

HALF-YEAR FINANCIAL REPORT 2023



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

GROUP INTERIM REPORT

REPORT ON THE FIRST HALF OF 2023

- In the first half of 2023 we treated 446,022 patients in our hospitals and medical care centres, generating revenues of € 728.2 million, EBITDA of € 45.2 million and consolidated profit of € 12.2 million.
- The first half of 2023 continued to be impacted by the geopolitical risks brought about by the war in Ukraine, higher energy and commodity prices as well as inflation.
- Our key figures were negatively impacted by the weeklong labour dispute at Universitätsklinikum Gießen und Marburg early this year, which resulted in massive cuts in outpatient and inpatient care.
- 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 February 2023.

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the period ended 30 June 2023 have been prepared in accordance with the provisions of IAS 34 in condensed form, and applying section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union in financial year 2023.

The accounting policies applied, to the extent already applied in financial year 2022 and consistently applied in financial year 2023, are set out in detail in the Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 31 December 2022. No new or amended Standards and Interpretations exceeding such

scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union are explained in the Condensed Notes to this Interim Report. These will have the effects as stated in the Condensed Notes on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

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

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

CORPORATE GOVERNANCE

At the virtual 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 (Aktiengesetz, AktG), the appointment of the statutory auditor for financial year 2023 as well as various amendments to the Articles of Association. The amendments to the Articles of Association relate in particular to the streamlining of the Articles of Association in various respects, in particular with regard to provisions on the composition and term of office of the members of the Board of Management, the official duties of the Supervisory Board and modalities of Supervisory Board meetings as well as provisions on the convening and holding of Annual General Meetings. Furthermore, in the revised Articles of Association a number of supplemented provisions and powers were approved. These include the provision that the Supervisory Board members as a general rule must attend the Annual General Meeting in person unless they are prevented from doing so for personal reasons. In the event of a Virtual Annual General Meeting, the participation of Supervisory Board members may also take place via video and audio transmission if no personal reasons preventing this exist. Moreover, the shareholders approved the amendment of the Articles of Association with regard to the authorisation of the Board of Management to convene virtual Annual General Meetings which take place within five years from the provision of the Articles of Association being filed to the commercial register.

The composition of the Board of Management and the Supervisory Board has not changed since 31 December 2022.

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

During the first six months of financial year 2023, RHÖN-KLINIKUM AG received no notifications pursuant to section 33 et seq. WpHG and no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article

19 of the Market Abuse Regulation (EU) No 596/2014.

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 of the AktG jointly issued by the Board of Management and the Supervisory Board were updated and published on our website in financial year 2023 and 2022. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2022.

The White Paper Agreement Plus (Zukunftsvereinbarung 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% of the shares in RHÖN-KLINIKUM AG or more than 50% of the shares in Asklepios Kliniken GmbH & Co. KGaA or its personally liable shareholder is acquired by another natural or legal person. With regard to further contracts providing for a change-of-control clause, we refer to our statements in the Management Report of the Consolidated Financial Statements of financial year 2022.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

The mood in the German economy has become significantly more bleak. After hitting 91.5 points in May 2023, the ifo business

climate index fell to 88.5 points in June 2023. A considerable level of uncertainty continues to hang over the German economy. Whereas the external economic environment is proving weak, the first domestic indicators of economic stabilisation are emerging. The factors still having a dampening effect on domestic economic activity are the losses in purchasing power resulting from high, albeit declining, inflation which is hampering private consumption. Economic performance is proving very sluggish.

The geopolitical developments culminated in a disruption in supply chains and an accompanying general rise in price levels. Whereas the Group subsidiaries of RHÖN-KLINIKUM AG were for the most part able to offset direct price increases in the area of energy thanks to delivery quantities contracted in the past, price increases with our suppliers put a greater burden on the result.

In the view of the Board of Management of RHÖN-KLINIKUM AG, the discord between the statutory reimbursement mechanisms in the hospital area on the one hand and the inflationary price trend on the other will end up having a considerable impact on the German healthcare industry. Many hospitals will be exposed to uncontrollable risks from the huge cost pressures in the area of energy, medical goods and services, and in the wake of the planned hospital reform.

By introducing a gas and electricity price brake in the middle of December 2022, the German Federal Parliament (Bundestag) adopted relief payments for hospitals from financial year 2023. Given the steep hike in energy prices and hospitals' heavy reliance on natural gas, a total of € 6 billion – of which € 1.5 billion for indirect increases in energy costs as a lump sum payment based on hospital beds and € 4.5 billion in the form of individual hospital relief for direct increases in energy prices – has been earmarked

for the period from 1 October 2022 to 30 April 2024. On 23 June 2023, the German Federal Parliament (Bundestag) approved the Act Amending the Gas and Heat Price Brake Act (Gesetz zur Änderung des Erdgas-Wärme-Preisbremsengesetzes (EWPBG)) and the Electricity Price Brake Act (Gesetz zur Änderung des Strompreisbremsengesetzes (StromPBG)). Under these amendments, the funds in the amount of € 6 billion to provide relief for energy price increases for hospitals thus remain unchanged. Nonetheless, a reallocation was made. Since it is emerging 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. On 7 July 2023 the Federal Council (Bundesrat) gave its approval to the Amending Act. The law came into force on 3 August 2023.

