>1,560.6</b>	<b>69.9</b>	<b>4.5</b>
<b>EBITDA</b>				
Depreciation/amortisation and impairment	65.5	69.5	-4.0	-5.8
<b>EBIT</b>	<b>40.4</b>	<b>36.1</b>	<b>4.3</b>	<b>11.9</b>
Finance result	7.3	-2.5	9.8	> 100.0
<b>EBT</b>	<b>47.7</b>	<b>33.6</b>	<b>14.1</b>	<b>42.0</b>
Income taxes	7.5	6.7	0.8	11.9
<b>Consolidated profit</b>	<b>40.2</b>	<b>26.9</b>	<b>13.3</b>	<b>49.4</b>

Despite the discontinued reimbursements by the German legislator in connection with COVID-19 legislation, revenues rose to by €17.9 million or 1.2% to reach €1,464.0 million above all as a result of the increase in the state base rates. Whereas inpatient and semi-inpatient case numbers were down by 1,958 cases or 1.0% as a consequence of the strike at the Giessen and Marburg university hospitals early in the year, we recorded a rise in outpatients by 28,400 cases or 4.3%. In line with the trend in inpatient and semi-inpatient patients, our cost weights likewise saw a slight decline to around 179,000 cost weights compared with the previous year. During the same period of the previous year, revenues still included €77.6 million in income in connection with COVID-19 legislation, This mainly related to relief amounts for beds kept available as well as care surcharges paid to hospitals for extraordinary charges as a result of the Corona virus.

The rise in other income by €52.3 million or 23.8% is mainly attributable to higher income from ancillary and incidental activities

(€22.9 million) particularly as a result of higher sales of drugs and cytostatics, as well as to higher income from payments by the legislator from the Health Fund (Gesundheitsfonds) to compensate for higher energy costs (€27.9 million) under section 26f of the Hospital Financing Act (Krankenhausfinanzierungsrecht (KHG)). Also included is an amount of €5.0 million in reversals of liabilities from previous years recognised in the income statement. During the same period of the previous year, this item most recently still included €3.2 million in reimbursements from the legislator in connection with the COVID-19 pandemic.

in %		
	2023	2022
Materials ratio	33.4	30.9
Personnel ratio	66.6	65.7
Other cost ratio	11.4	11.4
Depreciation and amortisation ratio	4.4	4.8
Finance result ratio	0.5	-0.2
Effective tax ratio	0.6	0.4

As a result of a further increase in purchasing prices, materials and consumables used witnessed an increase, disproportionate to the rise in revenues, by €41.9 million or 9.4% in financial year 2023 compared with the same period of the previous year. The cost-of-materials ratio climbed from 30.9% to 33.4%.

As the number of full-time employees remained nearly constant on average over the year, the employee benefits expense rose compared with the same period of the previous year as a result of general wage increases. The personnel expense ratio climbed from 65.7% to 66.6%.

Other expenses saw an increase from €164.2 million by €3.1 million to €167.3 million. The other expenditure ratio stands at 11.4% in line with the previous year. Of the increase, €8.0 million is attributable to expenditures for maintenance and servicing requirements. As counter- and thus expenditure-increasing effects were the €3.2 million lower payments of penalties to the Medical Review Board of the Statutory Health Insurance Funds (MDK) and the €1.5 million decline in payments for training facilities.

The depreciation and impairment item declined compared with the same period of the previous year by €4.0 million or 5.8% to €65.5 million. The depreciation/amortisation ratio fell from 4.8% to 4.4%.

Thanks to a positive development of interest rates, the finance result improved from -€2.5 million by €9.8 million to +€7.3 million.

At an unchanged tax rate, the tax expense item saw an increase compared with the same period last year by €0.8 million due to a higher tax assessment basis.

Consolidated profit increased by €13.3 million to €40.2 million (previous year: €26.9 million). Non-controlling interests in profit rose decreased compared with the same period last year by €0.3 million to €1.5 million (previous year: €1.8 million). The interest of RHÖN-KLINIKUM AG shareholders in profit for financial year 2023 rose by €13.6 million to €38.7 million (previous year: €25.1 million) compared with the previous year. This translates into earnings per share of €0.58 (previous year: €0.38) in accordance with IAS 33.

With revenues of €1.5 billion, we met our forecast for revenues for 2023 made in the 2022 Group Management Report for €1.5 billion with our actual figure within a range of plus or minus 5%. We also met the forecast for EBITDA made in the 2022 Group Management Report for financial year 2023 of between €103 million and €109 million with the actual figure of €105.9 million.

Our case numbers and cost weights are slightly below the respective expected levels, which was mainly attributable to the labour dispute at the Giessen and Marburg university hospitals early this year resulting in massive cuts in outpatient and inpatient care, as well as to staff on sick leave.

Total comprehensive income (sum of consolidated profit and other comprehensive income) for financial year 2023 stands at €39.7 million (previous year: €27.3 million). In this connection, losses from changes in fair value of equity investments through other comprehensive income (FVOCI) in the amount of €0.6 million (previous year: gains of €0.3 million) as well as gains from the revaluation of defined benefit pension plans amounting to €0.1 million (previous year: €0.1 million) had to be recognised directly at equity.

### 2.3.4 Net assets and financial position

in € million

	31 Dec. 2023		31 Dec. 2022	
		in %		in %
<b>Assets</b>				
Non-current assets	981.3	55.4	1,016.3	59.6
Current assets	789.2	44.6	688.6	40.4
	<b>1,770.5</b>	<b>100.0</b>	<b>1,704.9</b>	<b>100.0</b>
<b>Liabilities</b>				
Shareholders' equity	1,280.2	72.3	1,251.4	73.4
Long-term loan capital	154.8	8.8	162.4	9.5
Short-term loan capital	335.5	18.9	291.1	17.1
	<b>1,770.5</b>	<b>100.0</b>	<b>1,704.9</b>	<b>100.0</b>

Compared with the balance sheet date of 31 December 2022, the balance sheet total rose by €65.6 million or 3.84% to €1,770.5 million (previous year: €1,704.9 million).

At 72.3%, the equity capital ratio is still at a high level. As at 31 December 2023, equity stands at €1,280.2 million (previous year: €1,251.4 million). The increase in equity capital compared with the reporting date of 31 December 2022 by €28.8 million results from consolidated profit of financial year 2023 (€40.2 million) and from gains from the revaluation of defined benefit pension plans (€0.0 million), on the one hand, and dividend payments to shareholders of RHÖN-KLINIKUM AG and non-controlling interests (€10.9 million) as well as losses from the change in the fair value of equity investments through other comprehensive income (FVOCI) (€0.5 million), on the other.

146.2% (previous year: 139.1%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. As at 31 December 2023, we report net liquidity of €192.8 million (31 December 2022: €138.1 million). Net liquidity is calculated as follows:

in € million		
	31 Dec. 2023	31 Dec. 2022
Current cash	206.0	77.3
Current fixed term deposits	136.8	219.0
<b>Cash, fixed term deposits</b>	<b>342.8</b>	<b>296.3</b>
Current financial liabilities	1.0	8.0
Non-current financial liabilities	141.8	141.7
Liabilities under leases	7.2	8.5
<b>Financial liabilities</b>	<b>150.0</b>	<b>158.2</b>
<b>Net liquidity</b>	<b>192.8</b>	<b>138.1</b>

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

in € million		
January to December	2023	2022
Cash generated from (+) /cash used in (-) operating activities	109.0	60.3
Cash generated from (+)/cash used in (-) investing activities	40.9	-105.2
Cash generated from (+) /cash used in (-) financing activities	-21.2	-4.1
<b>Change in cash and cash equivalents</b>	<b>128.7</b>	<b>-49.0</b>
Cash and cash equivalents at 1 January	77.3	126.3
<b>Cash and cash equivalents as at 31 December</b>	<b>206.0</b>	<b>77.3</b>

Cash and cash equivalents increased in financial year 2023 by €128.7 million (previous year: decrease by €49.0 million).

In this context, a positive operating cash flow was achieved in the amount of €109.0 million (previous year: €60.3 million). In addition to the increase in operating cash flow by €48.7 million over the previous year, we report a €146.1 million increase in cash generated from investment activity as well as a €17.1 million increase in cash used in financing activity, in each case compared with the previous year. For further explanations, we refer to the Notes to the Consolidated Financial Statements of RHÖN-KLINIKUM AG.

The finance management department of RHÖN-KLINIKUM Group is essentially centrally organised and encompasses the functions of raising capital, capital investment, Group-internal liquidity management as well as settlement. The processes implemented give due regard to the fundamental principles of checks performed by a second person, segregation of functions as well as transparency. We have established the finance management department as a service provider within our business model.

Our finance management has to deal with the competing goals of securing liquidity, minimising risk, and ensuring profitability and flexibility.

In this regard, top priority is given to securing liquidity with the objective of realising terms at matching maturities and in line with the Company's planning and project horizon. To secure the Company's liquidity, internal cash flows are available. Cash is invested on conservative terms.

As at the balance sheet date, we have cash investments available in the short term as well as available credit lines together amounting to roughly €440.8 million.

### 2.3.5 Investments

Aggregate investments of €62.6 million (previous year: €56.0 million) in financial year 2023 are shown in the following table:

in € million			
	Use of grants	Use of own funds	Total
Current investments	29.8	32.6	62.4
Takeovers	-	0.2	0.2
<b>Total</b>	<b>29.8</b>	<b>32.8</b>	<b>62.6</b>

During financial year 2023, we invested a total of €62.6 million (previous year: €56.0 million) in intangible assets as well as in property, plant and

equipment. Of this total, €29.8 million (previous year: €19.1 million) relates to capital expenditure funded under hospital financing legislation, with the grants being reflected as a deduction from acquisition cost.

In the consolidated financial statements we report net investments of €32.8 million (previous year: €36.9 million). Current capital expenditure accounted for €32.6 million (previous year: €36.6 million), and assets and specialist practices acquired on takeovers for €0.2 million (previous year: €0.3 million), of total net investments during the year under review.

An analysis of investments financed from company funds by site in financial year 2023 is given below:

in € million	
Giessen, Marburg	10.7
Bad Berka	10.2
Frankfurt (Oder)	9.0
Bad Neustadt a. d. Saale	2.9
<b>Total</b>	<b>32.8</b>

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals from 2017 provided for investment commitments in the amount of €100.0 million until 2021. Already as at the balance sheet date of 31 December 2021, these investment obligations were fully met. There are also further obligations relating to building refurbishments and extension measures at the Giessen and Marburg sites which were initially due to be completed by 31 December 2024. With the White Paper (Zukunftspapier) signed at the end of February 2023, investment projects under the agreement from 2017 were modified and the time limits for meeting the investment obligations adjusted. The time limits for meeting these investment obligations are now within the time frame between 31 December 2024 and 31 December 2028.

The "White Paper Plus" (Zukunftspapier Plus) signed at the end of February 2023 between the Federal State of Hesse, RHÖN-KLINIKUM AG, Asklepios Kliniken GmbH & Co. KGaA, Universitätsklinikum Gießen und Marburg GmbH (UKGM) as well as the universities with their faculties of medicine relating to the granting of investment funds for UKGM provides for further investment

obligations to be financed from own funds over the next ten years in the amount of roughly €259.0 million as of 1 January 2023. As at the balance sheet date of 31 December 2023, there are still obligations for investments from own funds in the amount of €253.5 million.

What is important for healthcare delivery and science is a concept for establishing joint ventures to be agreed between Universitätsklinikum Gießen und Marburg GmbH (UKGM) and the two universities making it possible to better translate research findings to clinical practice. The finance volume of €60 million will be provided by UKGM.

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

### 2.3.6 Employees

On 31 December 2023, the Group employed 18,246 persons (31 December 2022: 18,140):

Number	
<b>As at 31 December 2022</b>	<b>18,140</b>
Change in employees at hospital companies	101
Change in employees at medical care centre companies	-3
Change in employees at service companies	8
<b>As at 31 December 2023</b>	<b>18,246</b>

Doctors accounted for 15.3% (previous year: 15.4%) of the total headcount on the reporting date, while nursing and medical-technical staff accounted for 55.3% (previous year: 55.1%). On average over the year, we recorded a slight decline of 0.1% in full-time staff. As in the previous year, the share of women remains at around 72%.

## 3 | FORECAST REPORT

### 3.1 Strategic objectives

Given the rapid pace of developments on the healthcare market it is our goal to continue setting new milestones in future as well and together with Asklepios to gain an even stronger position on the market and will continue benefiting from the strategic cooperation and standardisation of processes and products. Also in future we will develop and promote path breaking concepts of healthcare delivery to ensure we can continue providing excellent medical care.

In addition to advances in medicine, we will press ahead even further with digitalisation and drive the change on the healthcare delivery landscape by promoting specialisation whilst expanding outpatient medicine through comprehensive and targeted investments. At the same time, our hospitals will continue to focus on their core activities, i.e. on inpatient treatment services, with the goal of being able to provide our patients with cutting-edge medical care at all sites and anytime.

Besides retaining and recruiting qualified medical and nursing staff, it is also very important for us to meet our future environmental commitments. As part of our sustainable activities, we intend to reach climate neutrality by financial year 2040.

RHÖN-KLINIKUM AG's objective is to pursue new paths to uphold the standard of offering patients the best medical care. In this way we can better respond to the changes and increasing requirements as compared with the market as a whole thanks to the merger with Asklepios and our large sites with highly specialised centres.

With a view to continuing to improve patient care along the lines of our campus approach to ensure cross-sector and future-viable healthcare provision in Germany, we are also looking at further developing innovative remuneration and care models.

For further information, please also refer to section 1.3 "Objectives and strategies" in this Group Management Report.

### 3.2 Economic and legal environment

At the turn of the year, leading economists and economic institutes once again lowered their forecasts for economic output in Germany for 2024. Most pundits expect a small decline, with growth in gross domestic product (GDP) being barely noticeable or even non-existent. Currently early indicators are still not signalling a quick recovery in the economy. But according to the Federal Ministry for Economic Affairs and Climate Action, the major negative factors weighing on the German economy are likely to diminish in the course of 2024 as inflation declines, real wages rise and the global economy gradually recovers with a predominantly domestic economic recovery setting in. The forecast of leading economists for the trend in German GDP fluctuate between  $-0.5\%$  and  $+1.3\%$ . In its forecast from October 2023 the German government was still expecting GDP of  $+1.3\%$  for 2024. The forecast for the jobless rate for 2024 will be around  $5.9\%$ , according to the Ifo Institute. The previous year's figure was  $5.7\%$ .

With the health reform plans currently being presented by the Federal Ministry of Health, the hospital landscape might be headed for far-reaching changes. The current draft provides among other things for reorganising the system of purely volume-based DRG remuneration and additionally introducing a largely volume-independent remuneration component for the services of somatic hospitals for keeping capacities available. The level of remuneration for capacity availability is to be linked to service groups which are assigned to the individual hospitals by the Federal States and which require hospitals to meet uniformly defined quality criteria. The hospital reform in principle offers the opportunity to tackle fundamental challenges like the chronic underfunding of hospitals in Germany. However, the Federal Government's current reform proposal has still failed to address the key questions of implementation and funding. In particular, it would come as no big surprise if the introduction of a third remuneration component for capacity availability alongside the existing DRG-based remuneration and a separate budget for financing nursing payroll costs were to simply lead to more red tape and greater bureaucratic expenses for hospitals. Nonetheless, we believe the position of our hospitals makes us well prepared for the impending reform.

According to the Hospital Rating Report, the potential workforce will decline significantly in the coming years as the baby boomers gradually head for retirement and low-birth generations enter the job market. This will further exacerbate the shortage of qualified staff in the medical and nursing area.



Technical innovations – in the areas of digitalisation, telemedicine, artificial intelligence, robot assistance – will be increasingly important when it comes to reducing the workload of doctors and nurses. For hospitals to remain economically viable and efficient, they have to gear their strategic targets to the current and future challenges, such as social and demographic change, advances in medical care and technology as well as digitalisation. The latter is providing medicine the opportunity to diagnose and treat patients in future more individually and with greater precision.

### 3.3 Forecast

Also in the coming financial year, the economic basis of the RHÖN-KLINIKUM Group will be provided by its five large sites in four federal states currently counting 5,460 beds and more than 18,200 employees. That ranks us amongst the large hospital operators in Germany.

For the coming financial year, we expect revenues of €1.6 billion within a range of plus or minus 5%. For earnings before interest, tax and depreciation/amortisation (EBITDA), we expect a level of between €110 million and €120 million. In addition to the financial numbers, we also take account of the non-financial performance indicators of number of cases and cost weights in the management of the Company and expect these to show a moderate increase over the previous year.

This forecast reflects the further heightened regulatory interference by the German legislator.

We point out that our outlook is further subject to considerable uncertainties in connection with the numerous global crises in the form of inflation and price increases and any regulatory measures impacting our remuneration structure in 2024.

## 4 | OPPORTUNITIES AND RISK REPORT

A decisive element of a value-oriented and sustainable corporate governance is a company's wholehearted embracement of risk and opportunity management. The capacity to adequately weigh up opportunities and risks is a crucial factor of entrepreneurial success, and that decisively depends on the quality of the decisions made by a company's management. Within the Group of RHÖN-KLINIKUM AG, we therefore see managing risks and opportunities as well as controlling these effectively and on a sustainable basis as a core entrepreneurial task firmly enshrined in our management culture. Our risk management objectives are based on our values-oriented corporate strategy of protecting the Company's resources from risks of substantial losses, identifying new opportunities as well as safeguarding the interests of all stakeholders giving due regard to social and environmental factors.

Our corporate activity is inseparably bound up with risks and opportunities. As a service provider in the healthcare sector, we operate in an extremely complex risk environment. The challenge for us is to ensure reasonable management of these risks – since it is only companies that recognise their material risks in time and take steps to systematically counter the same that are also able at the same time to identify the opportunities arising and to exploit them in an entrepreneurially responsible manner. This involves continuously weighing up opportunities against the risks. As a provider of healthcare services, we always regard the risk posed to the life and health of our patients and our employees as the greatest risk. We give utmost priority to measures that avoid even the smallest errors in the medical and nursing area. Further factors such as the regulatory and legislative environment, continually mounting cost, competitive and consolidation pressures within the sector, the rising expectations for the quality of inpatient healthcare delivery and the expectations of patients present opportunities but also involve risks.

### 4.1 Opportunities and Risk Management System

The Board of Management of RHÖN-KLINIKUM AG has implemented a Group-wide risk management system to detect imminent risks early on and to specifically counter them in a systematic process. In this regard, the risk management system covers the totality of all provisions ensuring a structured response to risks and rewards throughout the Group, and acts as an active instrument of control to support the achievement of the corporate objectives. Our risk management system forms an integral part of the internal controlling system fully meeting the statutory requirements for early detection of risks posing a threat to the Company's existence as well as the requirements of section 91 (2) and (3) of the AktG. The centrally managed risk management function has the task of continually further developing and optimising the system.



The basis for our risk management system is the Group risk guideline containing both the risk strategy and objectives, the definition of the term 'risk' and the principles of risk management, as well as describing the requirements for the risk management process uniformly binding on the Group as a whole including the related duties and responsibilities. The actual risk management process is documented in a risk management software program. Thanks to an open risk culture, regular training and feedback sessions, we ensure acceptance of risk management within the Company. The Internal Auditing department is entrusted by the Board of Management with the process-related review of matters as required in specific cases. In this connection, it also monitors the operability and correct application of the corresponding requirements in sub-divisions or companies of RHÖN-KLINIKUM AG.

### **Definition**

By risks we understand events and potential developments within and outside RHÖN-KLINIKUM AG that might adversely impact the achievement of the Company's stated objectives, future performance of tasks as well as the quality and reputation of RHÖN-KLINIKUM AG and its subsidiaries. By analogy to the definition of risk, we understand opportunities as events and potential developments that may have a positive impact.

### **Risk management process**

We understand risk management as an ongoing process that is divided into the phases of:

- risk identification,
- risk analysis and evaluation,
- risk control and management,
- risk communication,
- risk monitoring.

These processes are to ensure that potential risks are made manageable and opportunities are identified. All risks meeting the definitions of the Group risk guideline are to be reported. At the same time, our risk management function relates not only to financial risks but also all manner of risks within the Company. We regard the risk to the life and health of our patients potentially resulting from a medical intervention as the greatest risk.

With us, identifying risks and recognising opportunities are integrated into our standard business procedures, since it is only when we are aware of risks and opportunities that we can manage and control them. Risk identification encompasses the systematic and structured documentation of all relevant risks in the Company, with risk classes always being assessed in terms of their strategic and operative impacts as well as in view of the risks of reporting and potential

compliance risks. Given constantly changing circumstances and requirements, risk identification is an ongoing task, and is performed on a decentralised basis in accordance with responsibilities defined in the individual Company divisions. Any relevant risks identified are categorised and recorded within the risk management system in a centrally predefined risk catalogue.

Risks identified are systematically analysed and evaluated in the context of the individual risk bearing capacity by those entrusted with such tasks. In the risk analysis, risks identified are aggregated and then analysed for the purpose of early detection to determine whether individual risks of secondary importance when viewed in isolation may lead to a higher or existential risk by reason of their combined or cumulative effects over time. We classify developments with an expected risk value of 10% or more of EBITDA as existential risks when set against with the individual risk bearing capacity. The risk bearing capacity of RHÖN-KLINIKUM AG and its subsidiaries is determined from the comparison between risk cover amount and risk exposure. The expected risk value (product of damage amount and probability of occurrence) is the expected damage extent giving due regard to the probability of occurrence and refers to the target values (EBITDA) for the respective financial year.

Not all risks are to be weighted equally. To ensure efficient risk management, we perform a systematic assessment of the risks identified. Within the context of risk evaluation, the probability of occurrence and potential monetary damage amount of the risk are determined, also giving due regard to already existing and planned measures. Using a risk matrix, probability of occurrence and damage amount are classified to the four levels: "low", "moderate", "high" and "very high".

Probability of occurrence is assigned to the following categories depending on their amounts:

- Low: > 0% to < 30%
- Moderate: 30% to < 60%
- High: 60% to < 80%
- Very high: 80% to < 100%

The potential damage amount refers to the target values for the respective financial year and is always calculated as a negative impact on EBITDA. Classification to the impact categories takes place independent of EBITDA:

- Low: up to 5% of EBITDA
- Moderate: up to 10% of EBITDA
- High: up to 25% of EBITDA
- Very high: from 25% of EBITDA

In this regard, the evaluation of a risk differs from its evaluation according to the status quo (gross evaluation) and target (net evaluation/accepted risk). Status quo is the current evaluation of the risk after deducting all effective measures as at the relevant inventory date. The target describes the risk evaluation to be achieved after implementation of all measures, stating by when this is to be achieved. The evaluation is made with reference to the future for the relevant duration observing criteria specified for ensuring a uniform evaluation.

In risk control and management, it is analysed by what measures risks can be controlled. For this, suitable measures for each identified risk are to be recorded with the expected effect of the measures. The primary objective of risk management is to minimise, and where possible, prevent risks, whilst always keeping in mind the opportunities associated with the risks. From the effects expected from the measures it is possible to determine how effective the measures are and the need for further measures. In this regard, the measures contemplated are to be weighed up in terms of cost-benefit aspects and selected in such a way that the expected probability of occurrence and/or amount of damage are brought to within the Company's own limits of risk tolerance.

Risk communication is performed at every phase of the risk management process. All risk managers are required to review their potential risk issues regularly during the year under way as well as in the risk inventories, to update risks and to follow up on measures. Acute occurrence of risks that might jeopardise a company's existence (ad hoc risks) must be reported to the chairman of the Board of Management as quickly as possible.

Within the scope of risk monitoring, implementation of measures introduced and their impact are reviewed. The results of the risk management process are made available at the defined dates. By timely and open risk communication both internally and externally, we create trust and the basis for self-criticism and an ongoing learning process.

## 4.2 Risk report

Throughout the Group, ten risks of financial relevance were reported. They form part of the risk fields as described below and were each categorised by the probability of occurrence and damage amount as "low". The risk report covers the forecast period. No risks posing a threat to the Company's existence were identified.

We continue to rate the overall risk position as low. In addition to risk classification, risks having an influence on general business performance as well as the development of our net assets, financial position and results of operations are also categorised in the risk fields below:

### **General environment and industry risks**

We are affected only indirectly by developments in the German economy since healthcare spending is influenced by contribution volumes of the insured and thus by the job market situation. War in Ukraine and the Gaza Strip, persistent supply chain problems, high energy and commodity prices as the associated high, albeit declining inflation, global warming as a result of climate change and other geopolitical and macroeconomic challenges are things that always also affect the health of people and the care provided to them. The inpatient treatment of COVID-19 patients has now become part of routine clinical operations. In the macroeconomic environment, we thus see financial risks arising from the general trend in price levels as reflected in higher material costs, energy costs and wage adjustments. Furthermore, the industry environment is characterised by heightened healthcare policy regulatory influences. In many areas the German healthcare system lacks a sustainable and resilient basis and must be much better prepared for crises such as pandemics and the effects of climate change. The increasing shortage of qualified staff and chronic underfunding are weighing heavily on the healthcare system. Political reforms are indispensable if the framework conditions are to be improved on a sustainable basis. Systematic digitalisation, sensible outpatientisation and slashing red tape are key in this regard. Together with our strong partners in the Asklepios Group as well as our networks, we can bring our experience to bear here. For this reason we maintain a regular dialogue with local, state and federal politicians. This also applies with respect to the announced hospital reform.

A further industry-specific risk is the underfunding of the German healthcare system with government grants and, in relation to that, the violation of the principle of dual financing inherent in the relevant legislation. The Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) is a first step in the right direction. Basically, it provides for investment funding for hospital modernisation and greater funding of emergency capacities and digital structures. But the investments contemplated in this piece of legislation fall well short of what is needed to remove the investment backlog in the German healthcare system. To implement successfully the dynamic potential and complexity of digitalisation, further policy framework conditions have to be created where patients must be the focus of interest. For us, digitalisation is one of the prerequisites for innovations and better healthcare delivery.

We expect demand for medical, and especially cutting-edge medical services to recover to pre-pandemic levels. At the same time there will continue to be an increasing shift of what were once inpatient services to the outpatient care sector. To successfully counter this shift in service volumes, inpatient overcapacities in hospitals would

have to be reduced throughout Germany and outpatient capacities ramped up. In January of this year, as a first step towards ensuring the future viability cross-sector equal remuneration, hybrid DRGs for select services were introduced and the Catalogue of Outpatient Operations and Procedures Substituting for Inpatient Care in Hospitals (also referred to as the AOP Catalogue) was broadened to include further services. We are gearing our efforts towards ensuring that we can achieve the continuous economic growth in service volumes needed in our core business with our already implemented campus approach, also in future.

With the health reform plans currently being presented by the Federal Ministry of Health, the hospital landscape might be headed for far-reaching changes. The current draft provides among other things for reorganising the system of purely volume-based DRG remuneration and additionally introducing a largely volume-independent remuneration component for the services of somatic hospitals for keeping capacities available. The level of remuneration for capacity availability is to be linked to service groups which are assigned to the individual hospitals by the Federal States and which require hospitals to meet uniformly defined quality criteria. The hospital reform in principle offers the opportunity to tackle fundamental challenges like the chronic underfunding of hospitals in Germany. However, the Federal Government's current reform proposal has still failed to address the key questions of implementation and funding. In particular, it would come as no big surprise if the introduction of a third remuneration component for capacity availability alongside the existing DRG-based remuneration and a separate budget for financing nursing payroll costs were to simply lead to more red tape and greater bureaucratic expenses for hospitals. Nonetheless, we believe the position of our hospitals makes us well prepared for the impending reform.

As far as possible, the above developments have already been taken into account in our targets. Looking to the future, we will counter them through suitable activities and measures. Further regulatory and industry risks relating to us are classified as low. The new provisions of the legislator may lead to further risks for the hospitals of RHÖN-KLINIKUM AG.

Since we pursue a comprehensive risk management approach, the identification and any assessment of non-financial risks may also arise from the analysis of financially assessed risks. In this context, compliance risks of our Group are particularly important when it comes to assessing sector-specific risks. These include the mandatory observance of statutory provisions (e.g. data protection regulations). Climate-related aspects are also becoming increasingly important and may have a negative impact on the results of operations. Currently, no financial impacts have been identified in these areas.

The regulatory and industry risks relate both to the strategic and the operative risks as well as the compliance risks of our Group.

#### **Risks to service volumes**

In Germany, hospitals approved under state hospital planning enjoy de facto state regulated protection in their respective catchment area. Traditional market and revenue risks exist only where site closures are ordered or a hospital's quality is assessed by referring physicians or by patients as significantly worse than that of neighbouring hospitals. In the latter case, that results in large numbers of patients switching to other hospitals. Increasing shifts in service volumes from the inpatient to the outpatient area are also making themselves felt. In addition, regulatory requirements such as defined staffing floors as well as minimum volumes for performing select procedures can result in a hospital no longer being allowed to provide certain services in future.

Service volume fluctuations in our facilities, increasing outpatientisation, regulatory requirements and possible quality-related markdowns may lead to revenue losses and, together with increases in personnel, material and energy costs, to diminished earnings. Through regular period-based and inter-operation comparisons with regard to service volumes, revenues and earnings as well as selected business ratios and other key performance indicators (KPIs), it is possible for us to identify adverse developments early. Where it is appropriate and necessary, we can take corrective action and manage a reasonably low risk potential in terms of the operative risks as well as reporting risks.

To ensure our efficiency also in future and to further improve profitability, RHÖN-KLINIKUM AG is working together with the subsidiaries of the Group of Asklepios Kliniken GmbH & Co. KGaA on various optimisation measures. The risks to service volumes relate in particular to operative risks of the Group subsidiaries of RHÖN-KLINIKUM AG.

#### **Operating risks**

We see some of our most pressing tasks for our Company in the following areas of action: strengthening nursing and medical care, ensuring that hospitals concentrate on their core activities, expanding outpatient care structures and our digital structures and offerings, further optimising our processes as well as pooling specialised know-how e.g. at the (in some cases newly established) service companies providing in-house services. We are tackling these areas with the involvement of all our employees, helped by our collaboration with the companies of the Asklepios facilities.

Advances in medicine and the call for a holistic approach to diagnosing and treating patients (instead of diagnosis and treatment being limited to certain aspects) are requiring increasingly strong interdisciplinary processes characterised by a division of labour. In this regard, cooperation is needed not only at the hospital but also between outpatient and inpatient care and moreover with regard to a digital care. Whenever these processes are disrupted, this carries risks for patients, our partners from the area of community-based practitioners and the hospitals. We attach utmost importance to minimising such risks by ensuring the quality of treatment with qualified and trained staff through guideline-oriented procedures in safe and hygienic hospital buildings. Permanent monitoring of all procedures and processes involved in the treatment of patients as well as the consistent orientation of all efforts to the needs of our patients create a high level of treatment quality and limit existing operating risks.

Particularly in the Group division of Patient Safety, Quality Management and Hygiene, further development of quality management is given top priority. This is the goal being pursued by our Quality Management and Clinical Risk Management expert panel. Thanks to the interdisciplinary collaboration in the areas of quality management and medical controlling, scientific quality indicators can be compared with routine data from the invoicing of medical services to gain important insights. To ensure the highest standard of patient safety, we furthermore train clinical risk managers who exchange know-how in an interfacility expert group. They perform, among other things, structured risk audits by which we can identify relevant risks as well as establish and implement risk reduction measures.

In addition to the typical clinical risk fields in the area of patient safety (hygiene, nursing and medical care), potential risks are also seen, as in the previous years, in infrastructure (such as fire risks), and risks in technical equipment. According to the General Data Protection Regulation (GDPR), companies dealing with personal health data are subject to a particularly high degree of accountability and must be able to furnish proof of the "integrity and confidentiality" of data processing. With regard to compliance with the provisions of the GDPR and beyond that with provisions relating to IT security (cyber risks), we see ourselves well prepared and should be able to adequately respond to and withstand any targeted attacks.

For risks in the clinical area that cannot be fully averted, the Group has adequate insurance coverage which is regularly reviewed and updated.

The operating risks relate in particular to operative risks of the Group subsidiaries of RHÖN-KLINIKUM AG.

#### **Human resource risk**

To achieve sustained success as a diversified healthcare group with top medical professionals, we need the required number of committed and highly qualified employees. Hospitals on average have personnel cost ratios of between 50% and 70%, making them particularly dependent on qualified staff and developments in wages. As for the entire industry as well, rising demand for specialists and the related shortage of qualified staff are issues of key importance for us, with regional differences being apparent depending on the specific facilities. For us, too, finding highly qualified and motivated staff to meet the wide-ranging and complex requirements of the healthcare industry is a challenge. We meet these requirements with numerous measures at our sites tailored to local challenges. As a modern employer we offer not only modern remuneration structures, an attractive work environment, in-house kindergartens at the hospitals, provision of affordable apartments and assistance in searching for apartments, but also a wide range of personal development options and continuously invest in initial and continued training, health management as well as attractive work-life services for our staff.

Recruiting and retaining qualified staff at our Company is of key importance to us. For example, we run State-recognised schools for nursing and non-medical professions, and through our academic teaching hospitals are committed to training medical students to the highest standards. Currently, roughly 1,700 people are completing their training at our hospital-affiliated schools in nursing, medical, commercial and technical professions. Furthermore, thanks to our cooperation with other universities, we make contact at an early stage with qualified graduates so that we can recruit the necessary junior talent for our staff.

Given the further establishment and expansion of structured recruiting and qualification concepts for doctors, nursing and healthcare professionals as well as for our executive talent, however, we currently see opportunities to efficiently counteract the current shortage of personnel and currently still classify HR risks throughout the Group as relatively low.

Personnel risks relate in particular to operative risks of the Group subsidiaries of RHÖN-KLINIKUM AG.

**Procurement risks**

In the area of materials management, RHÖN-KLINIKUM AG is working together closely with Asklepios Großhandels-gesellschaft mbH under a cooperation agreement aimed at strengthening care security at the sites with adequate conditions.

For materials procurement in the areas of medical facilities, equipment as well as medical supplies and energy supply, we rely on external providers. These business ties can give rise to risks that are triggered, for example, by supply and quality problems. Already during the pandemic, supply shortages and product unavailability had increased and were then exacerbated even further by geopolitical crises (Ukraine, Israel). The procurement problems and price increases associated with that have now become a reality in day-to-day business operations and are taken into account in planning and the multiyear forecast. Thanks to the cooperation agreement with Asklepios and measures already taken, we continue to assess the risk in the purchasing area as low overall.

Procurement risks relate in particular to operative risks of the Group subsidiaries of RHÖN-KLINIKUM AG.

**Financial risks**

RHÖN-KLINIKUM AG is characterised by a high and sound capital base, a sustainable internal financing strength and a strong liquidity position in the triple-digit million euro range. Our three-pronged financing strategy consists of a syndicated, undrawn line of credit, a promissory note and a long-term registered bond. We rate financing and liquidity risks as currently low.

Since we operate exclusively in Germany, we are not subject to any currency risks. Except for 24,000 treasury shares and a commercial paper with a term of one month, no securities are held within the Group of RHÖN-KLINIKUM AG. For security reasons, other cash investments must be spread over the three large deposit security systems (savings banks sector (Sparkassensektor), cooperative banking sector (genossenschaftlicher Sektor), and banking association (Bankenverband)). Counterparty banks may only be credit institutions subject to German deposit protection. The maximum cash investment exposure to a counterparty banks is limited by the amount of the deposition protection limit. Any remaining credit rating and rate risks are closely monitored.

The finance risks relate in particular to operative but also strategic risks of the Group subsidiaries of RHÖN-KLINIKUM AG.

**Overall assessment**

RHÖN-KLINIKUM AG has implemented risk reduction measures. In the context of the risk evaluation for financial year 2023 on a status quo view of risks, no risks were identified that are or will be very likely to have a serious adverse impact on the Group. Neither were any risks posing a threat to the Company's existence reported. The principles of the statutorily prescribed system of early identification of risks jeopardising the Company's existence were continued in the reporting year as in the previous years.

As an overall assessment based on our analysis of the risk position within the Group and at its subsidiaries for financial year 2023, we have concluded that there are no risks that could endanger the existence of the subsidiaries or the Group of RHÖN-KLINIKUM AG, and do not see any matters having an adverse effect on corporate development. The risks at the individual companies as well as at the Group as a whole continue to be rated as low.

**4.3 Report on opportunities**

To take advantage of opportunities, it is sometimes necessary to deliberately accept potential risks. Taking just one example: any medical intervention will expose patients to a risk, but at the same time also holds out the prospect or opportunity of recovery and/or cure. Our management of opportunities thus covers the totality of all measures promoting the systematic and transparent handling of opportunities. The process and communication paths involved are similar to risk management.

Our 50-year anniversary as a company in 2023 has once again driven home the realisation of the outstanding role we have always played as a highly innovative company in the healthcare sector. Time and again in our 50-year history we have set new milestones in patient care and medicine in Germany, and that is something we will continue to do in future as well. This includes our campus approach for comprehensive, cross-sector healthcare provision which is one step ahead of the impending healthcare reform, or the flow principle by which hospital organisation was re-invented already decades ago, to name just a few examples. Entrepreneurial freedom, but also taking a dynamic approach, embracing change and striving for future viability have always been the hallmarks of our corporate success. That is why we have always thrived with our hospitals especially in sometimes difficult conditions and challenging times.

Our strategic partnership with and under the umbrella of Asklepios continues to opened up new prospects for pursuing joint goals, with the two companies complementing each other strategically on several levels. In the network we can gain a stronger position on the market and mutually benefit from the know-how of the other. Particularly in the field of tumour medicine there are significant overlaps, areas of potential and a high level of expertise. We have the opportunity to further expand our care offering in this area, to effectively promote specialisation and to provide fresh impetus to scientific research. For example, the Comprehensive Cancer Center (CCC) of the Giessen and Marburg University Hospitals and the Asklepios Tumour Centre of Hamburg are already stepping up their cooperation. And also the area of training – and thus our staff – benefit from the merger of both companies. Last year in Hesse a cooperation scheme aimed at better coordinating the offerings of our training centres on site and providing joint courses was agreed. Our employees are learning new insights and subject areas which otherwise would not be available within a hospital's own continued training programmes, and in this area are increasingly growing together into one big team.

We see an urgent need for healthcare policy reform. The healthcare system in Germany, like other areas of society and the economy, is continuously being confronted with structural changes. This structural transformation offers huge potential for innovation and opportunities to shape the healthcare system of the future and is bringing about lasting change in the healthcare system. With the planned hospital reform, existing structures are being changed and a fresh look is being taken at existing processes and solutions. With our campus approach, the consistent implementation of outpatientisation as well as the establishment of new medical services, we will seize the opportunities afforded by these developments and realise them in the best interests of our patients.

As one of the leading providers of healthcare in Germany, we as RHÖN-KLINIKUM AG play a trailblazing role in the healthcare industry with our campus and digitalisation strategy. Our campus approach, which integrates outpatient and inpatient care and takes a holistic view of the patient, is a viable care model of the future. For example, a continued training association for general medicine established on 1 September 2023 will work together with RHÖN-KLINIKUM Campus Bad Neustadt to simplify the continued training of GPs and strengthen Bad Neustadt a. d. Saale and the rural area as a healthcare site. Continued professional training for general medicine includes structured and scheduled continued training phases in the clinical and outpatient areas and can be completed under a fixed rotation schedule within a region. We are thus setting standards for excellent medical care – not just in rural areas. Since the integration of outpatient and inpatient care calls for a high level of digitalisation, we will continue to forge ahead with digitalisation to further reduce the workload on our staff with a view to standardising structures and clinical processes and thus ultimately further improving the quality of healthcare in the interests of the patients treated. We have already made great strides in digitalisation so far: performing paperless bedside work with a tablet so that patient data are available everywhere, using web software solutions, the Derma Online project, the pilot project for e-health programmes, the communication system KIM, to name just a few. These are focused implementing the projects funded out of the Hospital Future Fund (KHZF) specifically aimed at further strengthening digitalisation, and on introducing telematics infrastructure. Shorter wait times, seamless communication, more effective healthcare provision: with the introduction of the new generation of connectors from the company RISE that have been in test operation since August 2023, we see the opportunity of adopting the successor technology to replace the labour-intensive single-box and data centre connectors currently in use in the telematics infrastructure and being able to operate it “in an enterprise-enabled environment – on premises”. The reliable and permanently monitored operation of the connection to the telematics infrastructure as a service provided by RISE means relieving us of work tasks not directly related to providing care to patients. In this way RHÖN-KLINIKUM AG is actively leading the



way with the strongest and most forward-looking trends in healthcare through digital networking and integration of all those involved in the treatment process: community-based practitioners, rehab facilities and other providers further down the chain of care delivery.

In this context, digital solutions funded by the German Hospital Future Act (KHZG) help to decide on the right form of healthcare provision and to thus take advantage of the opportunities offered by outpatientisation. For that reason, it will be even more important for decision-making processes ensuring the best possible care to be made already before patients are admitted to the hospital based on a digital integration of emergency dispatch centres and emergency services. Last year, further outpatient offerings were added at all our sites. For example, at the Outpatient Operation Centre (AOZ) of Bad Neustadt a. d. Saale we established a new operating theatre enabling the implanting of cardiac pacemakers and defibrillators. At Klinikum Frankfurt (Oder) there is a new innovative point of contact for children and youth suffering from nervous system disorders or diseases that combines outpatient and inpatient care. The hospital Zentralklinik Bad Berka modernised and expanded its outpatient diagnostic services, including in the area of laboratory services. Since October 2023, the University Hospital of Giessen has been cooperating with the neurology department of Lahn-Dill-Kliniken in Wetzlar which in special consultations transfers outpatients to Giessen. In Marburg an interdisciplinary thoracic oncological consultation was introduced and the outpatients' department expanded as a coordination centre for post-COVID and post-vac patients. The post-COVID outpatients' department has outstanding clinical and experimental expertise and is one of the few points of contact in Germany and throughout Europe for patients with post-COVID and post-vac. For the establishment of a post-COVID coordination centre, the Federal State of Hesse provides funding in this year alone of more than €145,000 to improve the care provided to patients. The expansion of the post-COVID outpatients' department into a network coordinator will make it possible among other things to refer patients with a particular condition to specialised general practitioners (GPs) or other specialists. The aim of the coordination centre is to manage expertise, data and

resources digitally and to create the basis for a virtual post-COVID institution. Overall, the project is slated for three years.

In addition to the expansion of outpatient care and the advance in digitalisation, the conceptual and constructional modernisation of our sites continues to be a major issue. Our extensive investments at almost all sites of the Group will result in positive impacts on medical care for patients. For the Giessen and Marburg universities, the "White Paper Agreement Plus" with the Federal State of Hesse was signed at the end of February 2023. Over the next ten years, funds totalling almost €850 million will be allocated to investments in healthcare delivery, research and teaching and will enable the university hospital to implement an extensive modernisation of its medical, technical and building infrastructure. The new "White Paper Plus" and the collective wage agreement for job security and relief provides the university hospital with big opportunities for its successful future development with the aim of achieving noticeable relief for the different work areas.

Responsibility, sustainability, integrity, trust and loyalty are values to which our Company and its employees have always felt committed right from the start. As a healthcare group, we also embrace our ecological obligations in addition to our medical, social and corporate responsibilities and make good use of the advantages of a sustainable orientation. It is about being more efficient, raising the Company's image, but also creating better opportunities when it comes to recruiting junior staff.

Overall, we see ourselves very well positioned thanks to the partnership with Asklepios. Also in future, we will continue to be amongst the major hospital operators in Germany operating as an efficient, homogenous Group with a consistent orientation and focus on cutting-edge medicine geared towards maximum care, as well as the further strengthening of treatment excellence and patient care through our focus on digitalisation and network medical care. To this end we avail ourselves of all opportunities presented to us and counteract the potential risks with a practised and functioning risk management approach.

## 5 | REPORTING PURSUANT TO SECTION 315 (4) OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH, HGB) ON INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO THE ACCOUNTING PROCESS

Within the Group of RHÖN-KLINIKUM AG, the accounting-related internal control system is made up of the internal control and the internal monitoring system that ensures preparation of the annual financial statements for the Group of RHÖN-KLINIKUM AG and RHÖN-KLINIKUM AG itself and its subsidiaries. As a component of the internal control system, the risk management system, with reference to accounting, is also concerned with the risk of misstatements in accounting as well as in external reporting.

The accounting-related internal control system within our Group embraces all principles, processes and measures to ensure the effectiveness, efficiency and adequacy of accounting as well as compliance with the relevant legal regulations.

The Group's accounting process is organised in such a way that for each of the subsidiaries on each reporting date – i.e. monthly, quarterly and annually – a financial statement according to the HGB is prepared in the Group's own data centres based on a uniform Group-wide accounting guideline and a uniform Group-wide accounting programme. From these financial statements, a consolidated financial statement is derived for each quarter in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the European Union. The data for the financial statements of the subsidiaries are aggregated to form one consolidated financial statement using certified consolidation software after capital consolidation and

a consolidation of expenses and earnings, receivables and liabilities as well as the elimination of any intercompany profits. IFRS-relevant revaluations and/or reclassifications are performed at the Group level according to uniform accounting and valuation methods.

After the end of the respective reporting date, the financial statements are reported promptly to the Group accounting department and then prepared and published. The financial statements are analysed, subjected to a plausibility test and evaluated together with the controlling department and in certain cases also with the Internal auditing department.

Both for the preparation of the separate financial statements according to HGB and for the preparation of the consolidated financial statements according to the valid IFRS as applicable in the European Union, comprehensive accounting requirements and guidelines whose compliance is strictly monitored are observed to ensure uniform accounting. Responsibilities for the preparation of the annual financial statements are clearly defined both for the individual companies and within the Group. The controls applied in this context, which depending on the specific case may be preventive or downstream, manual or automated, give due regard to the principles of segregation of functions.

The quarterly financial statements and notifications, the half-year financial statements and the annual financial statements are submitted for review to the Audit Committee of the Supervisory Board. The findings of the Audit Committee are documented. Moreover, the Audit Committee also regularly engages the statutory auditor to conduct an accounting-related in-depth audit. If the examinations by the Audit Committee and of the statutory auditor call for improvements in the Group accounting process, these are implemented without delay.

Bad Neustadt a. d. Saale, 6 March 2024  
RHÖN-KLINIKUM Aktiengesellschaft  
THE BOARD OF MANAGEMENT

Prof. Dr Tobias Kaltenbach

Dr Stefan Stranz

Dr Gunther K. Weiß



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# Consolidated balance sheet

## 31 DECEMBER 2023

### ASSETS

in € '000	Notes	31 Dec. 2023	31 Dec. 2022
<b>Non-current assets</b>			
Goodwill and other intangible assets	6.1	175,928	179,319
Property, Plant and Equipment	6.2	792,108	822,495
Investment property	9.3.2	0	316
Investments accounted for using the equity method	6.4	533	513
Deferred tax assets	6.3	0	358
Other financial assets	6.5	12,744	13,335
		<b>981,313</b>	<b>1,016,336</b>
<b>Current assets</b>			
Inventories	6.6	34,214	33,318
Trade receivables	6.7	229,528	228,602
Other financial assets	6.8	297,291	332,685
Other assets	6.9	17,480	12,514
Current income tax assets	6.10	4,656	4,155
Cash and cash equivalents	6.11	206,042	77,334
		<b>789,211</b>	<b>688,608</b>
		<b>1,770,524</b>	<b>1,704,944</b>

**EQUITY AND LIABILITIES**

in € '000	Notes	<b>31 Dec. 2023</b>	31 Dec. 2022
<b>Shareholders' equity</b>			
Issued share capital	6.12	167,406	167,406
Capital reserve		574,168	574,168
Other reserves		510,542	482,304
Treasury shares		-76	-76
Equity attributable to shareholders of RHÖN-KLINIKUM AG		1,252,040	1,223,802
Non-controlling interests in equity		28,186	27,631
		<b>1,280,226</b>	<b>1,251,433</b>
<b>Non-current liabilities</b>			
Financial liabilities	6.13	141,776	141,675
Provisions for post-employment benefits	6.14	547	519
Other provisions	6.15	5,000	0
Other financial liabilities	6.17	7,213	20,234
Deferred tax liabilities	6.3	289	0
		<b>154,825</b>	<b>162,428</b>
<b>Current liabilities</b>			
Financial liabilities	6.13	961	7,966
Provisions for post-employment benefits	6.14	173	0
Trade payables	6.16	66,835	69,986
Current income tax liabilities	6.19	8,846	11,205
Other provisions	6.15	34,691	33,964
Other financial liabilities	6.17	11,514	11,576
Other liabilities	6.18	212,453	156,386
		<b>335,473</b>	<b>291,083</b>
		<b>1,770,524</b>	<b>1,704,944</b>

# Consolidated income statement

## 1 JANUARY TO 31 DECEMBER 2023

€ '000	Notes	2023	2022
Revenues	5.1	1,463,979	1,446,086
Other income	5.2	272,446	220,073
		<b>1,736,425</b>	<b>1,666,159</b>
Materials and consumables used	5.3	488,466	446,562
Employee benefits expense	5.4	974,384	949,818
Depreciation/amortisation and impairment	5.5	65,485	69,533
Other expenses	5.6	167,326	164,160
Result of impairment on financial assets	5.7	365	-26
		<b>1,696,026</b>	<b>1,630,047</b>
<b>Operating result</b>		<b>40,399</b>	<b>36,112</b>
Result of investments accounted for using the equity method	5.9	20	77
Finance income	5.9	10,519	1,288
Finance expenses	5.9	-3,688	-4,068
Result of impairment on financial investments	5.9	479	220
<b>Finance result (net)</b>	5.9	<b>7,330</b>	<b>-2,483</b>
<b>Earnings before taxes</b>		<b>47,729</b>	<b>33,629</b>
Income taxes	5.10	7,562	6,689
<b>Consolidated profit</b>		<b>40,167</b>	<b>26,940</b>
of which			
non-controlling interests	5.11	1,455	1,796
shareholders of RHÖN-KLINIKUM AG		38,712	25,144
<b>Earnings per share in €</b>			
undiluted	5.12	0.58	0.38
diluted	5.12	0.58	0.38

# Consolidated statement of comprehensive income

1 JANUARY TO 31 DECEMBER 2023

€ '000	Notes	2023	2022
<b>Consolidated profit</b>		<b>40,167</b>	<b>26,940</b>
of which			
non-controlling interests		1,455	1,796
shareholders of RHÖN-KLINIKUM AG		38,712	25,144
Changes in fair value through other comprehensive income (FVOCI)	6.5	-590	303
Income taxes	6.3	93	-47
<b>Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement</b>		<b>-497</b>	<b>256</b>
Revaluation of defined benefit pension plans	6.14	75	98
Income taxes	6.3	-12	-15
<b>Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement</b>		<b>63</b>	<b>83</b>
<b>Other comprehensive income<sup>1</sup></b>		<b>-434</b>	<b>339</b>
of which			
non-controlling interests		-	-
shareholders of RHÖN-KLINIKUM AG		-434	339
<b>Total comprehensive income</b>		<b>39,733</b>	<b>27,279</b>
of which			
non-controlling interests		1,455	1,796
shareholders of RHÖN-KLINIKUM AG		38,278	25,483

<sup>1</sup> Sum of value changes recognised directly at equity.

# Statement of changes in equity

€ '000	Issued share capital	Capital reserve	Retained earnings	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Non-controlling interests in equity <sup>1</sup>	Equity
<b>As at 31 Dec. 2021/1 Jan. 2022</b>	<b>167,406</b>	<b>574,168</b>	<b>456,821</b>	<b>-76</b>	<b>1,198,319</b>	<b>26,460</b>	<b>1,224,779</b>
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-625	-625
Consolidated profit	-	-	25,144	-	25,144	1,796	26,940
Other comprehensive income	-	-	339	-	339	-	339
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>167,406</b>	<b>574,168</b>	<b>482,304</b>	<b>-76</b>	<b>1,223,802</b>	<b>27,631</b>	<b>1,251,433</b>
<b>As at 31 Dec. 2022/1 Jan. 2023</b>	<b>167,406</b>	<b>574,168</b>	<b>482,304</b>	<b>-76</b>	<b>1,223,802</b>	<b>27,631</b>	<b>1,251,433</b>
Equity transactions with owners							
Dividend payments	-	-	-10,040	-	-10,040	-900	-10,940
Consolidated profit	-	-	38,712	-	38,712	1,455	40,167
Other comprehensive income	-	-	-434	-	-434	-	-434
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
<b>As at 31 December 2023</b>	<b>167,406</b>	<b>574,168</b>	<b>510,542</b>	<b>-76</b>	<b>1,252,040</b>	<b>28,186</b>	<b>1,280,226</b>

<sup>1</sup> Including other comprehensive income (OCI).

# Statement of cash flows

in € million	Notes	<b>2023</b>	2022
Earnings before taxes		47.7	33.6
Finance result (net)	5.9	-7.3	2.5
Depreciation/amortisation and impairment and gains/losses on disposal of assets	5.5	65.6	69.6
		<b>106.0</b>	<b>105.7</b>
<b>Change in net current assets</b>			
Change in inventories	6.6	-0.9	-0.2
Change in trade receivables	6.7	-0.9	-15.7
Change in other financial assets and other assets	6.8 et seq.	-51.8	-57.7
Change in trade payables	6.16	-0.2	2.6
Change in other net liabilities/other non-cash transactions	6.15/6.17 et seq.	69.0	38.5
Change in provisions	6.14 et seq.	1.0	1.0
Income taxes paid	5.10	-9.7	-9.3
Interest paid		-3.5	-4.6
<b>Cash generated from operating activities</b>		<b>109.0</b>	<b>60.3</b>
Investments in property, plant and equipment and in intangible assets	6.1 et seq.	-62.8	-58.2
Government grants received to finance investments in property, plant and equipment and in intangible assets		10.1	0.1
Change in investments in fixed term deposits	6.5/6.8	82.7	-53.0
Investments in financial assets	6.5	-	4.6
Acquisition of subsidiaries, net of cash acquired	4	-0.2	-0.3
Sale proceeds from disposal of assets		0.6	0.4
Interest received		10.5	1.2
<b>Cash generated from/cash used in investing activities</b>		<b>40.9</b>	<b>-105.2</b>
Repayment of financial liabilities	6.13	-7.0	-
Principal payments for leases	9.3	-3.3	-3.5
Dividend payments to shareholders of RHÖN-KLINIKUM AG	6.12	-10.0	-
Payments to non-controlling interests in equity	6.12	-0.9	-0.6
<b>Cash used in financing activities</b>		<b>-21.2</b>	<b>-4.1</b>
Change in cash and cash equivalents	6.11	128.7	-49.0
Cash and cash equivalents as at 1 January		77.3	126.3
<b>Cash and cash equivalents as at 31 December</b>		<b>206.0</b>	<b>77.3</b>

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## 1 | GENERAL INFORMATION

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

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

## 2 | ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the basis of uniform accounting policies which have been consistently applied. The functional currency of the Group is the euro, which is also the currency used for preparing the financial statements. The figures shown in the Notes to the consolidated financial statements are generally shown in millions of euros (€ million). The nature of expense method has been used for presenting the income statement. For computational reasons, rounding differences of +/- one unit (€, %, etc.) may occur in the tables.

### 2.1 Principles applied to the preparation of the financial statements

The consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 31 December 2023 have been prepared applying section 315 e of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as well as the related Interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), which are the subject of mandatory adoption in accordance with the European Parliament and Council Directive number 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2023. No early adoption of new Standards is planned at this time.

#### a) New accounting rules from financial year 2023

The following revised standards and interpretations are adopted by the European Union and to be applied as of financial year 2023. As far as can be seen at present, they have no practical relevance for or no material impact on the consolidated financial statements of RHÖN-KLINIKUM AG in financial year 2023 as well as subsequent years:

Standard/Interpretation			Mandatory adoption date	Endorsement <sup>1</sup>	Impact
Amendments	IFRS 17	Insurance Contracts	1 January 2023	Yes	No practical relevance
Amendments	IFRS 17	Insurance Contracts – initial application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023	Yes	No practical relevance
Amendments	IAS 1	Presentation of Financial Statements, Scope of Accounting Policies in an IFRS Appendix	1 January 2023	Yes	No material impact
Amendments	IAS 8	Accounting Policies – Definition of the Concept of an Accounting Estimate	1 January 2023	Yes	No material impact
Amendments	IAS 12	Income Taxes – Recognition Prohibition for Deferred Tax on Initial Recognition of an Asset or Liability	1 January 2023	Yes	No material impact
Amendments	IAS 12	International tax reform: expedient for accounting of deferred taxes	1 January 2023	Yes	No material impact

<sup>1</sup> Adoption of IFRS Standards and/or IFRS Interpretations by the European Union.

The Standards and Interpretations adopted by the European Union are explained below:

**Amendments to IFRS 17: “Insurance Contracts”**

The amendments to IFRS 17 “Insurance Contracts” were adopted into European law on 19 November 2021. They provide that for contracts with participation features, as are common in Germany and a number of other EU countries, entities are given the option of being exempted from applying IFRS 17.22. IFRS 17.22 provides that in the subsequent measurement only those contracts concluded no more than one year apart may be measured together. When utilising the exemption, entities may now measure contracts in the subsequent measurement together, regardless of the time interval between conclusion of the contracts, and prior to applying the impairment principle may net profitable and loss-making contracts concluded at very different times. The amendments are to be applied to financial years beginning on or after 1 January 2023 and are of no practical relevance for RHÖN-KLINIKUM AG.

**Amendments to IFRS 17: “Insurance Contracts” – initial application of IAS 17 and IFRS – Comparative Information**

With the amendments to Standard IFRS 17 “Insurance Contracts”, first-time adopters of this Standard can present financial assets during the comparative period as if the classification and measurement rules in IFRS 9 had been applied to such financial assets (classification overlay). The amendments adopted into European law on 8 September 2022 are to be applied to financial years beginning on or after 1 January 2023 and are of no practical relevance for RHÖN-KLINIKUM AG.

**Amendments to IAS 1: “Presentation of Financial Statements” – Scope of Accounting Policies in an IFRS appendix**

The amendments to IAS 1 “Presentation of Financial Statements” clarify that in future disclosures are to be made only for material and no longer for significant accounting policies. In this regard, accounting policies relating to immaterial transactions or events are in turn to be regarded as immaterial and thus not subject to disclosure. Here, immateriality is to be assessed not only quantitatively but also qualitatively. Accounting policies relating to material transactions or events may be material but do not necessarily have to be. The Standard contains information and explanations on when disclosures on accounting policies are to be regarded as material. The basic principles to be considered for determining when an accounting policy is deemed material were also included in the IFRS Practice Statement 2 “Making Materiality Judgements” and explained in the form of a decision tree. The amendments, which were adopted into European law on 2 March 2022, are to be applied to financial years commencing on or after 1 January 2023 and have no material impact on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

**Amendments to IAS 8: “Accounting Policies” – Definition of an Accounting Estimate**

The amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” clarify the distinction between accounting policies and accounting estimates and redefine the term “accounting estimates”. Under the new definition, “accounting estimates” are monetary amounts in financial statements that are subject to measurement uncertainty. The term “accounting estimate” thus represents a value which, in the case of existing measurement uncertainties, is determined using measurement techniques and input factors to achieve the objective of the accounting policy to be applied. The amendments, which were adopted into European law on 2 March 2022, are to be applied to financial years commencing on or after 1 January 2023 and have no material impact on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

**Amendments to IAS 12: “Income Taxes” – Recognition Prohibition for Deferred Tax on Initial Recognition of an Asset or Liability**

The amendments to IAS 12 “Income Taxes” qualify the initial recognition exception (IRE). Up to now, it prohibited an entity from recognising deferred tax on initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable profit. Under the revised IRE, the question of the recognition or non-recognition of deferred tax assets or liabilities is broadened to include the question of whether or not the transaction at the same time gives rise to equal deductible and taxable temporary differences. If this question is answered in the affirmative, and if the further conditions are satisfied, recognition of deferred tax assets or liabilities occurs. Otherwise, no recognition of deferred tax assets or liabilities occurs despite further conditions being satisfied. In practice, particularly in the case of leases in the context of recognition of a right of use and a lease liability, this now means that, possibly in derogation to the existing accounting practice, both deferred tax assets and deferred tax liabilities are to be recognised – provided that equal deductible and taxable temporary differences arise. Non-recognition of deferred tax is no longer allowed. The general netting provisions of IAS 12.74 are to be observed. The amendments, which were adopted into European law on 11 August 2022, are to be applied to financial years commencing on or after 1 January 2023 and have no material impact on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

**Amendments to IAS 12: “Income Taxes” – International Tax Reform: Expedients for the Accounting of Deferred Taxes**

The amendments to IAS 12 “Income Taxes” include a temporary, mandatory exemption to the accounting obligation for deferred taxes arising from the global minimum tax, and specific disclosures in the notes to the financial statements for entities concerned to enable the users of the financial statements to understand the entity’s exposure

to the minimum tax. The amendments, which were incorporated into European law on 8 November 2023, are to be adopted immediately after publication of the amendments to IAS 12 and for the first time in annual reporting periods beginning on or after 1 January 2023. The disclosures are not yet mandatory in interim reports ending in 2023. The amendments have no material impact on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

#### b) New accounting rules from financial year 2024 and subsequent financial years

The following Standards and Interpretations amended by the IASB – to the extent adopted by the European Union – are applicable as of financial year 2024/subsequent years and are of no practical relevance for or have no material impact on the consolidated financial statements of RHÖN-KLINIKUM AG:

Standard/Interpretation			Mandatory adoption date	Endorsement <sup>1</sup>	Impact
Amendments	IFRS 16	Leases – Lease Liability in a Sale and Leaseback	Retrospectively according to IAS 8 as if transition to IFRS 16	Yes	No practical relevance
Amendments	IAS 1	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2024	Yes	No material impact
Amendments	IAS 1	Presentation of Financial Statements – Non-current Liabilities with Covenants	1 January 2024	Yes	No material impact
Amendments	IFRS 10, IAS 28	Consolidated Financial Statements and Interests in Associates – Unrealised Gains or Losses from Transactions with an Investor and an Associate or Joint Venture	Postponed indefinitely	No	No material impact
Amendments	IAS 7, IFRS 7	Supply financing agreements	1 January 2024	No	No material impact
Amendments	IAS 21	Accounting in Case of Lack of Exchangeability	1 January 2025	No	No practical relevance

<sup>1</sup> Adoption of IFRS Standards and/or IFRS Interpretations by the European Union.

The Standards and Interpretations already adopted by the European Union are explained below:

#### **Amendment to IFRS 16: “Leases” – Lease Liability in a Sale and Leaseback**

With the amendments to IFRS 16 “Leases”, provisions on the subsequent measurement in a sale and leaseback are incorporated in the Standard. The Standard IFRS 16 up to now did contain specific provisions on the initial measurement of the liability in a sale and leaseback, but no specific provisions on the subsequent measurement of such liability. The adjustment of the Standard now requires the lease liability to be measured in a way that no amount of gain or loss relating to the right of use retained arises. For this purpose, the lessee is required to define an accounting method for determining the lease payments which meets this requirement. The IASB did not lay down any specific method, but included a new example in the illustrative examples. The amendments, which were incorporated into European law on 20 November 2023, are to be applied retrospectively in accordance with IAS 8 as of the transition to IFRS 16. They have no practical relevance for RHÖN-KLINIKUM AG.

**Amendments to IAS 1: “Presentation of Financial Statements” – Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants**

The amendments to IAS 1 adopted in January 2020 relate to a limited adjustment in the assessment criteria for the classification of debt as current or non-current. It is clarified that the classification of debt as current depends on the entity’s rights on the relevant reporting date to defer settlement of the debt by at least twelve months after the end of the reporting period: if such rights exist, the debt is classified as non-current. In this regard, the right to defer the settlement of the debt must have substance. If the entity has to fulfil certain conditions to exercise such a right, these must be fulfilled on the relevant reporting date; otherwise the debt is classified as current.

In this context it is not relevant to the classification of a debt whether the management intends or expects the debt to actually be settled within 12 months of the reporting date. The only decisive factor for the classification is the right existing on the relevant reporting date to defer settlement of the debt by at least 12 months. This also applies if the liability is settled within the adjusting events period.

The amendments (after the date of initial application of the amendments was meanwhile postponed from 1 January 2022 to 1 January 2023 by amendments from July 2020) were supplemented by an additional amendment to IAS 1 published in October 2022. The new amendment concerns the classification of debts that are subject to covenants. The IASB clarifies that covenants to be met before or on the reporting date may have an effect on the classification as current or non-current. In contrast, covenants that are only to be met after the reporting date have no influence on the classification. Instead of being taken into account in the classification, such covenants are to be disclosed in the notes. This is intended to enable users of financial statements to assess the extent to which non-current liabilities could become repayable within 12 months.

The amendments, which were incorporated into European law on 19 December 2023, are now to be applied to reporting periods beginning on or after 1 January 2024. Early (joint) application of the amendments is permitted.

The Group currently believes that no material impact on the consolidated financial statements will arise.

By the end of the date of preparation of the consolidated financial statements, the other Standards and Interpretations were not yet adopted by the European Union. For that reason, no detailed explanation of these Standards and Interpretations is given.

**c) Estimates**

Preparing consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made. Moreover, the application of Group-wide accounting policies means that management has to exercise reasonable judgment. Areas that call for a greater degree of judgment to be exercised or that are characterised by a higher degree of complexity, or areas for which assumptions and estimates are of decisive importance for the consolidated financial statements, are set out and explained. The preparation of the consolidated financial statements was based on historical cost, qualified by the financial assets and financial liabilities recognised at fair value through profit or loss as well as the equity investments measured directly in equity. Reference is moreover made to Note 3 “Critical estimates and assessments in accounting and valuation” in these Notes.

**d) Publication**

The consolidated financial statements adopted by the Board of Management on the signing date will be adopted, approved and released for publication by the Supervisory Board on 27 March 2024.

**2.2 Consolidation**

The annual financial statements of the companies included in the consolidated annual report have been prepared in accordance with uniform accounting and valuation principles in relation to the same date as the consolidated financial statements.

**2.3 Subsidiaries**

As a general rule, subsidiaries are all entities (including structured entities) which a group has the possibility of controlling pursuant to IFRS 10. When assessing whether control exist, it is examined whether the parent has power over the subsidiary, obtains positive or negative variable returns and from it can influence the amount of such returns through exercising its power.

Subsidiaries are included in the consolidated financial statements (full consolidation) from the date that the Group obtains control and are deconsolidated when the control ends. Acquired subsidiaries are accounted for using the purchase method.

The cost of the acquisition is measured as the fair value, at the transaction date, of assets rendered, equity instruments issued, and liabilities incurred or acquired. They also contain the fair values of all recognised assets and liabilities resulting from a contingent consideration agreement. Upon their first-time consolidation, assets, liabilities and contingent liabilities identifiable within the scope of a business combination are recognised separately at their fair values at the acquisition date. For each company acquisition the Group decides on a case-by-case basis whether the non-controlling interests in the acquired company are recognised at fair value or based on the proportionate share in the net assets of the acquired company. Costs relating to the acquisition are expensed as incurred.

In the event of a successive business combination, the previously acquired equity capital share of the company is redefined at its fair value applicable at the acquisition date. The resulting profit or loss is recognised in the income statement.

The value resulting from any excess in the cost of the acquisition, the amount of the non-controlling interests in the acquired company as well as the fair value of all previously held equity interests at the acquisition date over the Group's interest in the fair value of the net assets is recognised as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated income statement. Group-internal transactions and balances as well as unrealised gains and losses from transactions between Group companies are eliminated. To the extent necessary, the accounting policies of subsidiaries are adjusted to ensure application of uniform accounting principles within the Group.

### 2.3.1 Transactions with non-controlling interests

Transactions with non-controlling interests are treated like transactions with equity investors. Any difference arising on acquisition of a non-controlling interest between the consideration paid and the relevant share in the carrying amount of the subsidiary's net assets is recognised in equity. Positive or negative effects arising on disposal of non-controlling interests are likewise recognised in equity. This applies only to the extent the disposal does not give rise to any loss of control.

### 2.3.2 Associated companies and joint ventures

Associated companies are those companies over which the Group has a substantial influence. A substantial influence is refutably presumed if the share of voting rights is between 20.0% and 50.0%. Investments in associated companies and jointly controlled entities (joint ventures) are accounted for using the equity method and initially recognised at cost. The Group's interest in associated companies and jointly controlled entities includes the goodwill arising on acquisition (less accumulated impairment losses).

The Group's interest in the profits and losses of associated companies or joint ventures is recognised in the income statement as of the date of acquisition and the cumulative changes are offset against the carrying amount of the investment. Changes in equity without effect in profit or loss are not to be considered. If the Group's share in the loss of an associate or joint venture is equal to or greater than the Group's share in this company including other unsecured receivables, no further losses are recognised unless the Group has entered into an obligation for the associate or jointly controlled entity or has made payments for them.

Unrealised intercompany profits or losses from transactions between Group companies and associated companies or joint ventures are eliminated on a pro rata basis if the underlying circumstances are material.

In an impairment test, the carrying amount of a company accounted for using the equity method is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment equal to the difference must be recognised. If the reasons for a previously recognised impairment have ceased to exist, the impairment is reversed through the income statement.

The financial statements of investments accounted for using the equity method are prepared using uniform accounting principles within the Group. Associated companies whose individual or overall impact on the net assets and results of operations is not material are not accounted for using the equity method. They are included in the consolidated financial statements at fair value. Immaterial equity interests are measured at fair value through profit or loss.

### 2.3.3 Sale of subsidiaries and associated companies

If the Group loses either control or material influence over a company, the remaining interest is re-measured at fair value and the resulting difference recognised as profit or loss. Fair value is the fair value calculated upon the initial recognition of an associate, joint venture or financial asset. Moreover, all amounts stated in other income are recognised with reference to such company in the same way as would be required if the related assets and liabilities had been sold by the parent company directly. That means that a profit or loss previously recognised under other income is reclassified to the income statement. If it cannot be reclassified to the income statement, it remains in equity (e.g. actuarial profits or losses from pensions).

### 2.3.4 Segment reporting

According to IFRS 8 "Operating Segments", segment information on operating segments is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach).

An operating segment is a company component

- which carries out business activities from which revenue is earned and for which expenses may be incurred. For us these include all revenues relating to services provided directly and indirectly for patients, as well as all expenses necessary for providing services,
- whose operating result is regularly reviewed by the company's chief decision maker to make decisions about resources to be allocated to this segment and assess its earnings strength, and
- for which separate financial information is available.

The chief decision making body in our Group is the Board of Management. It is in this body that the strategic decisions are made for the Group and to this body that the key ratios of the hospitals, which represent our operating segments, are regularly reported.

Monthly reporting to the Board of Management includes the hospitals. Group management costs are fully distributed to the operative segments. The monthly target-to-actual and actual-to-actual comparison in the report to the Board of Management, by aggregating the operative segments into one reporting segment, serve to control the targets published in the Company forecast.

Given our understanding of an integrated healthcare services offering, we do not make any distinction in control by whether the services as defined in German social insurance legislation are attributed to the inpatient or the outpatient sector, or to the rehab or nursing sector. All expenses and income which are directly or indirectly related to patients are included under the operating segments.

The operating segments are aggregated to one reporting segment since they exhibit similar economic characteristics. As a result of the same structural framework conditions, the operating segments in the Group with the healthcare services provided are characterised by a similar risk and rewards profile whose economic environment is largely regulated by legislation. The politically desired state interference is felt both on the income side and with expenses. It is thus possible for the operating segments to achieve similar EBITDA margins. We thus continue to have only one operating segment subject to reporting.

We generate all revenues for all our areas of activity in Germany. We generate most of our revenues in the inpatient, outpatient, rehab and nursing area with the statutory health insurance funds, the state pension insurance agency, the statutory occupational insurance agencies and the other public healthcare institutions. Only a small share of revenues is generated with private health insurance funds or self-payers. Regarding the breakdown of revenues by business areas and federal states, we refer to section 5 of the Notes.

## 2.4 Goodwill and other intangible assets

### 2.4.1 Goodwill

Goodwill is the excess of the cost of the company acquisition over the Group's interest in the fair value of the net assets of the acquired company at the acquisition date. Goodwill arising on acquisitions is allocated to intangible assets. Goodwill is subjected at least to an annual impairment test and measured at its historical cost less any impairment losses. A review is also performed when there are events or circumstances indicating that the value might be impaired. Impairment losses are not reversed. Profits and losses arising on the sale of a company include the carrying amount of the goodwill allocated to the company sold.



For the purpose of the impairment test, goodwill is allocated to cash generating units. At RHÖN-KLINIKUM AG these correspond as a rule to the individual hospitals (each hospital site with its inpatient, semi-inpatient and outpatient care structures including any existing rehabilitation facilities) unless the related goodwill of cooperating units is monitored at a higher level.

If the recoverable amount is below the carrying amount, an impairment is recognised. Here, the recoverable amount is the higher of the two fair value amounts less costs to sell the asset and its value in use.

### 2.4.2 Computer software

Purchased computer software licences are recognised at cost plus the cost of bringing them to their working condition. These costs are amortised over the estimated useful life (three to seven years, straight-line method), and are shown under "depreciation/amortisation and impairment" in the income statement. Costs relating to the development of websites or maintenance of computer software are expensed as incurred if the conditions for capitalisation are not satisfied pursuant to IAS 38.

### 2.4.3 Other intangible assets

Other intangible assets are stated at historic cost and – to the extent depletable – amortised over their respective useful lives (three to five years) using the straight-line method, and are shown under "depreciation/amortisation and impairment" in the income statement.

### 2.4.4 Research and development expenses

Research costs are recognised as current expenditure in accordance with IAS 38. Development costs are capitalised if all the criteria of IAS 38 are satisfied. There are no development costs that meet the criteria for capitalisation.

## 2.5 Property, plant and equipment

Land and buildings are reported under "Property, plant and equipment" and mainly comprise hospital buildings. In the same way as the other items of property, plant and equipment, they are measured at cost less any depreciation. Cost includes the expenditure directly attributable to the acquisition or construction of an asset as well as any overheads attributable to construction. Subsequent costs are recognised as part of the cost of the asset or – where applicable – as a separate asset only if it is probable that future economic benefits associated with the asset will accrue to the Group and if the cost of the asset can be measured reliably. All other repair and maintenance work is recognised as expenditure in the income statement in the financial year in which it is incurred.

Property, plant and equipment are tested for impairment if events or changed circumstances suggest that an impairment may have occurred. In such a case, the impairment test is performed pursuant to IAS 36 according to the principles explained for intangible assets. Where an impairment is to be made, the remaining useful life of the asset may be adjusted accordingly. If the reasons for a previously recognised impairment have ceased to exist, such impairment losses are reversed, in which case such reversal may not exceed the carrying amount that would have resulted if no impairment had been recognised in the previous periods.

Land is not depreciated. All other assets are depreciated using the straight-line method, with costs being depreciated over the expected useful lives of the assets so as to write down the value of the assets to their residual carrying amount as follows:

Asset	Duration of use
Buildings	33 <sup>1</sup> / <sub>3</sub> years
Machinery and equipment	5 to 15 years
Other plant and equipment	3 to 12 years

The net book values and useful economic lives are reviewed at each balance sheet date and adjusted where applicable. Gains and losses on the disposal of assets are measured as the difference between the disposal proceeds and the carrying amount and recognised through profit or loss.

## 2.6 Government grants

Government grants are recognised at fair value if it can be assumed with reasonable assurance that the grant will be received and that the Group has satisfied the necessary conditions for this. Government grants for investments are deducted from cost to arrive at the carrying amount for the assets to which they relate. They are distributed as a reduction in expenses over the expected useful life of the related assets using the straight-line method. Such grants are granted to hospitals within the framework of investment finance legislation. Grants not yet used for their intended purpose are stated under "Other liabilities" at the balance sheet date.



Government grants are recognised on a systematic basis either in profit or loss, and during periods in which the Company applies corresponding expenditures which the government grants are intended to cover as expenses.

## 2.7 Impairment of property, plant and equipment and intangible assets (excl. goodwill)

The Group assesses on every balance sheet date whether there are any indications that an asset might be impaired. If such indications exist or if an annual impairment test has to be performed in relation to an asset, the Group estimates the recoverable amount. If it is not possible for independent inflows to be allocated to the individual asset, the Group estimates the recoverable amount for the cash generating unit to which the asset belongs. The recoverable amount is the higher of the fair value of the asset less costs to sell it and its value in use. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In order to calculate the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate before taxes which reflects the current market expectation with regard to the interest effect and the specific risks of the asset. Impairments are shown in the income statement under the item "Depreciation/amortisation and impairment".

On every balance sheet date, a test is performed to establish whether there are any indications that an impairment recognised in previous reporting periods no longer exists or might have diminished. If such an indication exists, the recoverable amount is estimated. An impairment previously recognised has to be reversed if there has been a change in the estimates used for determining the recoverable amount since the last impairment was recognised. If this is the case, the carrying amount of the asset has to be increased to the recoverable amount of the asset. However, this must not exceed the carrying amount which would have resulted after the recognition of depreciation/amortisation if no impairment had been recognised in previous years. Any such reversal of a prior impairment has to be recognised immediately in the profit or loss for the period. After a prior impairment has been reversed, the amount of depreciation/amortisation in future reporting periods has to be adjusted in order to systematically distribute the revised carrying amount of the asset, less any residual value, over the remaining useful life of the asset.

## 2.8 Financial assets

Financial assets in principle comprise receivables, other financial assets, equity instruments, derivative financial instruments with positive fair values, and cash.

These financial assets are principally divided into the following categories as defined in IFRS 9:

- Measured at fair value through profit or loss
- Measured at fair value directly in equity (fair value through other comprehensive income, without recycling)
- Measured at amortised cost
- Measured at fair value directly in equity (fair value through other comprehensive income, with recycling)

All purchases and sales of financial assets are recognised at the settlement date, i.e. the date when the purchase or the sale is transacted. Derivative financial instruments are recognised on the trading date. Initial recognition of financial assets not measured as at fair value through profit or loss takes place at fair value plus transaction costs.

Assets measured at fair value directly in equity (fair value through other comprehensive income, without recycling) are measured after initial recognition at their fair values. Financial assets in the category of 'amortised cost' are carried at amortised cost using the effective interest method. Financial assets are derecognised if the rights to payments from the investment expire or have been transferred and the Group has substantially transferred all the risks and rewards of ownership of the financial asset.

Investments in equity instruments (equity interests) are carried in accordance with IFRS 9 at RHÖN-KLINIKUM AG as fair value through other comprehensive income (without recycling). These are strategic investments and the Group considers this classification to be more meaningful. Related gains and losses from the sale are not reclassified in the income statement.

If no active market exists for financial assets or if these assets are not listed, the fair values are calculated using suitable measurement methods. These may include references to recent transactions between independent business partners, the use of current market prices of other assets that are substantially similar to the asset under consideration, discounted cash flow methods, as well as option price models which make use as far as possible of market data and as little as possible of individual company data.

On each balance sheet date it is reviewed whether any losses incurred or already expected losses are to be recognised. On each balance sheet date it is reviewed whether any losses incurred or already expected losses are to be recognised. If the default risk has deteriorated significantly (e.g. if the financial asset can no longer be allocated to the investment grade rating category), all expected losses as of that point in time are recognised over the entire term. Otherwise, only those losses expected over the term of the instrument are taken into account which result from future potential loss events within the next twelve months.

Within the Group of RHÖN-KLINIKUM AG, the general impairment model is essentially applied to fixed deposit investments. In this regard, the expected credit loss is calculated taking into account external ratings, rates of insolvency as well as future-oriented information on credit default swaps (CDS).

#### **2.8.1 Assets measured at fair value through profit or loss**

According to IFRS 9, financial assets are subject to mandatory measurement at fair value through profit or loss if they are held neither as part of a business model whose purpose consists in holding assets to collect contractual cash flows, nor as part of a business model whose purpose is fulfilled if contractual cash flows are collected and financial assets are sold. Moreover, financial assets are to be measured at fair value through profit or loss if they do not fulfil the cash flow conditions as defined in IFRS 9. At RHÖN-KLINIKUM AG, no assets in the form of debt capital instruments that could be allocated to this category exist.

#### **2.8.2 Assets measured at fair value directly in equity (fair value through other comprehensive income, without recycling)**

Investments in equity instruments do not fulfil the cash flow conditions as defined in IFRS 9; they are principally to be measured at fair value. For equity instruments not held for trading, an entity has the irrevocable right on initial recognition to avail itself of the fair-value OCI option. Within the Group of RHÖN-KLINIKUM AG, equity investments in the amount of €12.7 million (previous year: €13.3 million) are measured at fair value (fair value through other comprehensive income, without recycling).

#### **2.8.3 Assets measured at amortised cost**

Financial assets held as part of a business model whose purpose consists in holding assets to collect the contractual cash flows are measured at amortised cost provided that the assets also fulfil the cash flow conditions as defined in IFRS 9.

When assessing whether cash flows are realised through collection of the contractually agreed payments from the financial asset, the frequency and scope of the sales in earlier periods are to be considered, furthermore whether the assets sold were about to mature, as well as the reasons for such sales and the expectations with respect to the future sales activities.

Within the Group of RHÖN-KLINIKUM AG, trade receivables, other financial assets as well as cash and cash equivalents are allocated to this category.

#### **2.8.4 Assets measured at fair value directly in equity (fair value through other comprehensive income, with recycling)**

This category covers financial assets which fulfil the cash flow conditions as defined in IFRS 9 and whose purpose consists in collecting contractual cash flows and selling financial assets. Currently, no such financial assets exist at RHÖN-KLINIKUM AG.

#### **2.9 Investment property**

Investment properties comprise land and buildings which are held for the purpose of generating rental income or for achieving capital gains, and which are not used for the company's own provision of services, for administrative purposes or for revenues within the scope of ordinary operations. Investment properties are measured at cost less cumulative depreciation.

Since RHÖN-KLINIKUM AG or its subsidiaries retain beneficial ownership in leased properties as lessor (operating lease), these properties are identified as such and reported separately in the balance sheet. Leased assets are recognised at cost and depreciated in accordance with the accounting principles for property, plant and equipment. Lease income is recognised on a straight-line basis over the term of the lease.

## 2.10 Inventories

Inventories within the Group of RHÖN-KLINIKUM AG are materials and supplies. These are measured at the lower of cost (including transaction costs) and net realisable value. Cost of inventories is determined by the weighted-average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

## 2.11 Trade receivables

Trade receivables are initially recognised at the transaction price plus any transaction costs and subsequently measured at amortised cost less impairments. The Group generates its revenue for the most part from the statutory health insurance funds. The material part of accounts receivable likewise is likewise due from statutory health insurance funds. For calculating expected credit losses, we have used the country default risk for the Federal Republic of Germany as a basis for this category of receivables. In the case of the other receivables, the Group uses aged debtor lists and past experience as the basis for collectively estimating the percentage of expected credit losses as at the balance sheet date in relation to the period of time overdue. Macroeconomic risks are included with a time lag in the assessment through the country default risk of the Federal Republic of Germany or through the individual receivables defaults. Receivables are derecognised within the Group of RHÖN-KLINIKUM AG after expiry of the legally prescribed limitation periods or after conclusion of unsuccessful insolvency proceedings. In addition, the Group recognises specific valuation allowances if, as a result of particular circumstances, it is not likely that trade receivables will be recovered.

## 2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term, highly liquid financial assets with original maturities of up to three months. Utilised bank overdrafts are shown on the balance sheet as liabilities to banks under the item "Current financial liabilities".

## 2.13 Equity

Ordinary shares are classified as equity. Costs that are directly attributable to the issuance of new shares are recognised in equity (net of tax) as a deduction from the issuance proceeds.

If a company belonging to the Group acquires treasury shares of RHÖN-KLINIKUM AG, the value of the consideration paid including directly attributable additional costs (net of tax) is deducted from the equity capital attributable to shareholders of the company until the shares are either redeemed, re-issued or re-sold. If such shares are subsequently re-issued or re-sold, the consideration received, net of directly attributable additional transaction costs and related income tax, is recognised in the equity attributable to the shareholders of RHÖN-KLINIKUM AG.

## 2.14 Financial liabilities

Financial liabilities in principle comprise financial debt (including the negative fair values of derivative financial instruments), trade payables as well as other financial liabilities. Loan liabilities are classified as current liabilities unless the Group has the unconditional right to postpone settlement of the liability to at least twelve months from the balance sheet date.

Financial liabilities as well as financial debt are initially recognised at fair value (less transaction costs). In subsequent periods they are measured at amortised cost; any difference between the disbursement amount (after deduction of transaction costs) and the repayment amount is recognised over the term of the loan in the income statement in the finance result using the effective interest method.

Derivative financial instruments, if any exist, are measured at fair value. For current financial liabilities this means that they are recognised at their repayment or settlement amount.

## 2.15 Current and deferred taxes

The tax expense of the period is made up of current and deferred taxes. Taxes are recognised in the income statement unless they relate to items which were directly recognised in equity or in other income. In this case, taxes are likewise recognised in equity or other income.

Deferred tax is recognised using the liability method for all temporary differences between the tax carrying amounts of assets and liabilities and the respective IFRS consolidated carrying amounts. If, however, in a transaction which is not a business combination, deferred tax arises from the initial recognition of an asset or liability which at the time of the transaction affects neither accounting nor taxable profit or loss, no deferred tax is recognised. Deferred taxes are measured

subject to the tax rates (and tax laws) that apply or have been substantively enacted on the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred taxes have been calculated using a corporate income tax rate of 15.0% (plus the 5.5% solidarity surcharge on corporate income tax).

Deferred tax assets are recognised to the extent it is probable that they will result in a tax benefit when offset against taxable profits.

Deferred tax liabilities in connection with temporary differences arising from equity interests in subsidiaries are always recognised unless the point in time of the reversal of the temporary differences can be controlled by the Group and a reversal of the temporary differences is not probable in the foreseeable future.

## 2.16 Employee benefits

### 2.16.1 Pension obligations and other long-term benefits due to employees

Various pension plans exist within the Group. These plans are financed by payments to insurance companies or pension funds or by recognising provisions (direct commitments) whose amount is based on actuarial calculations. The Group has both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (insurance company or pension fund). The possibility of claims being asserted against the Group for payment of additional contributions exists only within the scope of subsidiary liability. Since RHÖN-KLINIKUM AG regards the risk of default of an insurance company or pension fund as extremely low, such commitments are accounted for as defined contribution plans.

For defined contribution plans the Group pays contributions to state or private pension insurance plans based on statutory or contractual obligations. The Group has no further payment obligations other than the payment of the contributions. The contributions are recognised under the employee benefits expense item when due.

A defined benefit plan is a pension plan that does not fall under the definition of a defined contribution plan. It typically stipulates the amount of pension benefits that an employee will receive on retirement which is usually dependent on one or several factors such as age, length of service and salary.

The provision stated in the balance sheet for defined benefit plans is equal to the present value of the defined benefit obligation (DBO) at the balance sheet date. The DBO is calculated annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the expected future cash outflows with the interest rate of high quality corporate bonds issued in the currency in which the benefits are paid and whose terms are consistent with those of the pension obligation.

Actuarial gains and losses resulting from changes in actuarial assumptions and/or from discrepancies between earlier actuarial assumptions and the actual development are recognised directly at equity in the period in which they occur giving due regard to deferred tax. In this way the balance sheet – after deduction of any existing plan assets – shows the full scope of the obligations avoiding fluctuations in expenses that may arise in particular in the case of changes in the calculation parameters. The actuarial gains and losses recognised in the respective reporting period are shown separately as “revaluations of defined benefit pension plans” in the statement of comprehensive income.

Pursuant to IAS 19, past service cost, i.e. all changes in benefits diminishing the defined benefit obligation, are fully recognised in the income statement at the time of the plan modification.

#### **Multi-employer plans**

On the basis of collective agreements, the Group pays contributions to the Federal and State Pension Scheme (VBL) and other public service pension schemes (Bayerische Versorgungskammer-Zusatzversorgung, BVK) for a certain number of employees. The supplementary pension schemes are public-law corporations or institutions. The contributions are paid on a pay-as-you-go (PAYGO) basis. This financing structure carries the risk of rising contributions through the levy of reform imposts that may be charged unilaterally or disproportionately to employers.

The present plans are multi-employer plans (IAS 19.8) since the participating companies share both the risk of the capital investment and the actuarial risk. In principle, the VBL/BVK benefit plan is to be classified as a defined benefit plan (IAS 19.38), but the information needed for an objectively correct representation of the Group's share of the future payment is not available due to the existing PAYGO financing regime. Because of such PAYGO financing approach in which the levy rate is calculated for a certain coverage layer on the basis of the aggregate insurance portfolio and not on the basis of the individual risk of insureds, the benefit plan pursuant to IAS 19.34 is to be recognised as a defined contribution plan. Since no agreements within the meaning of IAS 19.37 exist, there is no recognition of a corresponding asset or liability. The recognition of any liability item in the balance sheet is subordinate to priority-ranking guarantee obligations of public-law entities.

The current contributions to the VBL/BVK are reflected in the employee benefits item as pension expenses or post-employment benefits for the respective years.

In addition to the levy, the VBL also levies reform imposts from the participating employers with compulsory insureds in the separately organised and managed settlement class Abrechnungsverband West. In financial year 2023, the reform impost amounted to 0.00% (previous year: 0.13%) of the insured remunerations.

In the settlement class Abrechnungsverband West, the VBL finances its benefits through a PAYGO approach taking the form of a modified defined period-based funded approach (Abschnittsdeckungsverfahren). The current defined period covers 2016 to 2023. The levy rate is assessed in such a way that the contribution to be paid for the duration of the defined period together with the other income expected and the available assets suffices to settle the expenditures during the defined period and the period of six months thereafter. Since 1 January 2023, the levy rate has been 7.30% (previous year: 7.86%) of the remuneration subject to supplementary pension payments, of which employers pay a share of 5.49% (previous year: 6.45%) and employees a share of 1.81% (previous year: 1.81%). The contribution rate in the BVK, depending on the year of the employee's entry, is between 4.80% (previous year: 4.8%) and 7.75% (previous year: 7.75%).

Given insufficient information, it is not possible to make any statement on the level of participation in the pension schemes based on the contributions paid by the Group of RHÖN-KLINIKUM AG compared with the aggregate payments to the VBL and other public service pension schemes (BVK).

In the event of a VBL participation being terminated, the legal consequences arising therefrom are defined in section 23 of the VBL Rules. Termination of a VBL participation also triggers the end of the mandatory insurance schemes. Since the VBL also continues to settle the pension claims and entitlements arising up to the end of the participation, the withdrawing party, as compensation, is required to pay an equivalent value which does not include those components financed under the funded scheme. This equivalent value comprises the full funding of existing entitlements and coverage of administrative expenses as well as future benefit claims. The supplementary pension insurance scheme ZKV also stipulates a similar provision. Since in the case of withdrawal from PAYGO financing the risks of the other participants of the system also have to be compensated pro rata, a plausible actuarial calculation can be made only by the pension fund itself.

Membership in VBL/BVK exists only due to the acquisition of hospitals from public ownership. Universitätsklinikum Gießen und Marburg GmbH is a member of the VBL, and RHÖN-Kreisklinik Bad Neustadt GmbH is a member of the BVK.

#### 2.16.2 Termination benefits

Termination benefits are provided if an employee is made redundant before the normal retirement date or accepts voluntary redundancy in return for severance compensation. The Group recognises severance compensation payments if it is committed to terminating the employment of current employees subject to a detailed formal plan which cannot be rescinded or is committed to paying severance compensation if employees accept voluntary redundancy. Termination benefits which fall due more than twelve months after the balance sheet date are discounted to their present value.

#### 2.16.3 Management profit sharing and employee profit sharing

Management profit sharing and employee profit sharing are recognised as liabilities using a measurement method based on the consolidated result or the results of consolidated subsidiaries. For target agreements, a liability is recognised on the basis of the target achievement rates. The Group recognises a liability in cases where a contractual obligation exists or an obligation arises from a past practice.

#### 2.16.4 Share-based payments

Share-based payments as a general rule are recognised in accordance with IFRS 2. In the current financial year, no such payments were made. Former members of the Board of Management of RHÖN-KLINIKUM AG held an equity interest in the registered share capital of the company RHÖN-Innovations GmbH founded in March 2016. In this context, the members of the Board of Management are granted a put option to tender the interests to RHÖN-KLINIKUM AG in each case after five years, for the first time as at 31 December 2020. Moreover, the option of returning the interests on termination of the service relationship existed. The interests were measured at fair value, but at least at their nominal value. The interests were not freely disposable. The former members of the Board of Management tendered their interests with effect from 31 December 2020. Payment of the purchase prices of €0.4 million was made in 2021. The fair value calculation was once again adjusted in 2022. The result for the period of the previous year includes €0.3 million in this connection.

#### 2.17 Provisions

Provisions for restructuring and legal obligations are recognised when the company has an obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in the future, and the value of the outflow of resources can be reliably determined. Restructuring provisions essentially include the costs of early termination of employment contracts with employees.

Where there are a number of similar obligations, the probability of an outflow of resources being required for settlement is assessed based on an aggregate view of such similar obligations. A provision is also recognised if the probability of outflow for any one of such obligations is deemed to be small.

Provisions are measured as the present value of the payments expected to be required to settle the obligation if the respective discounting is material. For this purpose, discounting is effected at a risk-free interest rate. Risk premiums are taken into account in the measurements of the future cash outflows. Increases in the value of provisions based on interest effects reflecting the passage of time are recognised as interest expense in the income statement.

#### 2.18 Revenue recognition

Revenue is recognised at the fair value of the consideration received for the provision of services and for the sale of products. Revenue from intra-group goods and services is eliminated by way of consolidation. Revenue is recognised as follows.

#### 2.18.1 Inpatient and outpatient hospital services

Hospital services are recognised on the one hand in the financial year in which the services are performed by reference to the stage of completion as a proportion of the total services to be performed. Charges agreed with the payers are essentially invoiced at fixed rates irrespective of the duration of stay. With the Act on Strengthening Nursing Staff (Pflegepersonal-Stärkungsgesetz, PpSG), nursing payroll expenses were removed from the duration-of-stay-independent flat-rate fees for direct patient care on wards with their own beds. For these nursing services, separate budgets are agreed with the healthcare funds for each hospital. Invoicing with the payers is based on daily nursing fees of each hospital. In other sub-areas such as in psychosomatic facilities, flat-rate same-day nursing rates are invoiced. In the outpatient area, the individual services and medical aids are invoiced based on the schedules of benefits applicable to the respective area.

Hospital services are limited in terms of their volume as part of an agreed budget. As a result, service volumes exceeding the budget and service volumes falling short of the budget are to be mutually offset under statutory provisions. Budget-restricting provisions are also being applied in the outpatient area. Further notes are provided under point 3.2 "Revenue recognition".

#### 2.18.2 Interest income

Interest income is recognised on a pro rata basis using the effective interest method.

#### 2.18.3 Income from distribution and dividends

Dividend income is recognised when the right to receive payment is established.

#### 2.19 Leases

Standard IFRS 16 defines a lease as a contract which conveys the right to use an asset for a period of time in exchange for consideration.

As a rule, every lease is to be recognised with the lessee on the balance sheet in the form of a right of use and a lease liability. The lease liability is measured in accordance with the lease payments outstanding discounted with the incremental borrowing rate if it is not possible to calculate the interest rate implicit in the lease. The present value calculation is therefore as a rule based on the incremental borrowing rates. The right of use as a general rule is measured at the amount of the lease liability plus any initial direct cost. During the lease term, the right of use is to be depreciated and the lease liability updated using the effective interest method and taking into account the lease payments.

For leases with a term of twelve months maximum as of 1 January 2019 as well as leases relating to low-value assets, no right of use and no lease liability will be applied in the balance sheet and the lease payments will continue to be recognised as an expense as thus with a negative effect on EBITDA in the income statement.

## 2.20 Costs of borrowing

If borrowing takes place, the costs of borrowing are deducted from the corresponding items and are distributed using the effective-interest method. Moreover, the interest is then recognised as current expense. Costs of borrowing incurred in connection with the acquisition/construction of qualifying assets are capitalised during the entire production process until commissioning. Other costs of borrowing are recognised as an expense.

## 2.21 Dividend payments

Shareholders' claims to dividend payments are recognised as a liability in the period in which the corresponding resolution is adopted.

## 2.22 Financial risk management

### 2.22.1 Financial risk factors

The assets, liabilities and planned transactions of RHÖN-KLINIKUM AG are exposed in particular to the following risks:

- Credit risk
- Liquidity risk
- Interest rate risk

The aim of financial risk management is to limit the above risks through ongoing operating activities as well as the use of derivative and non-derivative (e.g. fixed-interest loans) financial instruments. As a general rule, derivative financial instruments may be entered into for hedging purposes, i.e. they are not used for trading or speculative purposes.

As a rule, financial instruments for limiting the counterparty risk are entered into only with leading financial institutions with at least an investment grade rating.

Financial risk management is conducted by the division Accounting, Tax, Controlling, Finance and Investor Relations under the supervision of the CFO in line with the guidelines adopted by the Board of Management and the Supervisory Board. Risks are identified and measured by the Board of Management working together with the operative units of the Group. The CFO defines both the principles for interdivisional risk management and the guidelines for certain areas such as the management of interest rate and credit risks, the use of derivative and non-derivative financial instruments as well as the investment of liquidity surpluses.

### 2.22.2 Credit risk

The Group provides the predominant portion of its services to members of the statutory social insurance scheme, and the remainder to persons who have taken out private health insurance and pay medical invoices themselves. There are no significant concentrations with respect to individual payers. The cost of hospital services is normally settled by payers within the legally prescribed period. With regard to the default risks in financial year 2023, please refer to our comments in the sections "Trade receivables" and "Other financial assets". The maximum risk of default is equal to the aggregate amount of the financial assets (less impairments) recognised on the balance sheet. Counterparty risks from entering into financial transactions are minimised by adherence to rules and limits.

### 2.22.3 Liquidity risk

Careful liquidity management includes holding a sufficient reserve of cash, having the possibility of obtaining finance for an adequate amount under agreed credit lines, and being able to raise liquidity from market issuances. Given the dynamic nature of the market environment in which the Group operates, the objective of RHÖN-KLINIKUM AG is to maintain the necessary flexibility in finance matters by having sufficient credit lines available and access to the capital markets at all times. A minimum strategic liquidity of cash and free, immediately available credit lines is held in order to ensure the Group's ability to act at all times. To monitor liquidity risk, a liquidity report is prepared daily and a treasury report monthly. Short- to medium-term liquidity planning calculations are also carried out.

### 2.22.4 Interest rate risk

Interest rate risk results from uncertainty about future developments in the level of interest rates and affects all interest-bearing items as well as interest derivatives. RHÖN-KLINIKUM AG is therefore always exposed to interest rate risks.

As at the balance sheet date, 62.1% (previous year: 26.0%) of cash at banks was invested at a variable interest rate or callable daily, and 37.9% (previous year: 74.0%) at a fixed interest rate with a maximum residual term of up to five months (previous year: eleven months).



In July 2019, RHÖN-KLINIKUM AG placed a registered bond in the amount of €60.0 million with a term of 20 years. In October 2018, a promissory note in the amount of €100.0 million was issued, which was redeemed in financial year 2020 in the amount of €10.0 million. The tranches exclusively bearing fixed interest with bullet maturities have terms of five, seven and ten years. The first tranche with a term of five years in the amount of €7.0 million was repaid in financial year 2023 in accordance with the contractual terms. The registered bond and the promissory note are subject to a change-of-control clause. The funds collected from both transactions are being used for general corporate finance. In 2017, a syndicated line of credit in the amount of €100.0 million was entered into which was lowered to €88.0 million in financial year 2020. As at the balance sheet date, this line had not been utilised (previous year: no utilisation).

As already in the previous year, no monitoring of interest rate risks was performed in financial year 2023 by means of sensitivity analyses given the low risk.

### 2.22.5 Management of equity and debt

The aim of the Management with regard to the handling of equity and debt is to adopt a strict policy of matching maturities (horizontal balance sheet structure) of the source and use of funds. Non-current assets should be funded on a long-term basis. The items of equity and non-current liabilities shown in the balance sheet are included under the source of long-term funds. This ratio should be at least 100%, and amounted to 146.2% in the year under review (previous year: 139.1%). Long-term appropriation of funds relates to financial assets and property, plant and equipment. Although given the personnel cost ratio of more than 50% the Group of RHÖN-KLINIKUM AG is frequently attributed to the services sector, our business model has a long-term focus and is for the most part investment-driven. As at 31 December 2023, 72.3% (previous year: 73.4%) of investments at the Group level was backed by equity.

Group growth is also managed by way of appropriate equity measures through resolutions on the appropriation of profits for the consolidated companies.

If debt capital is used, the Management focuses on the following management ratios for minimising risks. The aim is to limit the ratio between net financial debt (= financial liabilities less cash and cash equivalents) and EBITDA to a maximum 3.5-fold multiple.

## 3 | CRITICAL ESTIMATES AND ASSESSMENTS IN ACCOUNTING AND VALUATION

All estimates and assessments are subject to ongoing review and are based on past experience and other factors, including expectations with respect to future events which appear reasonable under the given circumstances.

The Group makes assessments and assumptions about the future. The estimates derived from these of course only rarely reflect actual future circumstances. These uncertainties in particular concern the following:

- the planning parameters taken as a basis of the impairment test for goodwill,
- assumptions relating to revenue recognition,
- assumptions and probabilities for determining in particular provision requirements for Medical Review Board of the Statutory Health Insurance Funds (MDK)
- assumptions relating to the recognition and measurement of income tax

The estimates and assumptions that entail a significant risk of a substantial adjustment in carrying amounts of assets and liabilities during the next financial year are discussed in the following.

### 3.1 Estimated impairment of goodwill

To determine the value in use of goodwill by means of the DCF method, the operating cash flows of the individual hospitals with their inpatient, semi-inpatient and outpatient care structures were discounted at the weighted average cost of capital (WACC) after tax of 6.24% (previous year: 6.78%). The carrying amounts do not exceed the values in use. Based on this calculation, no impairment requirement was ascertained. Key assumptions having a substantial influence on the value in use are WACC and the average EBIT margin. In this regard, a corresponding present value is projected for a further five years with assumptions on flat rate growth rates on the basis of a detailed operative five-year plan – which also includes expectations on future market development in the healthcare system – and calculated with subsequent inclusion of a perpetual annuity. For further details, reference is made to our Note under 6.1.



For the cash generating units, the recoverable amount is equal to the carrying amount as of an assumed cost of capital rate or an assumed EBIT discount:

in %

	<b>Assumed cost of capital rate for 2023</b>	Assumed cost of capital rate for 2022	<b>Assumed EBIT discount for 2023</b>	Assumed EBIT discount for 2022
<b>Units</b>				
Frankfurt (Oder)	9.4	13.4	38.0	53.0
RHÖN-KLINIKUM Campus Bad Neustadt	7.1	7.4	14.0	11.0
Universitätsklinikum Gießen und Marburg	7.7	7.4	22.0	11.0
Zentralklinik Bad Berka	17.2	17.7	69.0	67.0

### 3.2 Revenue recognition

The Group generates revenues essentially from the provision of medical services. The hospitals of RHÖN-KLINIKUM AG, like all other hospitals in Germany, are subject to the statutory regulations on fees.

Revenue recognition is essentially based on a comparison of performance and consideration under a contract: a service performed gives rise to an asset, the consideration received to an obligation.

Treatment contracts between hospitals and patients or their health insurance funds correspond to contracts for services pursuant to section 630 a et seq. BGB. Irrespective of who performs the payment in future, it is normally the case that the patient will likely be regarded as the customer. The scope of the performance obligations in the context of hospital treatment is essentially governed by statutory provisions.

The prices charged to the payers are stipulated by numerous laws and regulations. The patient receives and consumes the benefit simultaneous with performance of the service. Control is thus transferred and also revenue recognised for a specified period. Revenues are recognised in accordance with progress of service performance over the service performance period.

In order to create planning and revenue certainty, the remuneration regulations normally provide for prospective fee agreements. In practice, however, these negotiations take place only in the course of the financial year or even thereafter, creating uncertainties as to the service volume for which consideration is received at the balance sheet date. These are reflected in the balance sheet through objective, reliable estimates of receivables or liabilities based on empirical values. Past experience has shown that the inaccuracies relating to

the estimates are negligible for the Group's financial position and results of operations.

The Group generates its revenue for the most part from the statutory health insurance funds. As a general rule, the various budgets for the individual hospitals are defined together with the statutory health insurance funds at the beginning of each year. Diagnosis related groups (German Diagnosis Related Groups after stripping out nursing staff costs, aG-DRGs) are measured nationally on a uniform basis through the aG-DRG catalogue (output method as defined in IFRS 15). The measurement ratios are reviewed and adjusted each year by Institut für das Entgeltsystem im Krankenhaus GmbH (InEK). Personnel expense for bedside nursing are remunerated through separate nursing budgets.

If the service volume invoiced by a hospital (number, severity or type of service) at the end the financial year does not correspond to the budget negotiated for that year, this results in either revenue surpluses or shortfalls that are compensated by way of income compensation between the health insurance funds and the respective hospital. If the actual volumes exceed or fall short of the agreed total budget, only the additional variable costs are paid or saved variable costs deducted, using fixed rates. The receivables or liabilities arising as a result are reported in the consolidated balance sheet and revenues are corrected accordingly.

At the time the consolidated balance sheet was prepared, approved fee agreements existed at none of the hospitals with the exception of RHÖN-KLINIKUM AG; this meant that any compensation payments for excess revenues or shortfalls were estimated. In hospitals in which no fee agreements had yet been concluded for 2023 or for previous years, we adhered strictly to the legal framework in our accounting. We assume that the agreements for 2023 and for previous years will not have any negative impact on the result in 2024.

Moreover, pursuant to section 275 German Social Insurance Code V (Sozialgesetzbuch V, SGB V) as well as section 17 of the German Hospital Financing Act (Krankenhausfinanzierungsgesetz, KHG), payers as a rule have a right of review with regard to the coded income by the Medizinischer Dienst Körperschaft des öffentlichen Rechts (Medical Review Board under Public Law, MD) (formerly Medizinischer Dienst der Krankenversicherung (Medical Review Board of the Statutory Health Insurance Funds, MDK)). In the assessment of trade receivables or trade payables and of revenues from hospital services rendered, estimates are made with reference to the complaint rate of the MD and, based on empirical values, corresponding corrections in revenues taken into account for this. The final results from the reviews of the MD in turn have an influence on the income compensation for the respective financial year.

When the fourth wave of the COVID-19 pandemic hit in the autumn of 2021, the German legislator in November 2021 initially introduced a new care surcharge for COVID-19 patients admitted from 1 November 2021 to 19 March 2022. Its amount was calculated based on the average inpatient duration of stay of COVID-19 patients and was staggered by the respective daily lump sum amounts on which the relief payments were based. Just before the end of 2021, the German Federal Parliament (Bundestag), with the Act Strengthening Vaccine Protection against COVID-19 and Amending Further Regulations in connection with the COVID-19 Pandemic (Gesetz zur Stärkung der Impfprävention gegen COVID-19 und zur Änderung weiterer Vorschriften im Zusammenhang mit der COVID-19-Pandemie), moreover decided to once again grant hospitals, with retroactive effect to 15 November 2021, relief payments for beds kept available if they postpone elective operations or procedures to make capacities available for COVID-19 patients. This provision, which was initially limited in term to 31 December 2021, was initially extended to 19 March 2022 by the Second Regulation Amending the Regulation on Further Measures to Safeguard the Economic Viability of Hospitals (zweite Verordnung zur Änderung der Verordnung zur Regelung weiterer Maßnahmen zur wirtschaftlichen Sicherung der Krankenhäuser). By the Regulation Amending the Regulation on Further Measures to Safeguard

the Economic Viability of Hospitals and Amending the Hygiene Flat Fee Regulation (Verordnung zur Änderung der Verordnung zur Regelung weiterer Maßnahmen zur wirtschaftlichen Sicherung der Krankenhäuser und zur Änderung der Hygienepauschaleverordnung) published on 29 March 2022, an extension beyond 19 March 2022 of these relief payments was adopted pursuant to section 21 (1 b) of the KHG and of the care surcharge pursuant to section 21 a of the KHG. Specifically, the current Regulation provided for an extension of the relief payments until 18 April 2022 and an extension of the care surcharge for the last time until 30 June 2022.

With the expiry of the COVID-19 measures in 2022, no further income was received in financial year 2023. In this context, €77.6 million was reported within revenues in financial year 2022 as payment relating to COVID-19 legislation. These revenues were mainly attributable to income from keeping hospital beds available. Furthermore, €3.2 million was reported under other income as well as €0.3 million under the employee benefits expense item.

### 3.3 Income taxes

Estimates are required for the recognition of tax provisions as well as deferred tax items.

For determining the actual value of deferred tax assets, it is essential to assess the probability of the reversal of the valuation differences and the extent to which it is possible to use the tax loss carry-forwards that led to the recognition of deferred tax assets. This depends on the generation of future taxable profits during the periods in which tax valuation differences are reversed and tax loss carry-forwards can be utilised. Uncertainties exist with regard to the interpretation of complex tax regulations as well as the amount and timing of future taxable income that result in changes in the tax income or expense in future periods. The Group recognises adequate provisions for the possible consequences of audits by the tax authorities. The amount of such provisions is based on factors such as experience from past tax audits and differing interpretations of substantive tax law by the taxable entity and the competent tax authorities on specific issues.

## 4 | COMPANY ACQUISITIONS

### Consolidated companies

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

	31 Dec. 2022	Additions	Disposals	31 Dec. 2023
Fully consolidated subsidiaries	30	–	–3	27
Companies consolidated using the equity method	1	–	–	1
Other subsidiaries	7	–	–	7
<b>Consolidated companies</b>	<b>38</b>	<b>0</b>	<b>–3</b>	<b>35</b>

The disposals result from the conclusion of liquidations of three companies and their deletion from the company register in financial year 2023. These are the companies Wolfgang Schaffer GmbH i. L., RK Klinik Betriebs GmbH Nr. 35 i. L. and RK Reinigungsgesellschaft Nordost mbH i. L.

### Acquisition of doctor's practices

In financial year 2023, one doctor's practice was acquired for consideration whose conditions of validity as per agreement were satisfied during the reporting period of 2023. Consolidation in the Group also took place in financial year 2023. No costs were incurred from the acquisition of this doctor's practice. The revenues and annual results generated since their inclusion in the consolidated statements are of minor importance for the Group of RHÖN-KLINIKUM AG. The final purchase price allocation has the following impact on the Group's net assets in 2023:

in € million	
<b>Purchase of doctor's practices, January to December 2023</b>	Fair value post acquisition
<b>Acquired assets and liabilities</b>	
Intangible assets	0.0
Property, Plant and Equipment	0.1
Other liabilities	0.0
<b>Net assets acquired</b>	<b>0.1</b>
+ Goodwill	0.1
<b>Cost</b>	<b>0.2</b>
./. Purchase price payments outstanding	0.0
./. Acquired cash and cash equivalents	0.0
<b>Cash outflow on transaction</b>	<b>0.2</b>

Goodwill amounting to €0.1 million essentially includes synergy effects expected from the expansion of medical care centres. The goodwill recognised is likely to be tax-deductible.

Moreover, 0.25 doctor's practices were transferred during the reporting period from the Physicians Association (Kassenärztliche Vereinigung) to the MVZ subsidiary at the Bad Berka site and 0.5 specialist doctor's practices to the MVZ subsidiary at the Bad Neustadt site without consideration. Given the shortage of qualified staff, two specialist doctor's practices at the Bad Berka site and 0.75 specialist doctor's practices Marburg site could not be filled and were returned to the physicians association. Of the returned doctor's practices, 1.75 doctor's practices had been acquired by way of purchase in the previous years. During the reporting year, this resulted in a disposal of goodwill in the amount of €0.2 million.

In financial year 2023, one doctor's practice was acquired whose conditions of validity as per agreement will be satisfied only in 2024. Consolidation in the Group will also take place in financial year 2024. The preliminary purchase price allocation has the following impact on the Group's net assets in 2024:

in € million	
Purchase of specialist doctor's practices valid as at 1 April 2024	Fair value post acquisition
<b>Acquired assets and liabilities</b>	
Property, Plant and Equipment	0.0
Other liabilities	0.0
<b>Net assets acquired</b>	<b>0.0</b>
+ Goodwill	0.1
<b>Cost</b>	<b>0.1</b>
./. Purchase price payments outstanding	-0.1
./. Acquired cash and cash equivalents	0.0
<b>Cash outflow on transaction</b>	<b>0.0</b>

## 5 | NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 5.1 Revenues

The development of revenues by business areas and geographical regions was as follows:

in € million		
	2023	2022
<b>Business areas</b>		
Acute hospitals	1,407.3	1,391.4
Rehabilitation hospitals	32.8	30.0
Medical care centres	23.9	24.7
	<b>1,464.0</b>	<b>1,446.1</b>
<b>Regions</b>		
Bavaria	299.2	301.3
Thuringia	200.4	193.5
Brandenburg	172.7	163.7
Hesse	791.7	787.6
	<b>1,464.0</b>	<b>1,446.1</b>

According to IFRS 15, revenue proceeds are revenues generated from the provision of services and in financial year 2023 rose by €17.9 million or 1.2% to reach €1,464.0 million. Of that, our acute and rehabilitation hospitals accounted for €1,440.1 million (previous year: €1,421.4 million) and the medical care centres for €23.9 million (previous year: €24.7 million).

During the same period of the previous year, relief payments of the legislator including revenue-offsetting claims still included €77.6 million in revenue in connection with the COVID-19 pandemic. The reimbursements in this connection were mainly attributable to relief amounts for beds kept available as well as care surcharges paid to hospitals for extraordinary charges as a result of the Corona virus.

## 5.2 Other income

Other operating income comprises:

in € million		
	2023	2022
Income from services rendered	218.2	194.4
Income from grants and other allowances	37.4	13.3
Income from indemnification payments/ other reimbursements	1.7	1.8
Other	15.1	10.6
	<b>272.4</b>	<b>220.1</b>

Income from services rendered includes income from ancillary and incidental activities amounting to €208.5 million (previous year: €185.7 million) as well as income from rental and lease agreements amounting to €9.7 million (previous year: €8.7 million).

The Group received grants and other allowances as compensation for certain purpose-tied expenses in connection with publicly funded measures (e.g. costs of personnel and materials for research and teaching).

The rise in other income by €52.3 million or 23.8% is mainly attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics. Moreover, reimbursements in connection with the compensation for higher energy expenses from funds of the Health Fund (Gesundheitsfonds) within the meaning of section 26 f KHG were included at €29.9 million (previous year: €2.0 million). During the previous year, this item most recently still included €3.2 million in reimbursements from the legislator in connection with the COVID-19 pandemic. Also included in other income item is an amount of €5.0 million in reversals of liabilities from previous years recognised in the income statement.

## 5.3 Materials and consumables used

in € million		
	2023	2022
Cost of raw materials, consumables and supplies	438.5	400.5
Cost of purchased services	50.0	46.1
	<b>488.5</b>	<b>446.6</b>

As a result of higher purchasing prices, materials and consumables used witnessed an increase, disproportionate to the rise in revenues, by €41.9 million or 9.4% in financial year 2023 compared with the same period of the previous year. The cost-of-materials ratio climbed from 30.9% to 33.4%.

## 5.4 Employee benefits expense

in € million		
	2023	2022
Wages and salaries	818.5	793.3
Social insurance contributions	69.9	68.0
Expenditure for post-employment benefits		
Defined contribution plans	85.7	88.2
Defined benefit plans	0.3	0.3
	<b>974.4</b>	<b>949.8</b>

Expenses for defined contribution plans concern the statutory pension insurance agency, payments to the federal and state pension scheme (VBL) and to Bayerische Versorgungskammer-Zusatzversorgung (BVK). As in the previous year, the defined benefit plans relate to the benefit commitments of Group companies, and comprise commitments for retirement pensions, invalidity pensions and pensions for surviving dependants as well as severance payments for one member of the Board of Management and one other executive employee after termination of the employment relationship.

In financial year 2023, contribution payments to the pension scheme VBL were made in the amount of €22.1 million (previous year: €25.2 million). Payments to the BVK amounted to €0.6 million (previous year: €0.7 million) in 2023. As at the reporting date of 31 December 2023, 8,990 employees (previous year: 9,026 employees) with a claim to supplementary pension benefits were registered with VBL and 300 employees (previous year: 315 employees) with the BVK.

Reimbursements for maternal leave as well as reimbursements of payroll expenses for quarantined employees were recognised in the amount of €10.3 million (previous year: €11.1 million) in expenses for wages and salaries.

Employee benefits expenses include a figure of €1.1 million (previous year: €2.7 million) for severance payments.

### 5.5 Depreciation and impairment

This item includes amortisation of intangible assets and depreciation of property, plant and equipment and investment property. The depreciation item declined compared with the same period of the previous year by €4.0 million or 5.8% to €65.5 million.

### 5.6 Other expenses

Other operating expenses break down as shown in the following table:

in € million		
	2023	2022
Maintenance	69.0	61.0
Charges, subscriptions and consulting fees	47.2	52.6
Insurance	12.8	11.9
Administrative and IT costs	10.3	9.8
Other personnel and continuing training costs	8.2	7.3
Rents and leaseholds	4.8	4.3
Travelling, entertaining and representation expenses	2.8	1.9
Losses on disposal of non-current assets	0.3	0.2
Secondary taxes	0.2	0.3
Other	11.7	14.9
	<b>167.3</b>	<b>164.2</b>

Other expenses saw an increase from €164.2 million by €3.1 million to €167.3 million. The increase is mainly (at €8.0 million) attributable to expenditures for maintenance and servicing requirements. As counter-effects were the €3.2 million lower payments of penalties to the Medical Review Board of the Statutory Health Insurance Funds (MDK) and the €1.5 million decline in payments for training facilities.

### 5.7 Result from impairment on financial assets

The negative result from the impairment on financial assets in the amount of €0.4 million (previous year: positive result of €0.0 million) results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets. The deterioration in the slightly positive result recorded in the same period of previous year is mainly attributable to higher expected credit losses calculated on the basis of the sovereign default risk for Germany. Regarding the default risk of financial assets, we refer to the comments on the finance result.

### 5.8 Research costs

Research activities relate primarily to process optimisations in the area of inpatient hospital care and not to making marketable products. The research results are therefore generally produced as a result of or in objective connection with the activities of healthcare provision. For this reason, differentiating and measuring these in isolation is possible only to a very limited extent. Depending on the volume of costs to be attributed to research activities, annual research expenditure is roughly estimated to be within a range of 0.1% to 0.2% of revenues. They are primarily accounted for by payroll expenses and other expenses. As part of the takeover of the two university and scientific sites Giessen and Marburg, we committed ourselves beyond that to provide funding to the two medical faculties in an amount of at least €2.0 million p.a.

## 5.9 Finance result – net

The finance result is shown as follows:

in € million		
	2023	2022
Result of investments accounted for using the equity method		
Income of investments accounted for using the equity method	0.0	0.1
Expense of investments accounted for using the equity method	–	–
	<b>0.0</b>	<b>0.1</b>
Finance income		
Bank balances	8.9	1.1
Interest income from tax assets	1.5	0.0
Other interest income	0.1	0.2
	<b>10.5</b>	<b>1.3</b>
Finance expenses		
Liabilities to banks	–3.1	–2.3
Interest expenses from tax liabilities	0.0	–0.9
Other interest expenses	–0.6	–0.9
	<b>–3.7</b>	<b>–4.1</b>
Result of impairment on financial investments as defined in IFRS 9		
Income from impairment on financial investments	0.5	0.2
Expense from impairment on financial investments	–	–
	<b>0.5</b>	<b>0.2</b>
	<b>7.3</b>	<b>–2.5</b>

In financial year 2023, the finance result improved from –€2.5 million by €9.8 million to +€7.3 million in particular thanks to a positive development of interest rates. Income from impaired financial assets under IFRS 9 was recognised in the finance result in the amount of €0.5 million (previous year: €0.2 million).

The net interest income under IFRS 9 for financial assets and liabilities which are not included in the category “financial assets and liabilities shown at fair value in profit and loss” amounted to €6.6 million (income) in financial year 2023 (previous year: expense of €3.0 million). The amount comprises income of €9.6 million (previous year: €1.3 million) and expenses of €3.0 million (previous year: €4.3 million).

## 5.10 Income taxes

Income taxes consist of the corporate income tax including the solidarity surcharge, and to a lesser extent of trade tax. This item also includes deferred taxes resulting from differences between the IFRS and tax balance sheets as well as from consolidation adjustments and expected realisable tax loss carry-forwards which, as a rule, have no expiry date.

Income tax comprises the following:

in € million		
	2023	2022
Current income tax	6.8	6.0
Deferred taxes	0.8	0.7
	<b>7.6</b>	<b>6.7</b>

At an unchanged tax rate, the tax expense item saw an increase compared with the same period last year by €0.8 million due to a higher tax assessment basis. The income tax burden stands at 15.9% (previous year: 20.0%).

The nominal tax expense for earnings before taxes is reconciled with the income tax expense as follows:

in € million

	2023		2022	
		in %		in %
<b>Earnings before taxes</b>	<b>47.7</b>	<b>100.0</b>	<b>33.6</b>	<b>100.0</b>
Nominal tax expense (tax rate 15.0%)	7.2	15.0	5.0	15.0
Solidarity surcharge (tax rate 5.5%)	0.4	0.8	0.3	0.8
Recognition of previous loss carry-forwards not recognised/ Derecognition of loss carry-forward recognised and loss carry-forwards/ loss carry-backs not applied	-0.3	-0.6	0.2	0.6
Trade tax	1.4	2.9	0.6	1.8
Increase in tax liability due to non-deductible expenses as well as increase/decrease in tax liability due to incidental tax charges	-0.8	-1.7	0.6	1.8
Taxes, previous years	-0.4	-0.9	0.0	0.0
Additional expense from dividend payment	0.1	0.2	0.0	0.0
Elimination of items not relevant for taxation/other	0.1	0.2	0.0	0.0
<b>Effective income tax expense</b>	<b>7.6</b>	<b>15.9</b>	<b>6.7</b>	<b>20.0</b>

Further details of how deferred tax has been allocated to assets and liabilities are given in the Notes to the consolidated balance sheet.

### 5.11 Non-controlling interests in profit

This is the share of profit attributable to minority shareholders.

### 5.12 Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares in issue during the year.

The following table sets out the development in ordinary shares outstanding:

	No. of shares on 1 Jan. 2023	No. of shares on 1 Dec. 2023
Non-par shares	66,962,470	66,962,470
Treasury shares	-24,000	-24,000
	<b>66,938,470</b>	<b>66,938,470</b>

The number of shares is unchanged. For disclosures on equity, please refer to the Note 6.12.

Earnings per share are calculated as follows:

	Ordinary shares
Share in consolidated profit (€'000)	38,712
(previous year)	25,144
Weighted average number of shares outstanding, in thousands	66,938
(previous year)	(66,938)
Earnings per share in €	0.58
(previous year)	(0.38)

Diluted earnings per share are identical to undiluted earnings per share, as there were no stock options or convertible debentures outstanding at the respective balance sheet dates.



## 6 | NOTES TO THE CONSOLIDATED BALANCE SHEET

### 6.1 Goodwill and other intangible assets

in € million			
	Goodwill	Other intangible assets	Total
<b>Cost</b>			
<b>1 Jan. 2023</b>	<b>165.5</b>	<b>61.8</b>	<b>227.3</b>
Changes in consolidated companies	0.1	0.0	0.1
Additions	0.0	1.7	1.7
Disposals	0.2	0.9	1.1
Reclassifications	0.0	-0.4	-0.4
<b>31 Dec. 2023</b>	<b>165.4</b>	<b>62.2</b>	<b>227.6</b>
<b>Cumulative depreciation and impairment</b>			
<b>1 Jan. 2023</b>	<b>0.0</b>	<b>47.9</b>	<b>47.9</b>
Depreciation	0.0	4.8	4.8
Disposals	0.0	0.9	0.9
Reclassifications	0.0	-0.1	-0.1
<b>31 Dec. 2023</b>	<b>0.0</b>	<b>51.7</b>	<b>51.7</b>
<b>Balance sheet value as at 31 December 2023</b>	<b>165.4</b>	<b>10.5</b>	<b>175.9</b>

in € million

	Goodwill	Other intangible assets	Total
<b>Cost</b>			
<b>1 Jan. 2022</b>	<b>165.2</b>	<b>59.3</b>	<b>224.5</b>
Changes in consolidated companies	0.3	0.0	0.3
Additions	0.0	2.4	2.4
Disposals	0.0	0.0	0.0
Reclassifications	0.0	0.1	0.1
<b>31 Dec. 2022</b>	<b>165.5</b>	<b>61.8</b>	<b>227.3</b>
<b>Cumulative depreciation and impairment</b>			
<b>1 Jan. 2022</b>	<b>0.0</b>	<b>42.9</b>	<b>42.9</b>
Depreciation	0.0	5.0	5.0
Disposals	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0
<b>31 Dec. 2022</b>	<b>0.0</b>	<b>47.9</b>	<b>47.9</b>
<b>Balance sheet value as at 31 December 2022</b>	<b>165.5</b>	<b>13.9</b>	<b>179.4</b>

The item "Other intangible assets" primarily includes software. There are no restrictions on title and/or other rights related to the assets.

Goodwill is subjected to an annual impairment test for its respective cash generating unit (each hospital with its inpatient, semi-inpatient and outpatient care structures, unless the related goodwill of cooperating units is monitored at a higher level). This impairment test is performed on 1 October of each year.

Performance of the impairment test for goodwill is based on the assumption that the time horizon taken as a basis in this regard (the five-year detailed plan approved by the Board of Management and continuation for a further period of five years with assumptions with regard to the flat rate growth rates as well as subsequent inclusion of a perpetual annuity taking account of a reasonable discount) is sufficient for determining the value in use. The value in use is defined as the present value of future cash flows. In this regard, the net present value method (DCF method) applies since as a rule no available or observable market prices exist.

An asset is impaired if the carrying amount of the asset exceeds its recoverable amount. According to IAS 36, the recoverable amount is the higher of the two fair value amounts less costs to sell an asset (fair value less costs of disposal) and the value in use of an asset. Further assumptions are a stable utilisation and a reasonable and uniform development in payroll costs throughout the group. Special assumptions must be made regarding the development of the uniform state base values as well as the probable budget development and thus the trend in fees. The company targets also reflect the heightened regulatory interference by the German legislator, such as the Regulation on Nursing Staff Floors (Pflegepersonaluntergrenzen-Verordnung, PpUGV), the Nursing Staff Strengthening Act (Pflegepersonalstärkungsgesetz, PpSG) and the minimum volume requirements. Cash generating units (CGUs) are defined by site, across medical sector boundaries.

The recoverable amount of a CGU is determined by calculating the value in use with the DCF method, with CGU-individual assumptions and generally valid assumptions being used for all CGUs to which goodwill is allocated.

For this purpose, the targeted EBITs from the annual bottom-up plan resolved and approved by the management of RHÖN-KLINIKUM AG are used. The detailed plan (detailed planning phase I) drawn up for five years is based on empirical values of the management for the respective unit and takes into account the statutory framework conditions in the healthcare system and the site-specific competitive environment. The detailed planning phase I is followed by a continuation by a further period of five years with assumptions regarding the flat rate growth rates (detailed planning phase II) as well as the subsequent inclusion of a perpetual annuity as of year 10. The perpetual annuity is calculated on the basis of the target figures in the tenth year.

This planning forms an integral part of the Company's planning and is accordingly based on the management's actual expectations for the respective unit as well as on the statutory framework in the healthcare system. We believe that it is only with this longer detailed view that the measures already planned, such as implementation of the White Paper Agreement Plus concluded in 2023 with a term of ten years, demolition and rebuilding or refurbishment measures, but also implementation of structural modifications to optimise medical care delivery from new replacement buildings or general refurbishment, can be correctly recognised. When partial use of government grants is made, state procurement policies have to be taken into consideration, which results in a more drawn-out, time-consuming process. The calculated cash flows are discounted at the WACC to calculate the present value of the perpetual annuity. In view of unforeseeable measures by the legislature, a discount of 0.5% (previous year: 0.5%) was included in the discounting factor of the perpetual annuity (growth in the perpetual annuity). At the end of each year, a review was carried out to establish whether the economic situation continues to support the results of the impairment test in the same way as before. This was the case on 31 December 2023.

Goodwill of the acquired doctor's practices was tested for impairment as at 31 December 23 based on data from the companies' current planning. This revealed an indication that a goodwill had declined slightly between the contract date and the balance sheet date. Given the shortage of qualified staff, 1.75 doctor's practices acquired by way of purchase could not be filled and were returned to the physicians association. This resulted in a disposal of goodwill in the amount of €0.2 million.

At the end of each year, a review was carried out to establish whether the economic situation continues to support the results of the impairment test in the same way as before. This was the case on 31 December 2023.

The weighted cost of capital of a potential investor from the health-care sector is used as the discount rate at the time of measurement, taking into account the tax shield arising from theoretical debt financing ("tax shield"). This discount rate was defined at 6.24% for 2023 (previous year: 6.78%). Significant goodwill relates to the following cash generating units:

in € million		
	31 Dec. 2023	31 Dec. 2022
<b>Units</b>		
Universitätsklinikum Gießen und Marburg	137.5	137.5
Zentralklinik Bad Berka	16.4	16.6
RHÖN-KLINIKUM Campus Bad Neustadt	6.5	6.5
Other goodwill of less than €5.0 million	5.0	4.9
<b>Balance sheet value</b>	<b>165.4</b>	<b>165.5</b>

For the calculation of value in use of the business generating units, cash flows were forecast on the basis of past experience, current operating results and best-possible estimates of future management performance as well as market assumptions.

The value in use is primarily defined by the terminal value (present value or perpetual annuity) which is particularly sensitive to changes in assumptions for the long-term EBIT margin and the discount rate. Whereas the discount rate was defined uniformly for all units with allocated goodwill, the EBIT margin is calculated individually for each unit. The discount rate reflects the current market assessment of the entities' specific risks. The EBIT margins take account of external macro-economic data and sector-specific trends. For planning purposes, the units accounting for the main portion of goodwill are assumed to have a homogenous structure.

The table below shows the assumptions of flat rate growth rates for revenues by which the company planning is projected by a further five years which were used in the impairment test of the units with allocated goodwill to which material goodwill was attributed to determine the value in use:

in %				
	2023		2022	
	Flat rate growth rate – revenues	WACC	Flat rate growth rate – revenues	WACC
Universitätsklinikum Gießen und Marburg	3.00	6.24	3.00	6.78
Zentralklinik Bad Berka	3.00	6.24	3.00	6.78
RHÖN-KLINIKUM Campus Bad Neustadt	3.00	6.24	3.00	6.78

The assumptions for the other units with allocated goodwill are comparable.

The values of revenues in the ten-year planning period of the groups of cash generating units to which material goodwill was attributed are based on average organic growth rates of between 3.2% and 3.6% (previous year: 2.8% and 3.4%).

In connection with the impairment test, a sensitivity analysis was also performed. Within the test the following assumptions were used:

- EBIT declines by 10%
- WACC increase by 0.5%

As a result of the sensitivity analysis it was determined that a decline in EBIT by 10% does not result in any impairment requirement (previous year: no impairment requirement). An increase in WACC by 0.5% likewise does not give rise to an impairment requirement (previous year: no impairment requirement).

## 6.2 Property, plant and equipment

in € million

	Land and buildings	Technical plant and equipment	Operating and office equipment	Plant under construction	Total
<b>Cost</b>					
<b>1 Jan. 2023</b>	<b>1,234.2</b>	<b>61.6</b>	<b>387.8</b>	<b>70.4</b>	<b>1,754.0</b>
Changes in consolidated companies	0.0	0.0	0.1	0.0	0.1
Additions	4.0	0.3	14.2	12.4	30.9
Disposals	0.3	1.0	11.5	0.2	13.0
Reclassifications	31.1	-0.6	3.8	-29.0	5.3
<b>31 Dec. 2023</b>	<b>1,269.0</b>	<b>60.3</b>	<b>394.4</b>	<b>53.6</b>	<b>1,777.3</b>
<b>Cumulative depreciation and impairment</b>					
<b>1 Jan. 2023</b>	<b>569.2</b>	<b>48.3</b>	<b>314.0</b>	<b>0.0</b>	<b>931.5</b>
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0
Depreciation	33.0	2.6	24.8	0.0	60.4
Disposals	0.1	1.0	10.6	0.0	11.7
Reclassifications	4.9	-0.4	0.5	0.0	5.0
<b>31 Dec. 2023</b>	<b>607.0</b>	<b>49.5</b>	<b>328.7</b>	<b>0.0</b>	<b>985.2</b>
<b>Balance sheet value as at 31 December 2023</b>	<b>662.0</b>	<b>10.8</b>	<b>65.7</b>	<b>53.6</b>	<b>792.1</b>

in € million

	Land and buildings	Technical plant and equipment	Operating and office equipment	Plant under construction	Total
<b>Cost</b>					
<b>1 Jan. 2022</b>	<b>1,215.8</b>	<b>60.4</b>	<b>389.6</b>	<b>66.6</b>	<b>1,732.4</b>
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0
Additions	7.1	0.6	8.9	17.6	34.2
Disposals	0.8	0.1	11.5	0.1	12.5
Reclassifications	12.1	0.7	0.8	-13.7	-0.1
<b>31 Dec. 2022</b>	<b>1,234.2</b>	<b>61.6</b>	<b>387.8</b>	<b>70.4</b>	<b>1,754.0</b>
<b>Cumulative depreciation and impairment</b>					
<b>1 Jan. 2022</b>	<b>537.1</b>	<b>45.7</b>	<b>297.0</b>	<b>0.0</b>	<b>879.8</b>
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0
Depreciation	32.7	2.7	28.2	0.0	63.6
Disposals	0.6	0.1	11.2	0.0	11.9
Reclassifications	0.0	0.0	0.0	0.0	0.0
<b>31 Dec. 2022</b>	<b>569.2</b>	<b>48.3</b>	<b>314.0</b>	<b>0.0</b>	<b>931.5</b>
<b>Balance sheet value as at 31 December 2022</b>	<b>665.0</b>	<b>13.3</b>	<b>73.8</b>	<b>70.4</b>	<b>822.5</b>

Whereas during the same period of the previous year borrowing costs of €0.8 million were recognised that related to financing the acquisition or production of qualifying assets and were recognised in additions to property, plant and equipment, no such borrowing costs that would have required recognition were incurred during the reporting year on account of the positive interest result. In the previous year an average interest rate of 1.9% was used, which reflects the Group's general costs of borrowing from banks.

Similar to the previous year, the Group has no registered charges on real property as collateral for bank loans.

Public grants related to assets are deducted from the cost of the asset for which they are given, reducing the depreciation over the period. The deducted amortised amount of assistance granted under hospital financing legislation and which was invested in line with the applicable conditions totals €146.8 million (previous year: €144.5 million). To secure conditionally repayable single grants under the KHG (e.g. for the construction of new hospitals or major extensions) totalling €1.3 million (previous year: €1.5 million), the Group holds registered charges on real property in the amount of €9.6 million (previous year: €4.1 million). There are no reasons to assume that these grants will have to be repaid.

Buildings, technical equipment and medical equipment include as at 31 December 2023 rights of use pursuant to IFRS 16 in which the Group is the lessee. The rights of use are as follows:

in € million			
	Land and buildings	Operating and office equipment	Total
<b>Cost</b>			
<b>1 Jan. 2023</b>	<b>6.5</b>	<b>13.0</b>	<b>19.5</b>
Addition to consolidated companies	0.0	0.0	0.0
Additions	0.0	2.6	2.6
Disposals	0.2	3.0	3.2
<b>31 Dec. 2023</b>	<b>6.3</b>	<b>12.6</b>	<b>18.9</b>
<b>Cumulative depreciation and impairment</b>			
<b>1 Jan. 2023</b>	<b>2.6</b>	<b>8.6</b>	<b>11.2</b>
Depreciation	0.9	2.2	3.1
Disposals	0.1	2.3	2.4
<b>31 Dec. 2023</b>	<b>3.4</b>	<b>8.5</b>	<b>11.9</b>
<b>Balance sheet value as at 31 December 2023</b>	<b>2.9</b>	<b>4.1</b>	<b>7.0</b>

in € million			
	Land and buildings	Operating and office equipment	Total
<b>Cost</b>			
<b>1 Jan. 2022</b>	<b>5.6</b>	<b>13.4</b>	<b>19.0</b>
Addition to consolidated companies	0.0	0.0	0.0
Additions	1.0	0.8	1.8
Disposals	0.1	1.2	1.3
Reclassifications	0.0	0.0	0.0
<b>31 Dec. 2022</b>	<b>6.5</b>	<b>13.0</b>	<b>19.5</b>
<b>Cumulative depreciation and impairment</b>			
<b>1 Jan. 2022</b>	<b>1.8</b>	<b>7.2</b>	<b>9.0</b>
Depreciation	0.9	2.4	3.3
Disposals	0.1	1.0	1.1
Reclassifications	0.0	0.0	0.0
<b>31 Dec. 2022</b>	<b>2.6</b>	<b>8.6</b>	<b>11.2</b>
<b>Balance sheet value as at 31 December 2022</b>	<b>3.9</b>	<b>4.4</b>	<b>8.3</b>

### 6.3 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are netted if there is an enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes exist against the same tax authority. The following amounts were netted:

	31 Dec. 2023		31 Dec. 2022	
Tax loss carry-forwards	0.0	0.0	0.0	0.0
Property, plant and equipment/ Intangible assets	0.0	6.4	0.0	6.5
Interest bearing liabilities	0.0	0.1	0.0	0.1
Recognition differences for subsidiaries	0.0	1.5	0.0	1.3
Other assets and liabilities	8.5	0.8	9.0	0.7
<b>Total</b>	<b>8.5</b>	<b>8.8</b>	<b>9.0</b>	<b>8.6</b>
<b>Balance sheet value</b>	<b>-0.3</b>		<b>0.4</b>	

Deferred tax assets for tax loss carry-forwards are recognised in the amount of the associated tax benefits that can probably be realised as a result of future taxable profits. Tax loss carry-forwards in connection with previous hospital acquisitions are included in the tax base for recognising deferred tax assets if they are sufficiently determinable for tax purposes. In a tax-detrimental sale of shares in companies, any existing deferred tax is transferred to loss carry-forwards. Deferred tax assets from tax loss carry-forwards are recognised on the basis of tax planning calculations for a period of five years. The tax base used for deferred taxes is €0.0 million (previous year: €0.0 million). On the balance sheet date, tax losses carried forward which have so far not been utilised amounted to €5.8 million (previous year: €6.7 million); no deferred tax assets were recognised in relation to €5.8 million (previous year: €6.7 million) of this figure. In Germany, tax loss carry-forwards can reduce the taxable result for an unlimited term. The annual taxable result can reduce tax loss carry-forwards fully up to an amount of €1.0 million and beyond that only at the rate of 60.0% of the remaining current taxable result.

Deferred taxes from property, plant and equipment result from the difference between their useful lives defined in tax law and the economic depreciation periods in accordance with IFRSs. In addition, accelerated tax depreciation and write-downs were corrected in IFRS.

On retained earnings of subsidiaries totalling €190.9 million (previous year: €167.9 million), which on distribution lead to non-tax-deductible expenses of 5.0%, deferred tax liabilities were included in the consolidated financial statements in the amount of the applicable tax rate.

Changes in deferred taxes are shown as follows:

	31 Dec. 2023		31 Dec. 2022	
<b>Deferred tax assets at beginning of year</b>	<b>0.4</b>		<b>1.1</b>	
Recognition of deferred taxes directly in equity in connection with changes in the fair value of investments recognised directly in equity	0.1		-0.1	
Recognition of deferred taxes directly in equity in connection with revaluation of defined benefit pension plans recognised in equity	0.0		0.0	
Recognition of deferred taxes directly in equity in connection with company acquisitions	-		-	
Expense/income from current netting in the income statement	-0.8		-0.6	
<b>Deferred tax liabilities (previous year: tax assets) at end of year</b>	<b>-0.3</b>		<b>0.4</b>	

## 6.4 Financial investments accounted for using the equity method

### 6.4.1 Investments accounted for using the equity method

As in the previous year, one joint venture was measured in the consolidated financial statements using the equity method:

Name of company	Registered office	Share in %
<b>Joint ventures</b>		
Energiezentrale Universitätsklinikum Gießen GmbH	Giessen	50.0

### 6.4.2 Joint ventures

The object of enterprise of the joint venture is to carry on, together with Stadtwerke Gießen, the supply of energy to the university hospital in Giessen. In addition to RHÖN-KLINIKUM AG with an interest of 50%, Stadtwerke Gießen AG holds an interest of 50% in the joint venture. The table below provides a summary of the aggregated results data and aggregated carrying amounts of the joint venture accounted for using the equity method:

	2023	2022
in € million		
<b>Results data and carrying amounts of joint venture accounted for using the equity method</b>		
Revenues	0.4	0.4
Earnings after tax	0.0	0.2
<b>Pro rata earnings after tax</b>	<b>0.0</b>	<b>0.1</b>
Pro rata total comprehensive income after tax	0.0	0.1
<b>Carrying amount of joint venture accounted for using the equity method</b>	<b>0.5</b>	<b>0.5</b>

As at the balance sheet date, the joint venture reports assets of €1.1 million (previous year: €1.1 million) as well as equity of €1.1 million (previous year: €1.0 million).

## 6.5 Other financial assets (non-current)

Other non-current financial assets break down as follows:

	31 Dec. 2023	31 Dec. 2022
in € million		
Participating interests	12.7	13.3
	<b>12.7</b>	<b>13.3</b>

The equity interests relate to equity interests held by the company RHÖN-Innovations GmbH in the companies Inovytec Medical Solutions Ltd., Telesofia Medical Ltd. and CLEW Medical Inc. The interests are measured at fair value in accordance with IFRS 9. The equity interests are measured at fair value directly in equity (fair value through other comprehensive income, without recycling). The carrying amount of €12.7 million (previous year: €13.3 million) corresponds to the maximum default risk.

Moreover, €0.0 million (previous year: €0.0 million) relates to immaterial equity interests which are measured at fair value.

Like at the previous year's balance sheet date, no long-term fixed deposit investments and according no impairments were to be recognised according to IFRS 9 at the balance sheet date of 31 December 2023.

## 6.6 Inventories

Inventories in the amount of €34.2 million (previous year: €33.3 million) are attributable to raw materials, consumables and supplies and mainly consist of medical supplies. Impairments of €3.8 million (previous year: €3.7 million) were effected. All inventories are owned by RHÖN-KLINIKUM AG and the companies affiliated with RHÖN-KLINIKUM AG. There are no assignments or pledges of inventories.

## 6.7 Trade receivables

As at the balance sheet date of 31 December 2023, we report trade receivables in the amount of €229.5 million (previous year: €228.6 million). The fair values of trade receivables essentially correspond to their carrying amounts since they are primarily short-term in character.

Trade receivables as well as impairments within the meaning of IFRS 9 show the following maturity structure as at the balance sheet date of 31 December 2023:

in € million		
	Gross carrying amount	Expected credit loss
<b>Impairment matrix 31 Dec. 2023</b>		
Not overdue	182.1	0.4
Between 0 and 30 days overdue	23.2	0.2
Between 31 and 90 days overdue	14.2	0.2
Between 91 and 180 days overdue	6.1	0.2
More than 180 days overdue	5.0	0.1
<b>Total</b>	<b>230.6</b>	<b>1.1</b>

Trade receivables as well as impairments within the meaning of IFRS 9 had the following maturity structure as at the balance sheet date of 31 December 2022:

in € million		
	Gross carrying amount	Expected credit loss
<b>Impairment matrix 31 Dec. 2022</b>		
Not overdue	191.7	0.3
Between 0 and 30 days overdue	16.1	0.1
Between 31 and 90 days overdue	8.9	0.1
Between 91 and 180 days overdue	5.7	0.3
More than 180 days overdue	7.2	0.2
<b>Total</b>	<b>229.6</b>	<b>1.0</b>

The development of impairments pursuant to IFRS 9 recognised under the item "Trade receivables" is shown in the table below:

in € million		
	2023	2022
<b>Impairment</b>		
<b>As at 1 January pursuant to IFRS 9</b>	<b>1.0</b>	<b>1.0</b>
Changes in consolidated companies	–	–
Allocation	1.1	1.0
Utilisation	–	–
Write-back	1.0	1.0
Currency translation difference	–	–
<b>As at 31 December pursuant to IFRS 9</b>	<b>1.1</b>	<b>1.0</b>

With regard to the impairments on trade receivables, reference is made to the further Notes in the section "Accounting policies".

Trade receivables were derecognised in the income statement in the amount of €4.6 million in financial year 2023 (previous year: €13.2 million). Settlement mechanisms in accordance with the Hospital Remuneration Act (KHEntgG) partially compensated for these defaults. Inflows of €0.1 million (previous year: €0.1 million) were recognised in the income statement in relation to previously derecognised trade receivables.

The item "Trade receivables" includes services for patients not yet discharged in the amount of €16.6 million (previous year: €13.3 million).



## 6.8 Other financial assets (current)

in € million

	31 Dec. 2023	31 Dec. 2022
	< 1 year	< 1 year
Time deposit < 1 year	136.8	219.0
Receivables under the KHEntgG	150.5	105.1
Remaining other financial assets	10.0	8.6
	<b>297.3</b>	<b>332.7</b>

Receivables under the German Hospital Remuneration Act (Krankenhausentgeltgesetz, KHEntgG) relate to compensation claims under federal hospital compensation legislation (Hospital Remuneration Act (Krankenhausentgeltgesetz, KHEntgG)) and the Federal Hospital Nursing Rate Ordinance (Bundespfllegesatzverordnung, BpflV) as well as compensation claims against the training fund. The COVID-19 pandemic is still resulting in delays in budget negotiations, especially for the nursing budget.

Remaining other financial assets relate among others to receivables from services rendered which are not primarily related to patient treatments at hospitals (€8.5 million, previous year: €7.0 million), receivables due from employees in particular from invoices as part of the liquidation right of head physicians (€1.9 million, previous year: €1.9 million), receivables relating to training of emergency paramedics (€0.5 million, previous year €0.5 million), as well as trade receivables (€0.5 million, previous year: €0.5 million). Other financial assets include impairments amounting to €1.7 million (previous year: €1.8 million). No reversals of impairment losses were made.

Other financial assets (current) attributable to fixed deposits, as well as corresponding impairments within the meaning of IFRS 9 are divided into the following rating classes as at 31 December 2023:

in € million

	Gross carrying amount	Expected credit loss
<b>Impairment matrix according to S&amp;P rating classes 31 Dec. 2023</b>		
A	132.3	0.5
BBB	5.0	0.0
<b>Total</b>	<b>137.3</b>	<b>0.5</b>

Other financial assets (current) attributable to fixed deposits, as well as corresponding impairments within the meaning of IFRS 9 were divided into the following rating classes as at 31 December 2022:

in € million

	Gross carrying amount	Expected credit loss
<b>Impairment matrix according to S&amp;P rating classes 31 Dec. 2022</b>		
A	145.0	0.5
BBB	75.0	0.5
<b>Total</b>	<b>220.0</b>	<b>1.0</b>

The remaining other financial assets (current, not including fixed deposits) as well as the corresponding impairments within the meaning of IFRS 9 show the following maturity structure as at the balance sheet date of 31 December 2023:

in € million

	Gross carrying amount	Expected credit loss
<b>Impairment matrix 31 Dec. 2023</b>		
Not overdue	160.0	0.3
Between 0 and 30 days overdue	0.6	0.1
Between 31 and 90 days overdue	0.1	0.0
Between 91 and 180 days overdue	0.1	0.0
More than 180 days overdue	0.2	0.1
<b>Total</b>	<b>161.0</b>	<b>0.5</b>

The remaining other financial assets (current, not including fixed deposits) as well as the corresponding impairments as defined in within the meaning of IFRS 9 had the following maturity structure as at the balance sheet date of 31 December 2022:

in € million		
	Gross carrying amount	Expected credit loss
<b>Impairment matrix 31 Dec. 2022</b>		
Not overdue	112.8	0.1
Between 0 and 30 days overdue	0.8	0.0
Between 31 and 90 days overdue	0.1	0.0
Between 91 and 180 days overdue	0.1	0.0
More than 180 days overdue	0.1	0.1
<b>Total</b>	<b>113.9</b>	<b>0.2</b>

The development of the impairments recognised under the item "Other financial assets (current)" pursuant to IFRS 9 is shown in the table below:

in € million		
	2023	2022
<b>Impairment</b>		
<b>As at 1 January pursuant to IFRS 9</b>	<b>1.2</b>	<b>1.5</b>
Changes in consolidated companies	–	–
Allocation	1.0	1.2
Utilisation	–	–
Write-back	1.2	1.5
Currency translation difference	–	–
<b>As at 31 December pursuant to IFRS 9</b>	<b>1.0</b>	<b>1.2</b>

Of the impairments as at the balance sheet date in the amount of €1.0 million (previous year: €1.2 million), €0.5 million (previous year: €1.0 million) is attributable to fixed deposits.

Within the Group, settlement receivables due from and settlement liabilities to the payers under fee/budget agreements of the current year and the previous years are stated on a netted basis. On a gross basis, the statement is as follows:

in € million		
	31 Dec. 2023	31 Dec. 2022
Receivables under the KHEntgG gross	191.7	147.9
Liabilities under the KHEntgG gross	–41.2	–42.8
<b>Balance sheet value</b>	<b>150.5</b>	<b>105.1</b>

Regarding the statement on a gross basis of the corresponding liabilities in accordance with the KHEntgG, please refer to the section "Other financial liabilities".

## 6.9 Other assets (current)

Of other current assets in the amount of €17.5 million (previous year: €12.5 million), essentially €6.5 million (previous year: €6.1 million) is attributable to prepaid expenses, in particular maintenance contracts relating to hardware and software, and €6.8 million (previous year: €5.3 million) is attributable to reimbursement claims against insurers under liability claims as well as €3.7 million (previous year: €0.0 million) to receivables in connection with compensation for higher energy expenses from the Health Fund (Gesundheitsfonds).

## 6.10 Current income tax assets

Current income tax assets essentially include claims against tax authorities for reimbursement of corporate income tax.

## 6.11 Cash and cash equivalents

in € million

	31 Dec. 2023	31 Dec. 2022
Cash with banks and cash on hand	181.0	77.3
Short-term bank deposits	25.0	0.0
	<b>206.0</b>	<b>77.3</b>

The increase in cash with banks and cash on hand is attributable to higher interest rates for short-term investments resulting from a shift in the interest rate curve with higher short-term interest rates and lower long-term interest rates. As far as possible, freely disposable funds were re-allocated at matching maturities into fixed deposit investments with a remaining term of < 1 year (> 3 months) and reported under the item "Other financial assets (current)". Due to the shift in the interest rate curve, bank balances, including commercial paper, were concluded with an initial term of < 3 months. The effective interest rate for these bank balances is 4.03%. The average remaining term of these deposits was 20 days.

The high level of cash with banks and cash on hand ensures flexibility in controlling cash outflows in connection with extensive construction measures.

The item includes demand deposits with restricted use in the amount of €25.8 million (previous year: €18.0 million).

Cash and bank overdrafts are aggregated as follows for the purpose of the statement of cash flows:

in € million

	31 Dec. 2023	31 Dec. 2022
Cash and cash equivalents	206.0	77.3
Bank overdrafts	0.0	0.0
<b>Cash position</b>	<b>206.0</b>	<b>77.3</b>

## 6.12 Equity

The registered share capital of RHÖN-KLINIKUM AG was €167,406,175 (previous year: €167,406,175). It is divided into 66,962,470 (previous year: 66,962,470) fully paid-up non-par value bearer shares each with a notional value in the registered share capital of €2.50 per share.

	Number	Arithmetic share in registered share capital in €
<b>Ordinary shares as at 1 January 2023</b>	<b>66,962,470</b>	<b>167,406,175</b>
Change in 2023	-	-
<b>Ordinary shares as at 31 December 2023</b>	<b>66,962,470</b>	<b>167,406,175</b>

The premium from the capital increase in the amount of €396.0 million (previous year: €396.0 million) as well as the amounts of €178.2 million (previous year: €178.2 million) attributable to the shares redeemed in the previous years are reported in the capital reserve.

Other reserves at the balance sheet date amounting to €510.5 million (previous year: €482.3 million) comprise earnings generated in prior years of companies included in the consolidated annual report amounting (to the extent not paid out to shareholders) in the amount of €510.5 million (previous year: €482.3 million) as well as effects of consolidation adjustments.

The total result (sum of consolidated profit and other earnings) for financial year 2023 stands at €39.7 million (previous year: €27.3 million). This includes gains from the revaluation of defined benefit pension plans amounting to €0.1 million after tax (previous year: €0.1 million) as well as losses from changes in the fair value of equity investments in the amount of €0.5 million (previous year: €0.3 million).

Treasury shares are valued at €0.1 million (previous year: €0.1 million) and deducted from equity. The level of treasury shares developed as follows during the financial year:

	Number
<b>Treasury shares as at 1 January 2023</b>	<b>24,000</b>
Change in 2023	–
<b>Treasury shares as at 31 December 2023</b>	<b>24,000</b>

In accordance with the provisions of the German Stock Corporation Act (Aktengesetz, AktG), the amount of dividends distributable to shareholders is based on the net distributable profit shown in the annual financial statements of RHÖN-KLINIKUM AG which are prepared in accordance with the German Commercial Code (HGB). During the last Annual General Meeting, the shareholders approved the proposal of the Board of Management and of the Supervisory Board, with the result that an actual dividend payment in the amount of 15 cents (previous year: 0 cents) per share was made in financial year 2023.

Non-controlling interests in equity of €28.2 million (previous year: €27.6 million) relate to interests held by non-Group third parties in the following consolidated subsidiaries:

	Minority interests	
	31 Dec. 2023	31 Dec. 2022
<b>Hospital companies</b>		
Universitätsklinikum Gießen und Marburg GmbH, Giessen	5.0	5.0
Zentralklinik Bad Berka GmbH, Bad Berka	12.5	12.5
<b>Medical care centre companies</b>		
MVZ UKGM GmbH, Marburg	5.0	5.0
MVZ Rhön Diagnostik GmbH	5.0	5.0
MVZ Zentralklinik GmbH, Bad Berka	12.5	12.5

## 6.13 Financial liabilities

in € million

	31 Dec. 2023		31 Dec. 2022	
	Residual term		Residual term	
	> 1 year	< 1 year	> 1 year	< 1 year
Non-current financial liabilities				
Liabilities to lenders	141.8	–	141.7	–
<b>Total non-current financial liabilities</b>	<b>141.8</b>	<b>–</b>	<b>141.7</b>	<b>–</b>
Current financial liabilities				
Liabilities to lenders	–	1.0	–	8.0
<b>Total current financial liabilities</b>	<b>–</b>	<b>1.0</b>	<b>–</b>	<b>8.0</b>
<b>Total financial liabilities</b>	<b>141.8</b>	<b>1.0</b>	<b>141.7</b>	<b>8.0</b>

In July 2019, RHÖN-KLINIKUM AG placed a registered bond in the amount of €60.0 million with a term of 20 years. In October 2018, a promissory note in the amount of €100.0 million was issued, which was redeemed in financial year 2020 in the amount of €10.0 million. The tranches exclusively bearing fixed interest with bullet maturities have terms of five, seven and ten years. The first tranche with a term of five years in the amount of €7.0 million was repaid in financial year 2023 as planned. The registered bond and the promissory note are subject to a change-of-control clause. The funds collected from both transactions are being used for general corporate finance. In 2017 a syndicated line of credit in the amount of €100.0 million was entered into which was lowered to €88.0 million in financial year 2020. As at the balance sheet date, this line had not been utilised. The syndicated loan is subject to a financial covenant. This financial ratio limits net financial debt to a maximum of 3.5 times EBITDA. The financial ratio was complied with by RHÖN-KLINIKUM AG in financial year 2023 (previous year: complied with).

The funds collected are used for general corporate finance to ensure sufficient funds for investments planned in the medium-to-short term. The reported financial liabilities amounting to €143.0 million (previous year: €150.0 million) decrease by the costs incurred in connection with the borrowing in the amount of €1.2 million (previous year: €1.3 million).

The contractual interest adjustment dates relating to the interest-bearing liabilities are as follows:

in € million	31 Dec. 2023			31 Dec. 2022		
	Interest rate <sup>1</sup> in %	Nominal amount	Carrying amount of loans	Interest rate <sup>1</sup> in %	Nominal amount	Carrying amount of loans
Fixed interest period ends						
Liabilities to lenders						
2024–2027	1.33	31.0	30.9	1.26	38.0	37.9
2028	1.82	52.0	51.9	1.82	52.0	51.8
2029	–	–	–	–	–	–
> 2029	2.35	60.0	58.9	2.35	60.0	58.9
Interest on loans			1.0			1.0
		<b>143.0</b>	<b>142.7</b>		<b>150.0</b>	<b>149.6</b>

<sup>1</sup> Weighted interest rate.

The effective interest rates at balance sheet date are:

in %	31 Dec. 2023	31 Dec. 2022
Liabilities to banks	1.98	1.89

The remaining terms of the financial liabilities are:

in € million	31 Dec. 2023	31 Dec. 2022
Up to 1 year	1.0	8.0
Between 1 and 5 years	82.8	30.9
More than 5 years	58.9	110.7
<b>Total</b>	<b>142.7</b>	<b>149.6</b>

As in the previous year, the financial liabilities stated are not secured by registered charges on real property.

#### 6.14 Provisions for post-employment benefits

The Group provides post-retirement benefits for eligible employees under its company pension scheme, which comprises both defined benefit and defined contribution pension plans. Obligations under this scheme include current pension payments as well as future pension entitlements.

Defined benefit obligations are financed by recognising provisions. Amounts relating to defined contribution plans are recognised immediately in profit or loss.

One member of the Board of Management and one further senior executive (previous year: one member of the Board of Management and one further senior executive) are covered by a plan providing for post-retirement benefits. In addition to their regular remuneration these persons, on termination of their employment as members of the Board of Management, receive a post-retirement benefit calculated on the basis of the length of service and level of remuneration and not exceeding 1.5 times the last annual remuneration. The scope of the obligation was calculated based on the individual contract terms and not on a uniform retirement age as with the other pension plans. In this connection there are risks associated with changes in the assessment basis. These essentially relate to the dependence on the last salary and last variable remuneration components. If the development of this assessment basis turns out to be different from what is assumed in the provision calculations, this might give rise to a subsequent financing requirement.

The provision volume on the balance sheet relates only to one-off payments:

	31 Dec. 2023	31 Dec. 2022
Commitment for one-off payments	0.7	0.5
<b>Provision for pensions (defined benefit liability)</b>	<b>0.7</b>	<b>0.5</b>

The provisions in the total amount of €0.7 million are attributable to one member of the Board of Management (€0.5 million and a term of > 1 year) as well as one senior executive (€0.2 million and a term of < 1 year). There are no reimbursement claims resulting from pension liability insurance policies entered into by reason of pension commitments to employees.

The calculation of pension provisions is based on the following assumptions:

	31 Dec. 2023	31 Dec. 2022
Rate of interest	3.57	3.58
Projected increase in wages and salaries	2.50	2.50

As in the previous year, we used Prof. Dr Klaus Heubeck's 2018G Tables as actuarial tables. All pension costs are reported under the employee expense item.

The development of the defined benefit obligation in financial year 2023 compared with the previous year is shown in the following:

	2023	2022
<b>As at 1 January</b>	<b>0.5</b>	<b>1.4</b>
Service time cost	0.3	0.3
Interest expense	0.0	0.0
Losses from plan changes	0.0	0.0
Pension payments	0.0	0.0
Actuarial gains/losses from changes in financial assumptions	-0.1	-0.1
Experience-based adjustments	0.0	-0.1
Payments rendered	0.0	-1.0
<b>As at 31 December</b>	<b>0.7</b>	<b>0.5</b>

The weighted average duration of the pension liabilities is one year (previous year: two years). The sensitivity of the pension obligations in terms of fluctuation range due to changes in the various actuarial valuation assumptions is shown in the table below:

	Change in assumption in percentage points	Increase in assumption	Reduction in assumption
<b>Impact on the commitment (%) as at 31 December 2023</b>			
Interest rate	0.2	0.0	0.0
Remuneration trend	0.2	0.0	0.0
Mortality	+/- 1 year	0.0	0.0

	Change in assumption in percentage points	Increase in assumption	Reduction in assumption
<b>Impact on the commitment (%) as at 31 December 2022</b>			
Interest rate	0.2	0.0	0.0
Remuneration trend	0.2	0.0	0.0
Mortality	+/- 1 year	0.0	0.0

The effects of the sensitivity were calculated using the same method as the obligations at the end of the year. In this regard, effects of a simultaneous change in several assumptions were not examined. Since the commitments remaining at the end of the financial year are capital commitments, no or no material changes result from the change in the pension trend; consequently, no disclosure of sensitivity in this regard was made.

## 6.15 Other provisions

Other provisions developed as follows in the financial year:

in € million

	31 Dec. 2022	Use	Re-classification	Reversal	Allocation	31 Dec. 2023	of which < 1 year	of which > 1 year
Recovery risks	18.4	13.6	0.0	0.0	12.1	16.9	16.9	0.0
Liability risks	13.9	0.2	0.0	0.0	3.0	16.7	16.7	0.0
Other risks	1.7	0.0	10.0	5.6	0.0	6.1	1.1	5.0
	<b>34.0</b>	<b>13.8</b>	<b>10.0</b>	<b>5.6</b>	<b>15.1</b>	<b>39.7</b>	<b>34.7</b>	<b>5.0</b>

The provisions for recovery risks are provisions for risks of audits outstanding of the Medical Review Board of the Statutory Health Insurance Funds (Medizinischer Dienst der Krankenversicherung, MDK).

The provisions for liability risks relate to claims for damages by third parties. These compare with repayment claims from insurers in the amount of €6.8 million (previous year: €5.3 million); these are shown under other assets (current). In the assessment of the Board of Management, the settlement of these liability cases using the provisions will not entail any significant additional expenses. The timing of cash outflows from liability risks, which generally may occur in the short term, essentially depends on the course and outcome of specific liability cases.

The other risks include provisions for risks in connection with investment obligations in the amount of €5.0 million. The investment projects concerned were modified in financial year 2023 and the periods for meeting the investment obligations adjusted. As a result of the higher uncertainties in estimates, obligations recognised in previous years were reclassified from non-current other financial liabilities to non-current other provisions.

The further amounts recognised under other risks mainly relate to provisions formed for legal and non-income-tax risks in the amount of €0.9 million (previous year: €1.5 million) which are current in nature.

Compared with the previous year, the maturities of other provisions are as follows:

in € million

	31 Dec. 2023	of which < 1 year	of which > 1 year	31 Dec. 2022	of which < 1 year	of which > 1 year
Recovery risks	16.9	16.9	0.0	18.4	18.4	0.0
Liability risks	16.7	16.7	0.0	13.9	13.9	0.0
Other risks	6.1	1.1	5.0	1.7	1.7	0.0
	<b>39.7</b>	<b>34.7</b>	<b>5.0</b>	<b>34.0</b>	<b>34.0</b>	<b>0.0</b>

The Group of RHÖN-KLINIKUM AG has contingent liabilities of up to a maximum rounded amount of €0.0 million (previous year: €0.0 million). These constitute liabilities as part of the performance process. At the present time RHÖN-KLINIKUM AG does not expect any significant usage in future.

## 6.16 Trade payables

in € million

	31 Dec. 2023		31 Dec. 2022	
	< 1 year	> 1 year	< 1 year	> 1 year
Trade payables	66.8	0.0	70.0	0.0

Trade payables exist with regard to third parties.

## 6.17 Other financial liabilities

in € million

	31 Dec. 2023		31 Dec. 2022	
	< 1 year	> 1 year	< 1 year	> 1 year
Liabilities under KHEntgG	0.1	–	–	–
Purchase prices	0.7	–	0.7	–
Leases	2.7	4.4	2.9	5.6
Other financial liabilities	8.0	2.8	8.0	14.6
<b>Other financial liabilities (financial instruments)</b>	<b>11.5</b>	<b>7.2</b>	<b>11.6</b>	<b>20.2</b>

The purchase prices from company purchases relate to contractually stipulated obligations.

The carrying amounts of the current financial liabilities recognised under this item correspond to their fair values. The carrying amounts of other non-current liabilities have been discounted using the effective interest method on the basis of historical market rates.

Remaining non-current financial liabilities include €2.0 million (previous year: €3.8 million) for obligations arising from research grants owed to the universities in Giessen and Marburg as well as €0.8 million (previous year: €0.8 million) for other obligations. Similar to the previous year, the remaining non-current financial liabilities have a remaining term of less than five years. The contractual payment obligations reported under this item in the previous year in the amount of €10.0 million were modified in financial year 2023 and the periods for meeting these obligations adjusted. As a result of the higher uncertainties in estimates, obligations recognised in previous years were reclassified in the amount of €10.0 million from non-current other financial liabilities to non-current other provisions.

Within the Group, settlement receivables due from and settlement liabilities to payers under fee/budget agreements of the current year and the previous years are stated on a netted basis.

in € million

	31 Dec. 2023	31 Dec. 2022
Liabilities according to the KHEntgG (gross)	41.3	42.8
Receivables according to the KHEntgG (gross)	–41.2	–42.8
<b>Balance sheet value</b>	<b>0.1</b>	<b>0.0</b>

Regarding the statement on a gross basis of receivables in accordance with the KHEntgG on the assets side, please refer to the section "Other financial assets (current)".



## 6.18 Other liabilities

in € million

	31 Dec. 2023		31 Dec. 2022	
	< 1 year	> 1 year	< 1 year	> 1 year
Personnel liabilities	81.8	0.0	79.4	0.0
Liabilities under KHG	99.2	0.0	48.8	0.0
Operating taxes and social security contributions	13.3	0.0	13.6	0.0
Deferred income	3.7	0.0	3.4	0.0
Prepayments	0.5	0.0	0.6	0.0
Other liabilities	14.0	0.0	10.6	0.0
<b>Other liabilities (non-financial instruments)</b>	<b>212.5</b>	<b>0.0</b>	<b>156.4</b>	<b>0.0</b>

Payroll liabilities relate in particular to results-based remuneration, target agreements, obligations arising from holiday leave not taken as well as overtime obligations, standby services and anniversaries. Moreover, severance payment obligations are recognised under this item.

Liabilities under the KHG relate to government grants not yet used in accordance with the conditions for their use granted under state hospital financing legislation in the amount of €38.4 million (previous year: €32.9 million), funds from the German Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) in the amount of €22.3 million (previous year: €15.9 million) as well as funds from the Future Agreement Plus (Zukunftsvereinbarung Plus) with Universitätsklinikum Gießen und Marburg in the amount of €38.5 million (previous year: €0.0 million).

The remaining liabilities essentially include third-party funds from, among other things, ongoing studies not yet appropriated, as well as advance payments in connection with compensation for higher energy expenses from funds of the Hospital Fund.

## 6.19 Current income tax liabilities

Current income tax liabilities in the amount of €8.8 million (previous year: €11.2 million) comprise corporate income tax, solidarity surcharge and trade tax not yet assessed for the past financial year and previous years.

## 6.20 Derivative financial instruments

As at the previous year's balance sheet date, no derivative financial instruments exist.

## 6.21 Additional disclosures regarding financial instruments

### 6.21.1 Carrying amounts, recognised figures and fair values according to measurement categories

The table below presents the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments pursuant to IFRS 9 as at 31 December 2023:

in € million

Measurement category according to IFRS 9

#### ASSETS

##### Non-current assets

Other financial assets

of which investments

Measured at fair value directly in equity (fair value through other comprehensive income, without recycling)

of which investments

Measured at fair value through profit or loss

of which other

Measured at amortised cost

##### Current assets

Trade receivables and other financial assets

Measured at amortised cost

Cash and cash equivalents

Measured at amortised cost

#### LIABILITIES

##### Non-current liabilities

Financial liabilities

Financial liabilities measured at amortised cost

Other financial liabilities/other provisions

o.w. other financial liabilities/other provisions

Financial liabilities measured at amortised cost

of which leases

n. a.

##### Current liabilities

Trade payables

Financial liabilities measured at amortised cost

Financial liabilities

Financial liabilities measured at amortised cost

Other financial liabilities

of which other financial liabilities

Financial liabilities measured at amortised cost

of which leases

n. a.

#### Aggregated according to measurement categories, the above figures are as follows:

Financial assets measured at amortised cost

Financial assets measured at fair value directly in equity (fair value through other comprehensive income, without recycling)

Financial assets measured at fair value through profit or loss

Financial liabilities measured at amortised cost

	31 Dec. 2023		31 Dec. 2022	
	Carrying amount	of which Financial Instruments Fair value	Carrying amount	of which Financial Instruments Fair value
	12.7	12.7	12.7	13.3
	12.7	12.7	12.7	13.3
	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
	526.8	526.8	526.8	561.3
	206.0	206.0	206.0	77.3
	141.8	141.8	124.4	141.7
	12.2	12.2	7.7	20.2
	7.8	7.8	7.7	14.6
	4.4	4.4	–	5.6
	66.8	66.8	66.8	70.0
	1.0	1.0	1.0	8.0
	11.5	11.5	8.7	11.6
	8.8	8.8	8.7	8.7
	2.7	2.7	–	2.9
		732.8	732.8	638.6
		12.7	12.7	13.3
		0.0	0.0	0.0
		226.2	208.6	243.0
				220.4

The fair values of financial assets and liabilities accounted for as defined in IFRS 9 as at 31 December 2023 are classified as follows to the three levels of the fair value hierarchy:

in € million					
	Level 1	Level 2	Level 3	Total 31 Dec. 2023	Total 31 Dec. 2022
Other non-current financial assets (investments)	–	3.5	9.2	12.7	13.3
Other non-current financial assets (remaining)	–	0.0	–	0.0	0.0
Trade receivables, other current financial assets	–	526.8	–	526.8	561.3
Non-current financial liabilities	–	124.4	–	124.4	119.6
Other non-current financial liabilities/other provisions	–	12.1	–	12.1	20.0
Current trade liabilities	–	66.8	–	66.8	70.0
Current financial liabilities	–	1.0	–	1.0	7.8
Current other financial liabilities	–	11.4	–	11.4	11.5

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

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

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

Equity investments in the amount of €12.7 million (previous year: €13.3 million) are measured as of acquisition pursuant to IFRS 9 at fair value directly in equity (fair value through other comprehensive income, without recycling). These equity investments relate to start-up equity interests whose market value was calculated based on current equity transactions between market participants in the context of additional financing rounds or applying the DCF method. Equity investments relate only to foreign equity investments in the amount of €12.7 million (previous year: €13.3 million), with these investments being attributable to Level 2 and Level 3 (previous year: Level 2 and 3). Moreover, additional immaterial equity investments amounting to €0.0 million (previous year: €0.0 million) are measured at fair value (fair value through profit or loss). Changes in the market valuation of equity investments, which are measured at fair value directly in equity (fair value through other comprehensive income, without recycling), resulted overall in losses in the amount of €0.5 million (previous year: gains of €0.3 million) (after tax), which are recognised directly in equity under other comprehensive income (OCI).

The fair value of non-current other financial obligations/other provisions and non-current financial liabilities of RHÖN-KLINIKUM AG is calculated on the basis of the discounted cash flow. A risk- and maturity-related rate appropriate for RHÖN-KLINIKUM AG has been used for discounting purposes. For trade payables, other financial obligations and financial liabilities with short remaining maturities, the carrying amounts correspond to their fair values on the reporting date. The fair value of liabilities under leases was calculated using a market interest curve as at the balance sheet date and corresponds to their carrying amount.

### 6.21.2 Net gains or losses by measurement category

The net result (expense) by measurement category according to IFRS 9 for financial year 2023 is as follows:

in € million	From subsequent measurement			From disposal	Net result
	From share price gains	At fair value	Impairment		2023
Financial assets measured at amortised cost	0.0	0.0	-0.1	4.4	4.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>4.4</b>	<b>4.3</b>

The net result (expense) by measurement category according to IFRS 9 for financial year 2022 is as follows:

in € million	From subsequent measurement			From disposal	Net result
	From share price gains	At fair value	Impairment		2022
Financial assets measured at amortised cost	0.0	0.0	-0.2	13.2	13.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>13.2</b>	<b>13.0</b>

### 6.21.3 Financial liabilities (maturity analysis)

The following table sets out the contractually agreed (undiscounted) interest payments and redemption payments of the original financial liabilities:

in € million	Cash outflows		
	2024	2025-2030	> 2030
Financial liabilities – promissory note	-1.4	-87.1	0.0
Financial liabilities – registered bond	-1.4	-8.5	-72.7
Trade payables	-66.8	0.0	0.0
Other financial liabilities/ other provisions	-8.8	-7.9	0.0
Liabilities under leases	-2.8	-4.5	0.0
	<b>-81.2</b>	<b>-108.0</b>	<b>-72.7</b>

The following table shows the maturity analysis of the previous year:

in € million	Cash outflows		
	2023	2024–2029	> 2029
Financial liabilities – promissory note	–8.4	–88.5	0.0
Financial liabilities – registered bond	–1.4	–8.5	–74.1
Trade payables	–70.0	0.0	0.0
Other financial liabilities/ other provisions	–8.7	–14.9	0.0
Liabilities under leases	–3.0	–5.7	0.0
	<b>–91.5</b>	<b>–117.6</b>	<b>–74.1</b>

The above table includes all financial liabilities held as at the balance sheet date and for which payments had been contractually agreed. Planned payments for new liabilities in the future have not been included in the calculations. Interest payments were included in the future cash flows under agreements in effect as at the balance sheet date. Current liabilities and liabilities which can be terminated at any time are shown under the shortest time horizon.

## 7 | STATEMENT OF CASH FLOWS

The statement of cash flows shows how the item “Cash and cash equivalents” of RHÖN-KLINIKUM Group has changed in the year under review as a result of cash inflows and outflows. The impact of acquisitions, divestments and other changes in consolidated companies has been eliminated. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between cash flows from operating activities, investing activities as well as financing activities. The liquidity shown in the statement of changes in financial position includes cash on hand as well as cash with banks. For the purposes of the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents. As at 31 December 2023, as in the previous year, there were no bank overdrafts.

Cash and cash equivalents increased in financial year 2023 by €128.7 million (previous year: decrease of €49.0 million). In this context, a positive operating cash flow was achieved in the amount of €109.0 million (previous year: €60.3 million). In addition to the increase in cash generated from operating activities by €48.7 million, cash generated from investment activity increased by €146.1 million. Moreover, cash used in financing activity increased by €17.1 million.

The rise in cash generated from operating activities compared with the previous year results among other things from a smaller build-up in trade receivables as well as from a smaller build-up receivables under the Hospital Remuneration Act (Krankenhausentgeltgesetz, KHEntgG) which are reported under other financial assets. The COVID-19 pandemic is still resulting in delays in budget negotiations, especially for the nursing budget. This was met with the opposite effect of an increase in the liabilities not yet used in accordance with the conditions for their use from the government grants received under the Future Agreement Plus relating to Universitätsklinikum Gießen und Marburg by €38.5 million, whereas liabilities under the Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) decreased by €9.4 million and under the Hospital Financing Act (Krankenhausfinanzierungsgesetz, KHG) by €0.2 million.

In 2023, as a result of the inverse structure of interest rates, fixed deposit investments were reversed in the amount of €82.7 million (previous year: €53.0 million invested) and reported under current overnight deposits. This was met with the opposite effect of a decrease in investments in property, plant and equipment and intangible assets financed from own funds. Investments of €62.8 million were financed in the amount of €29.8 million from government grants. Of this amount, €10.1 million was received in financial year 2023. The cash flow statement included a total of €1.2 million (previous year: €4.1 million) in non-cash obligations from construction invoices outstanding as a correction to investments in property, plant and equipment as well as intangible assets.

The €17.1 million increase in cash used in financing activity results from the repayment of the first tranche of the promissory note in the amount of €7.0 million as well as from the dividend distributed in June 2023 to the shareholders of RHÖN-KLINIKUM AG in the amount of €10.0 million.

The statement of cash flows sets out the change in cash and cash equivalents between two balance sheet dates. In the RHÖN-KLINIKUM Group, this item exclusively comprises cash and cash equivalents attributable to continuing operations because no operations were discontinued.

In financial year 2023, financial liabilities changed as follows:

in € million					
	31 Dec. 2022	Cash changes	Non-cash changes	Change in consolidated companies	31 Dec. 2023
Lease obligations	8.5	-3.3	1.9	-	7.1
Current financial liabilities	8.0	-7.0	-	-	1.0
Non-current financial liabilities	141.6	-	0.2	-	141.8
<b>Total liabilities from finance activities</b>	<b>158.1</b>	<b>-10.3</b>	<b>2.1</b>	<b>0.0</b>	<b>149.9</b>

Financial liabilities changed in financial year 2022 as follows:

in € million					
	31 Dec. 2021	Cash changes	Non-cash changes	Change in consolidated companies	31 Dec. 2022
Lease obligations	10.2	-3.5	1.8	-	8.5
Current financial liabilities	1.0	-1.0	8.0	-	8.0
Non-current financial liabilities	148.5	-	-6.9	-	141.6
<b>Total liabilities from finance activities</b>	<b>159.7</b>	<b>-4.5</b>	<b>2.9</b>	<b>0.0</b>	<b>158.1</b>

## 8 | SHAREHOLDINGS

### 8.1 Companies included in the consolidated annual report

in € '000			
	Interest held in %	Equity	Result for the year
<b>Hospital companies</b>			
Haus Saaletal GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	1,516	0
Klinikum Frankfurt (Oder) GmbH, Frankfurt (Oder) <sup>1</sup>	100.0	73,677	0
RHÖN-Kreislinik Bad Neustadt GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	350	0
Universitätsklinikum Gießen und Marburg GmbH, Giessen	95.0	189,889	14,971
Zentralklinik Bad Berka GmbH, Bad Berka	87.5	143,386	7,084

<sup>1</sup> The company claims the exemptions pursuant to section 264 (3) HGB from preparing notes and, to the extent required by law, from preparing a management report as well as disclosure.

in € '000			
	Interest held in %	Equity	Result for the year
<b>Medical care centre companies</b>			
MVZ Bad Neustadt/ Saale GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	370	0
MVZ des Klinikums Frankfurt (Oder) GmbH, Frankfurt (Oder)	100.0	99	113
MVZ MED GmbH, Bad Neustadt a. d. Saale	100.0	-27	-152
MVZ Rhön Diagnostik GmbH, Giessen	95.0	9	-8
MVZ UKGM GmbH, Marburg	95.0	1,481	818
MVZ Zentralklinik GmbH, Bad Berka <sup>1</sup>	87.5	1,994	0

<sup>1</sup> The company claims the exemptions pursuant to section 264 (3) HGB from preparing notes and, to the extent required by law, from preparing a management report as well as disclosure.

in € '000			
	Interest held in %	Equity	Result for the year
<b>Research and education companies</b>			
ESB – Gemeinnützige Gesellschaft für berufliche Bildung mbH, Bad Neustadt a. d. Saale	100.0	2,276	30
gemeinnützige Gesellschaft zur Förderung der klinischen Forschung auf dem Gebiet der Humanmedizin und zur Betreuung von Patienten an den Universitäten Gießen und Marburg mbH, Marburg	100.0	35	0

in € '000			
	Interest held in %	Equity	Result for the year
<b>Property companies</b>			
BGL Grundbesitzverwaltungs-GmbH, Bad Neustadt a. d. Saale	100.0	38,349	1,607

in € '000			
	Interest held in %	Equity	Result for the year
<b>Service companies</b>			
RHÖN-Cateringgesellschaft mbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	58	0
RHÖN-KLINIKUM Business Services GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	15	0
RHÖN-KLINIKUM IT Service GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	25	10
RHÖN-KLINIKUM Service Einkauf + Versorgung GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	21	0
RHÖN-KLINIKUM Services GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	3,368	0
UKGM Service GmbH, Bad Neustadt a. d. Saale	100.0	111	43

<sup>1</sup> The company claims the exemptions pursuant to section 264 (3) HGB from preparing notes and, to the extent required by law, from preparing a management report as well as disclosure.



in € '000

	Interest held in %	Equity	Result for the year
<b>Other companies/shelf companies</b>			
Energiezentrale Universitätsklinikum Gießen GmbH, Giessen	50.0	1,065	40
Kinderhort Salzburger Leite gemeinnützige Gesellschaft mbH, Bad Neustadt a. d. Saale	100.0	181	-2
KLINIK "HAUS FRANKEN" GMBH Bad Neustadt/Saale i. L., Bad Neustadt a. d. Saale	100.0	691	13
Marburger Ionenstrahl-Therapie Betriebs-Gesellschaft mbH, Bad Neustadt a. d. Saale	100.0	-34,045	1,648
Psychosomatische Klinik GmbH Bad Neustadt/Saale, Bad Neustadt a. d. Saale	100.0	5	-8
PTZ GmbH, Marburg	100.0	306	-2
RHÖN-KLINIKUM Energie für Gesundheit GmbH, Bad Neustadt a. d. Saale <sup>1</sup>	100.0	1,500	0
RHÖN-Innovations GmbH, Bad Neustadt a. d. Saale	100.0	5.562	698

<sup>1</sup> The company claims the exemptions pursuant to section 264 (3) HGB from preparing notes and, to the extent required by law, from preparing a management report as well as disclosure.

## 8.2 Other companies according to section 313 (2) No. 2 et seq. HGB

in € '000

	Interest held in %	Equity	Result for the year
4QD – Qualitätskliniken.de GmbH, Berlin <sup>1</sup>	20.0	309	0
Bäderland Bayerische Rhön GmbH & Co. KG, Bad Kissingen <sup>1</sup>	0.1	20	5
CLEW Medical Inc., Delaware (USA) <sup>2</sup>	6.4	1,761	-5,302
HOSPIZ MITTELHESSEN gemeinnützige GmbH, Wetzlar <sup>1</sup>	13.6	548	6
Inovityec Medical Solutions Ltd., Hod Hasharon (Israel) <sup>2</sup>	9.2	5,694	-3,260
Seniorenpflegeheim GmbH Bad Neustadt a. d. Saale, Bad Neustadt a. d. Saale <sup>1</sup>	25.0	-479	-1,769
Telesofia Medical Ltd., Tel Aviv (Israel) <sup>2</sup>	9.9	-391	-342

<sup>1</sup> Figures according to annual financial statements of 31 December 2022.

<sup>2</sup> Figures according to annual financial statements of 31 December 2022, converted at closing/average exchange rate on 31 December 2023.

## 9 | OTHER DISCLOSURES

### 9.1 Average annual number of employees

	2023	2022	Change	
	Number <sup>1</sup>	Number <sup>1</sup>	Number <sup>1</sup>	in %
Medical doctors	1,087	1,069	18	1.7
Nursing services	5,377	5,260	117	2.2
Medical-technical services	2,551	2,542	9	0.4
Functional	1,575	1,581	-6	-0.4
Supply and misc. services	1,820	1,816	4	0.2
Technical	262	261	1	0.4
Administrative	1,040	1,008	32	3.2
Other personnel	309	303	6	2.0
	<b>14,021</b>	<b>13,840</b>	<b>181</b>	<b>1.3</b>

<sup>1</sup> Headcount, excluding board members, managing directors, apprentices, trainees, those in alternative national service and civil servants.

### 9.2 Other financial obligations

in € million

	31 Dec. 2023	31 Dec. 2022
<b>Order commitments</b>	<b>37.0</b>	<b>22.0</b>
<b>Other</b>		
Due in subsequent year	45.7	41.4
Due in 2 to 5 years	20.7	15.5
Due in 5 years	0.5	1.4
<b>Total other</b>	<b>66.9</b>	<b>58.3</b>

Of the figure for order commitments, €3.3 million (previous year: €1.7 million) is attributable to intangible assets, and €21.6 million (previous year: €10.9 million) to property, plant and equipment.

The remaining other financial obligations are mainly attributable to service agreements (maintenance agreements, agreements concerning the sourcing of products, agreements relating to laundry services, etc.).

As at the balance sheet date, there are no obligations under loan commitments to associates (previous year: no obligations).

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals from 2017 provided for investment commitments in the amount of €100.0 million until 2021. Already as at the balance sheet date of 31 December 2021, these investment obligations were fully met. There are also further obligations relating to building refurbishments and extension measures at the Giessen and Marburg sites which were initially due to be completed by 31 December 2024. Under the White Paper Plus (Zukunftspapier Plus) signed at the end of February 2023 between the Federal State of Hesse, RHÖNKLINIKUM AG, Asklepios Kliniken GmbH & Co. KGaA, Universitätsklinikum Gießen und Marburg GmbH (UKGM) as well as the universities with their faculties of medicine, investment projects under the agreement from 2017 were modified and the periods for fulfilment of the investment obligations were adjusted. The periods meeting these investment obligations are now within the time frame between 31 December 2024 and 31 December 2028. For the grant of investment funding for UKGM, the White Paper Plus provides for investment obligations financed from own funds over the next ten years in the amount of roughly €259.0 million as of 1 January 2023. As at the balance sheet date of 31 December 2023, there are still obligations for investments from own funds in the amount of €253.5 million.

What is important for healthcare delivery and science is a concept for establishing joint ventures to be agreed between Universitätsklinikum Gießen und Marburg GmbH (UKGM) and the two universities making it possible to better translate research findings to clinical practice. The finance volume of €60 million will be provided by UKGM.

In addition, absolute bank guarantee undertakings (selbstschuldnerische Bürgschaftserklärungen) not limited by contract exist for claims of the Physicians Associations (kassenärztliche Vereinigungen) and health insurance funds against medical care centre (MVZ) subsidiaries from their accredited physician activities.

As part of the construction of the new hospital in Bad Neustadt a. d. Saale, a bank guarantee in the amount of €0.1 million (previous year: €0.1 million) was granted to secure the reforestation agreement with the Free State of Bavaria.

Moreover, one aval guarantee undertaking (Aval-Bürgschaftserklärung) in the amount of €3.5 million (previous year: €3.5 million) exists for claims to government grants of the Free State of Bavaria, one absolute guarantee (selbstschuldnerische Bürgschaft) for claims to government grants of the Free State of Bavaria in the amount of €0.2 million (previous year: €0.2 million), as well as rental guarantees in the amount of €0.0 million (previous year: €0.0 million).

It is no longer expected that any claims will be made under the guarantees.

### 9.3 Leases within the Group

Standard IFRS 16 defines a lease as a contract which conveys the right to use an asset for a period of time in exchange for consideration. Within the Group, the modified retroactive approach was applied. Numerous property leases contain renewal options.

For leases with a term of twelve months maximum amounting to €0.0 million (previous year: €0.1 million) as well as for leases relating to low-value assets in the amount of €0.6 million (previous year: €0.3 million), no rights of use and no lease liabilities are recognised within the Group of RHÖN-KLINIKUM AG. The lease rates are recognised as before within the income statement. Interest expenses from leases amounting to €0.1 million (previous year: €0.1 million) in financial year 2023.

Further details on leases are provided in sections 6.2, 6.17 and 6.21.3.

#### 9.3.1 Obligations of lessees

Under leases, the Group mainly rents copier and printer systems as well as laboratory equipment. In the Group, there is a principle of always acquiring ownership of operating assets.

in € million		
	2023	2022
<b>Liabilities under leases – minimum lease payments</b>		
Due in subsequent year	2.7	2.9
Due in two to five years	4.2	5.1
Due in five years	0.4	0.7
	<b>7.3</b>	<b>8.7</b>
<b>Future financing costs under leases</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Present value of liabilities under leases</b>	<b>7.1</b>	<b>8.5</b>

in € million		
	2023	2022
<b>Present value of liabilities under leases</b>		
Due in subsequent year	2.7	2.9
Due in two to five years	4.4	5.6
Due in five years	–	–
	<b>7.1</b>	<b>8.5</b>

### 9.3.2 Investment property

The Group lets residential space to employees, office and commercial space to third parties (e.g. cafeteria), as well as premises to doctors cooperating with the hospital and to joint laboratories as part of cancellable operating leases.

The most significant operating lease contracts by amount stem from the letting of property to third parties.

The largest item in absolute terms was the letting of a property to a nursing home operator. Based on the provisions of IFRS 13.97, fair value is calculated for the assets to be stated according to IAS 40. The fair value determined in this regard cannot be observed on an active market nor can be derived from a quoted market price and are thus classified to Level 3 of the fair value hierarchy of IFRS 13. The fair value is determined using a capitalised value approach in which the corresponding components of the income cost approach such as gross profit, expected return on land value and standard land value are used as input factors. On the basis of the capitalised value of potential earnings, no material differences between the fair value of the properties and their carrying amounts shown below are seen. For this reason, no external fair-value expertise was obtained.

Since the lease agreement was terminated by the operator of the retirement and nursing home in financial year 2021, the useful life was adjusted in the previous year to the termination notice period. The lease agreement expired at the end of April 2023. Rental income of €0.1 million (previous year: €0.4 million) was generated in financial year 2023. Based on the higher depreciation, the operating costs for the investment properties amounted to €0.3 million in the financial year (previous year: €1.0 million). As part of the subsequent use of the building as a residence for employees for hospital operations, the carrying amounts in financial year 2023 were reclassified to property, plant and equipment. They are accounted for entirely by properties with which rental income was generated.

in € million

	2023	2022
	Total	Total
<b>Cost</b>		
<b>1 Jan.</b>	<b>5.0</b>	<b>5.0</b>
Additions	0.0	0.0
Disposals	0.0	0.0
Reclassifications	-5.0	0.0
<b>31 Dec.</b>	<b>0.0</b>	<b>5.0</b>
<b>Cumulative depreciation</b>		
<b>1 Jan.</b>	<b>4.7</b>	<b>3.7</b>
Depreciation	0.3	1.0
Disposals	0.0	0.0
Reclassifications	-5.0	0.0
<b>31 Dec.</b>	<b>0.0</b>	<b>4.7</b>
<b>Balance sheet value as at 31 Dec.</b>	<b>0.0</b>	<b>0.3</b>

There is also income from non-terminable leases. The minimum lease payments to be received in future within one year are €0.9 million (previous year: €0.7 million). The minimum lease payments for the period of one to five years are €1.5 million (previous year: €1.6 million) and those having a maturity date exceeding five years are €0.7 million (previous year: €1.0 million).

### 9.4 Related parties

According to the definition of IAS 24.9, related parties are those related to the reporting entity. Such parties are in particular natural persons who control the reporting entity or are involved in its joint management, exercise a material influence or hold a key position in the corporate management of the reporting entity. The same is true of close relatives of such persons. A person's close relatives are family members who may be assumed to be capable of influencing such person or being influenced by such person in their transactions with the Company. That includes children and spouses of life partners of such person, children of the spouse of life partner of such person, and dependants of such person or of the spouse of life partner of such person. Also included are companies of the same corporate group and companies subject to or exercising a material influence.

Companies in the RHÖN-KLINIKUM Group enter into transactions with related parties in certain cases. These in particular include lettings of buildings as well as services related to nursing as well as supply of staff. Such service or lease relations are arranged at arm's length terms.

Related companies are accordingly defined as all companies in which we own an interest of between 20.0% and 50.0% or which were not included in the consolidated financial statements on the grounds of materiality (for the companies of the Group, please refer to the list of shareholdings in these Notes). Jointly managed joint ventures are also deemed to be related companies. From the point of view of the Group, the volume of transactions with related companies in financial year 2023 was as follows:

in € '000

	Expenses 2023	Income 2023	Receivables 31 Dec. 2023	Liabilities 31 Dec. 2023
Seniorenpflegeheim GmbH Bad Neustadt a.d. Saale, Bad Neustadt a. d. Saale	–	123	0	–
4QD – Qualitätskliniken.de GmbH, Berlin	6	–	–	–
HOSPIZ MITTELHESSEN gemeinnützige GmbH, Wetzlar	38	–	–	6
	<b>44</b>	<b>123</b>	<b>0</b>	<b>6</b>

From the point of view of the Group, the volume of transactions with companies consolidated using the equity method in financial year 2023 was as follows:

in € '000

	Expenses 2023	Income 2023	Receivables 31 Dec. 2023	Liabilities 31 Dec. 2023
Energiezentrale Universitätsklinikum Gießen GmbH, Giessen	718	–	–	73
	<b>718</b>	<b>0</b>	<b>0</b>	<b>73</b>

The receivables and liabilities result from supply and service relationships.

The members of management in key positions as well as close family relatives are treated as related parties. The Board of Management of RHÖN-KLINIKUM AG, the members of the Supervisory Board, as well as the members of management in key positions of a parent company were included among the members of management in key positions. Direct and indirect parent companies are the companies specified under section 1 "General information" as well as Dr Bernard große Broermann or his heirs.

In the year under review, members of the Supervisory Board of RHÖN-KLINIKUM AG, or companies and entities related with these as well as companies within the meaning of IAS 24, rendered the following services at arm's length terms:

in € '000

Related party	Companies as defined by IAS 24	Nature of services	Expenses	
			2023	2022
Dr Bernard große Broermann or his heirs	Asklepios Kliniken Group	Purchase of services and medical products	10,346	8,519
	of which Asklepios Kliniken GmbH & Co. KGaA	Purchase of services and medical products	1,872	2,773
Peter Berghöfer		Supervisory board activity at an affiliated company	4	4
Hafid Rifi		Supervisory board activity at an affiliated company	7	2
Marco Walker		Supervisory board activity at an affiliated company	3	3
Regina Dickey		Supervisory board activity at an affiliated company	3	4
Dr Cornelia Süfke		Supervisory board activity at an affiliated company	4	3
Dr Jan Liersch (from 23 September 2022)		Supervisory board activity at an affiliated company	4	1
Prof. Dr Bernd Griewing		Employee expenses, medical treatments	1,203	207
Eugen Münch		Fee for services	643	693

As in the previous year, the expenses were recognised in the income statement under the item "Materials and consumables" as well as the item "Other expenses". As in the previous year, no impairments were to be recognised in financial year 2023.

The following services were recognised in the income statement under other income:

in € '000

Related party	Companies as defined by IAS 24	Nature of services	Income	
			2023	2022
Dr Bernard große Broermann or his heirs	Asklepios Kliniken Group	Services, pharmacy services and medical products	12,622	6,550
	of which Asklepios Kliniken GmbH & Co. KGaA	Services, medical products and other	1,162	0
Eugen and Ingeborg Münch		Telephone costs, medical services	1	14
Dr Stefan Stranz		Services	0	2

As at the balance sheet date of 31 December 2023, the following trade payables existed:

in € '000

Related party	Companies as defined by IAS 24	Nature of services	Liabilities	
			2023	2022
Dr Bernard große Broermann or his heirs	Asklepios Kliniken Group	Purchase of services and medical products	5,787	2,048
	of which Asklepios Kliniken GmbH & Co. KGaA	Services and medical products	1,218	1,271
Eugen Münch		Fee for services	132	198

As at the balance sheet date of 31 December 2023, the following trade receivables existed:

in € '000

Related party	Companies as defined by IAS 24	Nature of services	Receivables	
			2023	2022
Dr Bernard große Broermann or his heirs	Asklepios Kliniken Group	Services, pharmacy services and medical products	2,728	1,091
	of which Asklepios Kliniken GmbH & Co. KGaA	Services and medical products	1,162	0

The employee representatives on the Supervisory Board employed at RHÖN-KLINIKUM AG or its subsidiaries received the following remuneration within the scope of their employment contracts in the past financial year:

in € '000

	Fixed	Profit-linked	Total 2023	Total 2022
Peter Berghöfer	199	6	205	221
Regina Dickey	50	1	51	52
Peter Dücke	38	1	39	33
Prof. (apl.) Dr med. Leopold Eberhart	57	0	57	129
Dr med. Martin Mandewirth	206	1	207	179
PD Dr med. Thomas Pillukat	157	14	171	161
Oliver Salomon	57	1	58	58
	<b>764</b>	<b>24</b>	<b>788</b>	<b>833</b>

The above costs are shown under employee benefit expenses in the income statement.

## 9.5 Total payments of Supervisory Board, the Board of Management and the Advisory Board

The total expenditures (excluding VAT) for members of the Supervisory Board are broken down below:

in € '000

	2023	2022
<b>Total payments</b>		
Dr Jan Liersch	102	107
Georg Schulze	60	62
Hafid Rifi	69	68
Peter Berghöfer	45	46
Nicole Mooljee Damani (until 8 January 2022)	–	2
Dr Julia Dannath-Schuh	31	30
Regina Dickey	45	46
Peter Ducke	39	41
Prof. (apl.) Dr med. Leopold Eberhart	45	44
Irmtraut Gürkan	43	41
Kai Hankeln	37	36
Dr med. Martin Mandewirth	35	37
PD Dr med. Thomas Pillukat	37	42
Christine Reißner	33	36
Oliver Salomon	34	36
Dr Cornelia Süfken (from 2 March 2022)	32	29
Marco Walker	32	32
	<b>719</b>	<b>735</b>

As at the balance sheet date, liabilities to members of the Supervisory Board in the amount of €0.6 million (previous year: €0.6 million) exist.

The total payments of the Board of Management break down as follows:

in € '000

**Incumbent member of Board of Management**

Prof. Dr Tobias Kaltenbach  
(Chairman of the Board of Management from 1 November 2022)

	Remuneration earned in financial year					Inflow <sup>1</sup>				
	2023		2022		2023	2023	2023		2022	
	in €	in %	in €	in %	(min.)	(max.)	in €	in %	in €	in %
Base salary (fixed remuneration)	500	99	83	63	500	500	500	91	83	92
Fringe benefits	7	1	7	5	7	7	7	1	7	8
<b>Total</b>	<b>507</b>	<b>100</b>	<b>90</b>	<b>68</b>	<b>507</b>	<b>507</b>	<b>507</b>	<b>92</b>	<b>90</b>	<b>100</b>
One-year variable remuneration <sup>2</sup>	0	0	42	32	0	250	42	8	0	0
<b>Total remuneration</b>	<b>507</b>	<b>100</b>	<b>132</b>	<b>100</b>	<b>507</b>	<b>757</b>	<b>549</b>	<b>100</b>	<b>90</b>	<b>100</b>

<sup>1</sup> Remuneration granted and owed in financial year.

<sup>2</sup> The variable remuneration for 2023 is 0 €; the target agreement relating to variable remuneration was terminated in September 2023.

in € '000

**Incumbent member of Board of Management**

Dr Stefan Stranz  
(Member of the Board of Management)

	Remuneration earned in financial year					Inflow <sup>1</sup>				
	2023		2022		2023	2023	2023		2022	
	in €	in %	in €	in %	(min.)	(max.)	in €	in %	in €	in %
Base salary (fixed remuneration)	500	92	500	75	500	500	500	75	500	71
Fringe benefits	43	8	43	6	43	43	43	6	43	6
<b>Total</b>	<b>543</b>	<b>100</b>	<b>543</b>	<b>81</b>	<b>543</b>	<b>543</b>	<b>543</b>	<b>81</b>	<b>543</b>	<b>77</b>
One-year variable remuneration <sup>2</sup>	0	0	126	19	0	250	126	19	158	23
<b>Total remuneration</b>	<b>543</b>	<b>100</b>	<b>669</b>	<b>100</b>	<b>543</b>	<b>793</b>	<b>669</b>	<b>100</b>	<b>701</b>	<b>100</b>

<sup>1</sup> Remuneration granted and owed in financial year.

<sup>2</sup> The variable remuneration for 2023 is 0 €; the target agreement relating to variable remuneration was terminated in September 2023.



in € '000

**Incumbent member of  
Board of Management**

 Dr Gunther Karl Weiß  
(Member of the Board of Management)

	Remuneration earned in financial year					Inflow <sup>1</sup>				
	2023		2022		2023	2023	2023		2022	
	in €	in %	in €	in %	(min.)	(max.)	in €	in %	in €	in %
Base salary (fixed remuneration)	500	80	500	68	500	500	500	78	500	97
Fringe benefits	17	3	17	2	17	17	17	3	17	3
<b>Total</b>	<b>517</b>	<b>83</b>	<b>517</b>	<b>70</b>	<b>517</b>	<b>517</b>	<b>517</b>	<b>81</b>	<b>517</b>	<b>100</b>
One-year variable remuneration <sup>2</sup>	0	0	126	17	0	250	126	19	0	0
<b>Total payments</b>	<b>517</b>	<b>83</b>	<b>643</b>	<b>87</b>	<b>517</b>	<b>767</b>	<b>643</b>	<b>100</b>	<b>517</b>	<b>100</b>
Pension expense <sup>3</sup>	108	17	90	13	108	108	0	0	0	0
<b>Total remuneration</b>	<b>625</b>	<b>100</b>	<b>733</b>	<b>100</b>	<b>625</b>	<b>875</b>	<b>643</b>	<b>100</b>	<b>517</b>	<b>100</b>

<sup>1</sup> Remuneration granted and owed in financial year.

<sup>2</sup> The variable remuneration for 2023 is 0 €; the target agreement relating to variable remuneration was terminated in September 2023.

<sup>3</sup> Pension expenditure includes past service cost according to IAS 19.

in € '000

**Former member of Board  
of Management**

 Dr Christian Höftberger  
(Chairman of the Management Board until 31 October 2022)

	Remuneration earned in financial year					Inflow <sup>1</sup>				
	2023		2022		2023	2023	2023		2022	
	in €	in %	in €	in %	(min.)	(max.)	in €	in %	in €	in %
Base salary (fixed remuneration)	0		458	22	0	0	0		458	22
Fringe benefits	0		7	0	0	0	0		7	0
<b>Total</b>	<b>0</b>		<b>465</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>465</b>	<b>22</b>
One-year variable remuneration	0		115	6	0	0	0		158	7
<b>Total payments</b>	<b>0</b>		<b>580</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>623</b>	<b>29</b>
Severance payments	0		1,500	72	0	0	0		1,500	71
<b>Total remuneration</b>	<b>0</b>		<b>2,080</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2,123</b>	<b>100</b>

<sup>1</sup> Remuneration granted and owed in financial year.

in € '000

**Former member of  
Board of Management**

 Prof. Dr Bernd Griewing  
(Member of the Board of Management until 31 October 2022)

	Remuneration earned in financial year				Inflow <sup>1</sup>					
	2023		2022		2023		2023		2022	
	in %	in %	in %	in %	(min.)	(max.)	in %	in %	in %	in %
Base salary (fixed remuneration)	0		160	14	0	0	0		160	8
Fringe benefits	0		17	2	0	0	0		17	1
<b>Total</b>	<b>0</b>		<b>177</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>177</b>	<b>9</b>
One-year variable remuneration				0						0
Management profit sharing	0		840	76	0	0	0		840	41
<b>Total payments</b>	<b>0</b>		<b>1,017</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>1,017</b>	<b>50</b>
Pension expense <sup>2</sup>	0		89	8	0	0	0		1,025	50
<b>Total remuneration</b>	<b>0</b>		<b>1,106</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2,042</b>	<b>100</b>

<sup>1</sup> Remuneration granted and owed in financial year.

<sup>2</sup> Pension expenditure includes past service cost according to IAS 19.

For the post-termination entitlements of Prof. Dr Griewing and Dr Weiß, the following provisions have been formed for post-employment benefits:

in € '000

	Provision as at 31 Dec. 2022	Change in retirement benefits	Provision as at 31 Dec. 2023	Remaining nominal amount on contract expiry <sup>1</sup>
<b>Retirement benefits</b>				
<b>Incumbent members of the Board of Management</b>				
Dr Gunther K. Weiß	495	52	547	647
<b>Former members of the Board of Management</b>				
Prof. Dr Bernd Griewing	24	149	173	306
<b>Total</b>	<b>519</b>	<b>201</b>	<b>720</b>	<b>953</b>

<sup>1</sup> Claim after ordinary expiry of employment contracts based on remuneration.

As at the balance sheet date, liabilities to incumbent and former members of the Board of Management in the amount of €0.0 million (previous year: €0.5 million) exist.

No loans were granted to members of the Supervisory Board and the Board of Management. The members of the Supervisory Board and their related parties together have a shareholding interest in RHÖN-KLINIKUM AG of 0.0% (previous year: 0.0%) of total equity capital. As at 31 December 2023, the members of the Board of Management hold no (previous year: no) shares of RHÖN-KLINIKUM AG. The payments of the Supervisory Board relate to benefits due in the short term.

During the 2023 reporting period, RHÖN-KLINIKUM AG received no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

For the statements on share-based compensation within the meaning of IFRS 2 (cash-settled share-based payment transactions), we refer to Note 2.16.4 "Share-based payments".

## 9.6 Declaration of Compliance with the German Corporate Governance Code

By joint resolution of the Supervisory Board and the Board of Management of RHÖN-KLINIKUM AG of 14 December 2023, the Company made the declaration pursuant to section 161 of the German Stock Corporation Act (AktG) regarding the application of the German Corporate Governance Code in financial year 2023. It has been published on the website of RHÖN-KLINIKUM AG and thus made available to the general public.

## 9.7 Disclosure of the fees recognised as expenses (including reimbursement of outlays and excluding VAT) for the statutory auditors

In financial year 2023, expenses resulting from fees for statutory auditors amounting to €0.9 million (previous year: €0.9 million) were incurred Group-wide. A breakdown of these fees (including outlays and excluding VAT) by service rendered is provided below:

in € '000		
	2023	2022
Fees for auditing financial statements	791	771
Fees for other statutory auditing services	112	121
Fees for tax advice	0	0
Fees for other services	0	0
<b>Total fee</b>	<b>903</b>	<b>892</b>

The fees for the other statutory auditing services essentially cover certificates for hospital legislation purposes as well as for review of the separate non-financial report. As in the previous year, no tax advisory services or other services were rendered by the statutory auditor.

Of the total fee (excluding VAT), no fees are attributable to other statutory auditors who are not auditors of the consolidated financial statements.

## 9.8 Events after the reporting date

No particularly significant events have occurred since 31 December 2023 that are expected to have a material influence on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG. In addition, we draw attention to one change in the Supervisory Board after the end of financial 2023: Mr. Georg Schulze notified the Company on 5 September 2023 that he is resigning his mandate as member of the Supervisory Board of the Company with effect from 31 December 2023. He thus left the Supervisory Board on 31 December 2023. By letter dated 12 September 2023, the trade union ver.di appointed Mr. Stefan Röhrhoff as Mr. Georg Schulze's successor. The Local Court of Schweinfurt – by Decision of 7 December 2023 issued on application by the Board of Management with the support of the Supervisory Board – then appointed Mr. Stefan Röhrhoff, Regional Director of Ver.di, region of Hesse, health department, as member of the Supervisory Board of the Company with effect from 1 January 2024. The appointment as employee representative applies for the term of Mr. Schulze's mandate. By letter of 13 February 2024, Mr. Kai Hankeln notified the Company that he was resigning his mandate as member of the Supervisory Board of the Company with immediate effect.

## 10 | CORPORATE BODIES OF RHÖN-KLINIKUM AG

### The Supervisory Board of RHÖN-KLINIKUM AG is comprised as follows:

#### Dr Jan Liersch

Business address at Königstein-Falkenstein, managing director of Broermann Holding GmbH, Chairman of the Supervisory Board

Also a member of the Supervisory Board of:

- Asklepios Kliniken GmbH & Co. KGaA, Hamburg
- MEDICLIN Aktiengesellschaft, Offenburg  
(Chairman of the Supervisory Board)
- Universitätsklinikum Gießen und Marburg GmbH, Giessen

Other mandates:

- Hotel Montreux Palace S.A., Montreux, Switzerland  
(Chairman of the Board of Directors)
- Hôtel Suisse Majestic S.A., Montreux, Switzerland  
(Chairman of the Board of Directors)
- Broermann Medical AG, Montreux, Switzerland  
(Chairman of the Board of Directors)

#### Georg Schulze

Frankfurt am Main, 1st Deputy Chairman, Regional Director of ver.di (until 30 September 2023), region of Hesse (until 31 December 2023)

Also a member of the Supervisory Board of:

- Lahn-Dill-Kliniken GmbH, Wetzlar

#### Hafid Rifi

Business address at Königstein-Falkenstein, 2nd Deputy Chairman, Chief Financial Officer of Asklepios Kliniken GmbH & Co. KGaA

Also a member of the Supervisory Board of:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen

#### Peter Berghöfer

Münchhausen, Head of Finance, Universtätsklinikum Gießen und Marburg GmbH, Giessen

Also a member of the Supervisory Board of:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen

#### Dr Julia Dannath-Schuh

Zurich, Switzerland, Vice President Human Resources Development & Leadership ETH Zurich

Also a member of the Supervisory Board of:

- Asklepios Kliniken GmbH & Co. KGaA, Hamburg
- MEDICLIN Aktiengesellschaft, Offenburg

Other mandates:

- Alsia und Partners AG, Hünenberg, Switzerland  
(member of the Board of Directors)

#### Regina Dickey

Giessen, administrative employee

Also a member of the Supervisory Board of:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen

#### Peter Ducke

Marburg, employee in nursing service

#### Prof. (apl.) Dr med. Leopold Eberhart

Marburg, MD

**Irmtraut Gürkan**

Alsbach, Dipl.-Volkswirtin (economist)

Also a member of the Supervisory Board of:

- Biolife Holding AG, Heidelberg (Deputy Chairman of the Supervisory Board)
- Charité Universitätsmedizin Berlin, Berlin

Other mandates:

- Eurotransplant International Foundation, Leiden, Netherlands (Member of the Supervisory Board)
- Stiftung Alice-Hospital vom Roten Kreuz zu Darmstadt, Darmstadt (Member of the Board of Trustees)
- Universitätsspital Basel, Basel, Switzerland (Member of the Board of Directors)
- Georg-August-Universität Göttingen, Göttingen (Member of the Foundation Council)
- Universitätsmedizin Göttingen, Göttingen (Deputy chairman of the Foundation Committee)

**Kai Hankeln**

Business address Hamburg, Chief Executive Officer of Asklepios Kliniken GmbH & Co. KGaA (until 13 February 2024)

Also a member of the Supervisory Board of:

- Asklepios Fachklinikum Stadtroda GmbH, Stadtroda (Chairman of the Supervisory Board) (until 13 February 2024)
- MEDICLIN Aktiengesellschaft, Offenburg (until 13 February 2024)

**Dr med. Martin Mandewirth,**

Oberelsbach (MD, specialist in heart surgery)  
 Facharzt für Herzchirurgie

**PD Dr med. Thomas Pillukat**

Bad Neustadt a. d. Saale, MD

**Christine Reißner**

Sülzfeld, merchant

**Stefan Röhrhoff**

Homburg, Regional Director of ver.di, region of Hesse (from 1 January 2024)

**Oliver Salomon**

Bad Berka, nurse

**Dr jur. Cornelia Sүfke**

Hamburg, Legal Counsel

Also a member of the Supervisory Board of:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen
- Asklepios Kliniken GmbH & Co. KGaA, Hamburg

**Marco Walker**

Business address Hamburg, Co-Chief Executive Officer of Asklepios Kliniken GmbH & Co. KGaA

Also a member of the Supervisory Board of:

- MEDICLIN Aktiengesellschaft, Offenburg
- Meierhofer Aktiengesellschaft, Munich
- Universitätsklinikum Gießen und Marburg GmbH, Giessen

## The Board of Management of RHÖN-KLINIKUM AG comprises the following persons:

### **Prof. Dr Tobias Kaltenbach**

Business address at Bad Neustadt a. d. Saale, Chairman of the Board of Management

Also a member of the supervisory board of:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen (Chairman of the Supervisory Board)
- Kliniken des Landkreises Lörrach GmbH, Lörrach

### **Dr Stefan Stranz**

Business address Bad Neustadt a. d. Saale, Chief Financial Officer

### **Dr med. Gunther Karl Weiß, M. Sc.**

Business address Bad Neustadt a. d. Saale, Chief Operating Officer

Other mandates:

- Universitätsklinikum Gießen und Marburg GmbH, Giessen (Chairman of the Management Body)
- Mittelhessische Medizin-Stiftung am Universitätsklinikum Gießen und Marburg, Giessen (member of the Board of Directors)
- Hessische Krankenhausgesellschaft e. V., Eschborn (Member of the Management Board)

Bad Neustadt a. d. Saale, 6 March 2024

RHÖN-KLINIKUM Aktiengesellschaft  
THE BOARD OF MANAGEMENT

Prof. Dr Tobias Kaltenbach

Dr Stefan Stranz

Dr Gunther K. Weiß

# *Responsibility statement*

We assure to the best of our knowledge that based on the accounting principles to be applied the consolidated financial statements of RHÖN-KLINIKUM AG give a true and fair view of the net assets, financial position and results of operations of the Group, and that the Group Management Report presents the business performance

including the business results and the situation of the Group in such a way as to give a true and fair view of the same as well as a description of the material risks and opportunities involved in the probable development of the Group of RHÖN-KLINIKUM AG.

Bad Neustadt a. d. Saale, 6 March 2024

RHÖN-KLINIKUM Aktiengesellschaft  
THE BOARD OF MANAGEMENT

Prof. Dr Tobias Kaltenbach

Dr Stefan Stranz

Dr Gunther K. Weiß

# Independent Auditor's Report

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

## Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

### Opinions

We have audited the consolidated financial statements of RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a.d. Saale, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of RHÖN-KLINIKUM Aktiengesellschaft for the financial year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

### Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

### Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.



**– Recognition of revenue generated from hospital services provided and revenue compensation (Erlösausgleiche)**

Please refer to Section 3.2 in the notes to the consolidated financial statements for information on the accounting policies applied. Disclosures on the amount of revenue can be found in the notes to the consolidated financial statements under Section 5.1.

**THE FINANCIAL STATEMENT RISK**

The revenue recognised in the Company's consolidated financial statements relates essentially to hospital services and represents EUR 1,464.0 million.

As at the reporting date, for settlement reasons revenue is based on a series of management assumptions which involve estimate uncertainties. As the budget negotiations relevant for performance often take place towards the end of the financial year, the remunerated service volumes are estimates as at the reporting date. Also at the reporting date, a revenue correction is made based on management's estimate of the change rate (case deductions) of the German Medical Review Board (Medizinischer Dienst Körperschaft des öffentlichen Rechts, MD [Medical Review Board under Public Law]).

Due to the complexity of the judgements described, there is the risk for the consolidated financial statements that revenue is not appropriately determined.

**OUR AUDIT APPROACH**

In order to evaluate the appropriateness of the revenue recognised as at the reporting date, we gave consideration to the Company's established processes to recognise revenue from hospital services performed and the regulatory revenue corrections required, and we verified the methodological approach of management in making the regulatory revenue corrections. In order to audit revenue recognition on an accrual basis, we examined the design, establishment and effectiveness of the organisational separation of the departments involved in case processing and the existence of cost assumption declarations/the treatment contract of the health insurer of the patient treated.

During our audit, using (among other things) the contractual documentation presented to us and other correspondence and based on a risk-oriented deliberate sample, we obtained an overview relating to the status of the various budget agreements of the hospitals in the RHÖN-KLINIKUM Group on the reporting date and the respective remunerated service volumes. For the budget negotiations which had not yet been concluded as at the reporting date, we assessed the appropriateness of the estimated budget amounts and revenue compensation. We also comprehended the management assumptions on the service volumes to be remunerated as at the reporting date based on the detailed information provided to us. In order to assess the estimation accuracy, we compared the regulatory revenue corrections with the outcome of the negotiations with the health insurers from previous years. With respect to revenue compensation, we examined the underlying agreements in addition to the reconciliations of the performance statistics audited in the context of the revenue validation. In doing so, we also validated the implementation of the legal regulations. In order to audit revenue recognition on an accrual basis, we also examined revenue validation.

In reference to possible corrections by the MD, we gave consideration to the process for determining the service volumes (codes applied) and for determining the relevant corrections and assessed the appropriateness of the estimates for revenue corrections as a result of audits by the German Medical Review Board.

**OUR OBSERVATIONS**

The assumptions underlying revenue recognition are appropriate.

**– Recoverability of goodwill**

Please refer to Section 2.4.1 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of goodwill can be found in Section 6.1 of the notes to the consolidated financial statements.

## THE FINANCIAL STATEMENT RISK

In the Company's consolidated financial statements under "Goodwill and other intangible assets" an amount of EUR 165.4 million (9.3% of total assets) is recognised for goodwill. The Company allocates the goodwill to the respective cash-generating units, which essentially correspond to the respective hospitals. Goodwill is tested once a year at the level of the cash-generating units for impairment without specific cause. If there is an impairment trigger in the course of the year, an ad hoc impairment test is additionally carried out during the year. For the goodwill impairment test the carrying amount of the respective cash-generating unit including the goodwill is compared against the corresponding recoverable amount of the respective cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss has to be recognised. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the cash-generating unit. The effective date for the impairment test was 1 October 2023.

The goodwill impairment test is complex and based on a number of assumptions requiring judgement. These include the expected business and earnings performance of the cash-generating units for the next ten years, the assumed long-term growth rates and the discount rate applied.

As a result of the impairment tests conducted, the Company did not identify any need for impairment. The result of this measurement is highly dependent on management estimates relating to the future cash flows of the respective cash-generating units, the discount rate used, the growth rate and further assumptions and is thus subject to considerable uncertainty. The Company's sensitivity calculations showed that a potential change of 0.5 percentage points in the discount rate or of 10% in the budgeted earnings would not result in a reduction to the recoverable amount.

There is the risk for the consolidated financial statements that impairment existing as at the reporting date was not identified. There is also a risk that the related disclosures in the notes are not appropriate.

## OUR AUDIT APPROACH

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the key assumptions as well as the Company's valuation model. To this end, we discussed the expected business and earnings development as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with other internally available forecasts and the budget approved by management and acknowledged by the Supervisory Board. We additionally assessed the consistency of the assumptions with external market forecasts.

Furthermore, we investigated the Company's planning accuracy by comparing budgeted figures from earlier financial years with the earnings actually realised and by analysing any deviations. We compared the assumptions and data underlying the discount rate – in particular the risk-free rate, the market risk premium and the beta factor – with our own assumptions and publicly available information.

To assess whether the implementation of the valuation model is methodically and mathematically appropriate, we verified the measurement made by the Company using our own calculations and analysed any deviations.

In order to take account of forecast uncertainty and the earlier reporting date for impairment testing, we examined the impact of possible changes in the discount rate and earnings performance on the recoverable amount by calculating alternative scenarios and comparing them with the sensitivity analyses of the Company. The risk-based focus of our audit procedures was on the Gießen and Marburg University Hospital cash-generating unit.

Finally, we assessed whether the disclosures in the notes regarding recoverability of goodwill are appropriate.

## OUR CONCLUSIONS

The valuation model underlying the impairment test of goodwill is appropriate and consistent with the applicable accounting policies.

The Company's assumptions and data underlying the measurement are appropriate.

The related disclosures in the notes are appropriate.

### Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the separate non-financial report, which is referred to in the group management report, and
- the corporate governance statement, which is referred to in the group management report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

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

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

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

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

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

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

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "RhoenKlinikumAG.zip" (SHA256 hash value: 3ef4f607e3da30ce2c228ba38fb2d1dbc2c2b64f084f07a6a4e71db2ec31bc2b) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on 7 June 2023. We were engaged by the Chairman of the Audit Committee of the Supervisory Board on 20 November 2023. We have been the group auditor of RHÖN-KLINIKUM without interruption since financial year 2021.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

### German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Thorsten Schrum.

Frankfurt am Main, 6 March 2024

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Huber-Straßer	Schrum
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

# Balance sheet and income statement

## BALANCE SHEET

in € million		
	31 Dec. 2023	31 Dec. 2022
<b>ASSETS</b>		
Intangible assets	6.0	7.6
Property, Plant and Equipment	257.9	270.0
Financial assets	624.9	579.8
<b>Fixed assets</b>	<b>888.8</b>	<b>857.4</b>
Inventories	7.0	6.7
Receivables and other assets	160.4	162.0
Securities, cash and cash equivalents	260.2	277.0
<b>Current assets</b>	<b>427.6</b>	<b>445.7</b>
<b>Prepaid expenses</b>	<b>2.1</b>	<b>2.2</b>
<b>Deferred tax assets</b>	<b>6.6</b>	<b>7.0</b>
	<b>1,325.1</b>	<b>1,312.3</b>

in € million		
	31 Dec. 2023	31 Dec. 2022
<b>LIABILITIES</b>		
Subscribed capital/issued capital	167.4	167.4
Capital reserve	589.0	589.0
Retained earnings	201.7	201.0
Net distributable profit	22.3	10.8
<b>Shareholders' equity</b>	<b>980.4</b>	<b>968.2</b>
<b>Contribution to finance fixed assets</b>	<b>14.6</b>	<b>10.2</b>
<b>Provisions</b>	<b>31.7</b>	<b>44.7</b>
<b>Liabilities</b>	<b>297.7</b>	<b>289.2</b>
<b>Deferred income</b>	<b>0.7</b>	<b>0.0</b>
	<b>1,325.1</b>	<b>1,312.3</b>

## INCOME STATEMENT

in € million		
	2023	2022
Revenues	304.6	307.9
Changes in services in progress	0.8	0.0
Other operating income	20.9	12.6
Materials and consumables used	96.6	92.6
Employee benefits expense	158.9	156.9
Depreciation	23.0	23.4
Other operating expenses	38.0	43.0
<b>Operating result</b>	<b>9.8</b>	<b>4.6</b>
Investment result	2.1	2.8
Finance result	13.3	5.3
Taxes	2.9	1.9
<b>Net profit for the year</b>	<b>22.3</b>	<b>10.8</b>
Profit carried forward from previous year	0.0	0.0
<b>Net distributable profit</b>	<b>22.3</b>	<b>10.8</b>

The annual financial statements as at 31 December 2023 and the management report for financial year 2023 of RHÖN-KLINIKUM Aktiengesellschaft, which have been audited and certified by KPMG AG Wirtschaftsprüfungsgesellschaft with an unqualified auditor's report, will be published in the company register.

Should you wish to receive a full copy, please write to the RHÖN-KLINIKUM Aktiengesellschaft.

# *Proposed appropriation of profit*

The Company's Annual Financial Statements for the year ended 31 December 2023, which have been prepared by the Board of Management, approved by the Supervisory Board and thus adopted as final, show a net distributable profit of €22,306,827.01. The Board

of Management and the Supervisory Board propose allocating net distributable profit in the amount of €22,306,827.01 fully to new account.

Bad Neustadt a. d. Saale, 27 March 2024

RHÖN-KLINIKUM Aktiengesellschaft

The Supervisory Board

The Board of Management



# Independent assurance practitioner's report<sup>1</sup>

To the RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale

We have performed a limited assurance engagement on the combined separate non-financial report as well as the by reference qualified part "Basic Characteristics of the RHÖN-KLINIKUM Group" of RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale, (further "Company" or "RHÖN-KLINIKUM"), which consists of the sections of the Corporate-Social- Responsibility- Report (further „combined separate non-financial report") marked with a tick (✓) for the period from January 1 to December 31, 2023.

## Management's Responsibility

The legal representatives of RHÖN-KLINIKUM Aktiengesellschaft are responsible for the preparation of the combined separate non-financial report for the period from January 1 to December 31, 2023 in accordance with §§ 315c in conjunction with 289c to 289e HGB (Handelsgesetzbuch, German Commercial Code) and with Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (further „EU Taxonomy Regulation") and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section "Reporting according to EU taxonomy" of the combined separate non-financial report.

This responsibility of the legal representatives of the company includes the selection and application of appropriate methods to prepare the combined separate non-financial report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the combined separate non-financial report that is free from material misstatements, whether due to fraud (manipulation of the combined separate non-financial report) or error.

The EU Taxonomy Regulation and the supplementing Delegated Acts contain wordings and terms that are still subject to substantial uncertainties regarding their interpretation and for which not all clarifications have been published yet. Therefore, the legal representatives have included a description of their interpretation in Section "Reporting according to EU taxonomy" of the combined separate non-financial report. They are responsible for its tenability. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations is subject to uncertainty.

## Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

## Practitioner's Responsibility

It is our responsibility to express a conclusion on the combined separate non-financial report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by IAASB. Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the combined separate non-financial report of the Company has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section "Reporting according to EU taxonomy" of the combined separate non-financial report.

<sup>1</sup> Our engagement applied to the German version of the combined separate non-financial report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and the respective reporting boundaries for RHÖN-KLINIKUM;
- A risk analysis, including a media research, to identify relevant information on RHÖN-KLINIKUM's sustainability performance in the reporting period;
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combatting corruption and bribery, including data consolidation;
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures;
- Inspection of selected internal and external documents;
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites;
- Assessment of local data collection, validation and reporting processes and the reliability of reported data on selected individual samples;
- Inquiries of responsible group-level personnel to gain an understanding of the procedure for identifying relevant economic activities according to the EU Taxonomy;
- Assessment of the design and implementation of systems, processes and measures for the determination, processing and monitoring of information on sales, capital expenditures and operating expenses for the taxonomy-eligible and -compliant economic activities;
- Inquiries of responsible group-level personnel who are responsible for determining the information on taxonomy-eligible and -compliant economic activities, performing internal control actions and consolidating the information;
- Assessment of the overall presentation of the disclosures.

The legal representatives have to interpret vague legal concepts in order to be able to compile the relevant disclosures according to Article 8 of the EU Taxonomy Regulation. Due to the immanent risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations and, correspondingly, our assurance thereof are subject to uncertainties.

## Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined separate non-financial report of RHÖN-KLINIKUM Aktiengesellschaft for the period from January 1 to December 31, 2023 marked with a tick (√) in the Corporate Social Responsibility Report 2023 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation by the legal representatives disclosed in Section "Reporting according to EU taxonomy" of the combined separate non-financial report.

## Restriction of Use/Clause on General Engagement Terms

This assurance report is solely addressed to RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale, and intended exclusively for them.

Our assignment for RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 ([https://www.kpmg.de/bescheinigungen/lib/aab\\_englisch.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_englisch.pdf)). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Frankfurt am Main, March 6, 2024

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Beyer  
Wirtschaftsprüfer  
[German Public Auditor]

Brandt  
Wirtschaftsprüfer  
[German Public Auditor]

## FINANCIAL CALENDAR

### DATES FOR SHAREHOLDERS AND ANALYSTS 2024

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28 March	Results press conference: publication of 2023 Annual Financial Report
8 May	Publication of interim report for the quarter ending 31 March 2024
5 June	Annual General Meeting
8 August	Publication of half-year financial report as at 30 June 2024
7 November	Publication of interim report for the quarter ending 30 September 2024 – analyst conference

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Published on 28 March 2024

This Annual Report is also available in German.

Annual Report on the internet  
[en.rhoen-klinikum-ag.com/annual-report](http://en.rhoen-klinikum-ag.com/annual-report)

## DISCLAIMER

The information provided in this Report does not constitute an offer or solicitation to buy shares of RHÖN-KLINIKUM AG. All reasonable care has been taken to ensure that the content of this Report was accurate on the date of publication. However, RHÖN-KLINIKUM AG accepts no warranty that all information is complete, accurate and up to date. Any investment in shares of RHÖN-KLINIKUM AG must be made on the basis of the information contained in the Company's prospectus in its authorised form. Although as a general rule we employ the masculine form for better readability when referring to persons, this form covers all persons of the respective group, irrespective of their (social) gender and gender identity.

## RHÖN-KLINIKUM AG

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