On 10 July 2023, the Federal Government and the States reached agreement on the key points of a hospital reform. The results are being incorporated in the draft bill to be prepared during the summer recess of parliament. The act is to enter into force from 1 January 2024. The Key Issues Paper provides for reforming the system of purely volume-based DRG remuneration and introducing a remuneration component for the services of somatic hospitals for keeping capacities available that is largely independent of the services rendered. Under this scheme, the existing case flat rates (DRGs) are to be lowered. The level of financing capacity availability is linked to service groups which are assigned to the individual hospitals by the Federal States and which require compliance with uniformly defined quality criteria.

We will be able to gauge the specific effects of the reform on our hospitals at the earliest when the ministerial draft announced for September is issued, and in particular when

further details on the planned allocations of service groups and on the terms of financing capacity availability become known. Nonetheless, we believe the position of our hospitals makes us well prepared for the impending reform.

BUSINESS PERFORMANCE OF THE FIRST HALF

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. At the end of February 2023, the White Paper Agreement Plus was signed. After RHÖN-KLINIKUM AG already in the past had invested over € 750 million in the Giessen and Marburg university hospitals from own funds, the next ten years will now see further amounts totalling nearly € 850 million invested in healthcare delivery, research and teaching. Federal state funding totalling roughly € 529 million coupled with the investment of roughly € 319 million from own funds will enable the two hospitals to keep pace with medical, technical and structural developments.

After tough negotiations, UKGM and the trade union Verdi on 14 April 2023 agreed on the offer made by the university hospital for a key issues paper on the conclusion of a “job protection and relief collective agreement for UKGM and UKGM Service GmbH”. The key issues paper is a very comprehensive and broad offer for job protection and relief at both university hospitals in Giessen and Marburg. By 30 September 2023, the ongoing negotiations on the final text are to culminate in the new collective agreement that is to apply with retroactive effect to 1 April 2023. The agreement was preceded by a two-week strike of non-medical staff which from the end of March to mid-April led to massive restrictions in patient care coupled with the closure of hospital wards and the postponement of elective procedures.

Overall statement on economic position

January to June	2023	2022	Change	
	€ m	€ m	€ m	%
Revenues	728.2	711.2	17.0	2.4
EBITDA	45.2	52.8	-7.6	-14.4
EBIT	12.4	18.1	-5.7	-31.5
EBT	13.9	15.7	-1.8	-11.5
Consolidated result	12.2	12.8	-0.6	-4.7

With revenues up by € 17.0 million, we record a decline in EBITDA by € 7.6 million to € 45.2 million, a decline in EBIT by € 5.7 million to € 12.4 million, as well as a decline in consolidated profit by € 0.6 million to € 12.2 million in the first half of 2023 compared with the same period last year.

Our key figures are significantly influenced among other things by the increase in the cost of materials and the strike of non-medical staff at the Giessen and Marburg sites, coupled with significant economic losses.

Furthermore, the first half of financial year 2023 suffered the impacts of the geopolitical risks brought about by the war in Ukraine, higher procurement prices, supply chain problems and inflation.

Trend in service volumes

Our acute inpatient capacities are nearly unchanged at 5,450 beds (31 December 2022: 5,445 beds).

As at 30 June 2023, we operate nine medical care centres with a total of 61.25 specialist physician’s practices (31 December 2022: 61.75).

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

January to June	2023	2022	Change	
			absolute	%
Inpatient and semi-inpatient treatments,				
acute hospitals	94,526	94,814	-288	-0.3
rehabilitation hospitals and other facilities	2,631	2,380	251	10.5
	97,157	97,194	-37	0.0
Outpatient attendances at our				
acute hospitals	239,734	225,055	14,679	6.5
medical care centres	109,131	105,095	4,036	3.8
	348,865	330,150	18,715	5.7
Total	446,022	427,344	18,678	4.4

Results of operations

Consolidated performance figures developed as shown below:

January to June	2023	2022	Change	
	€ m	€ m	€ m	%
Income				
Revenues	728.2	711.2	17.0	2.4
Other income	119.4	106.5	12.9	12.1
Total	847.6	817.7	29.9	3.7
Expenditure				
Materials and consumables used	237.0	214.0	23.0	10.7
Employee benefits expense	481.7	473.3	8.4	1.8
Other expenses	83.1	77.5	5.6	7.2
Result from value impairment on financial assets	0.6	0.1	0.5	N.A.
Total	802.4	764.9	37.5	4.9
EBITDA	45.2	52.8	-7.6	-14.4
Depreciation/amortisation and impairment	32.8	34.7	-1.9	-5.5
EBIT	12.4	18.1	-5.7	-31.5
Finance result	1.5	-2.4	3.9	N.A.
EBT	13.9	15.7	-1.8	-11.5
Income taxes	1.7	2.9	-1.2	-41.4
Consolidated result	12.2	12.8	-0.6	-4.7

Despite discontinued reimbursements by the German legislator in connection with COVID-19 legislation and despite the strike at the Giessen and Marburg sites, revenues of the first six months of financial year 2023 rose by € 17.0 million or 2.4% among other things thanks to the increase in the state base rates to € 728.2 million. During the same period of the previous year, this item still included € 43.0 million in income in connection with COVID-19 legislation, which mainly related to income from relief payments for bed capacities kept available and care surcharges for extraordinary charges resulting from the Corona virus.

The rise in other income by € 12.9 million or 12.1% is attributable among other things to higher income from ancillary and incidental activities (€ 7.4 million) – resulting, among other things, from higher sales of drugs and cytostatics –, to first-time reimbursements by the legislator from the Health Fund (Gesundheitsfonds) to compensate for higher energy costs (€ 5.3 million), as well as to

reversals of liabilities from previous years recognised in the income statement (€ 5.0 million). During the same period of the previous year, this item included € 3.7 million in income in connection with COVID-19 legislation which was no longer received from financial year 2023, as well as reversals of liabilities from previous years totalling € 1.6 million recognised in the income statement.

January to June	2023	2022
	%	%
Materials ratio	32.5	30.1
Personnel ratio	66.2	66.6
Other cost ratio	11.4	10.9
Depreciation and amortisation ratio	4.5	4.9
Finance result ratio	0.2	-0.3
Effective tax ratio	0.2	0.4

Compared with the same period last year, materials and consumables used witnessed a rise in the first six months of 2023, disproportionate to the rise in revenues, by € 23.0 million or 10.7% due to higher purchasing prices. The cost-of-materials ratio climbed from 30.1% to 32.5%.

As the number of employees declined, the employee benefits expense rose compared with the same period of the previous year by € 8.4 million or 1.8% attributable to general wage increases. The personnel expense ratio declined from 66.6% to 66.2%.

Other expenses saw an increase from € 77.5 million by € 5.6 million to € 83.1 million. The increase is mainly attributable to expenditures for maintenance and servicing requirements.

Compared with the same period last year, depreciation and impairment declined by € 1.9 million or 5.5%.

Thanks to a generally positive development of interest rates, the finance result improved from -€ 2.4 million by € 3.9 million to € 1.5 million.

At an unchanged tax rate, the tax expense item saw a decrease compared with the same period last year by € 1.2 million due to a lower tax assessment basis.

Compared with the first six months of financial year 2022, our consolidated profit declined from € 12.8 million by € 0.6 million to € 12.2 million.

Net assets and financial position

	30 June 2023		31 Dec. 2022	
	€ m	%	€ m	%
ASSETS				
Non-current assets	999.7	57.6	1,016.3	59.6
Current assets	735.9	42.4	688.6	40.4
	1,735.6	100.0	1,704.9	100.0
LIABILITIES				
Equity	1,253.4	72.2	1,251.4	73.4
Long-term loan capital	157.5	9.1	162.4	9.5
Short-term loan capital	324.7	18.7	291.1	17.1
	1,735.6	100.0	1,704.9	100.0

The balance sheet total increased compared with the balance sheet date of 31 December 2022 by € 30.7 million or 1.8% to € 1,735.6 million.

The equity capital ratio saw a slight decline compared with the last reporting date, from 73.4% to 72.2%, and remains at a very high level.

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

Equity	2023			2022
	Shareholders	Non-controlling interests	Total	Total
	€ m	€ m	€ m	€ m
As at 1 January	1,223.8	27.6	1,251.4	1,224.8
Equity transactions with owners	-10.0	-	-10.0	-
Total comprehensive income of the period	11.8	0.2	12.0	13.7
Other changes	-	-	-	-
As at 30 June	1,225.6	27.8	1,253.4	1,238.5

A dividend distribution amounting to € 10.0 million was adopted at the Annual General Meeting in June 2023 and then paid out on time.

141.1% (31 December 2022: 139.1%) of non-current assets is nominally covered by equity and non-current liabilities at matching maturities.

As at 30 June 2023, we report net liquidity of € 112.9 million (31 December 2022: € 138.1 million). Our net liquidity is calculated as follows:

	30 June 2023	31 Dec. 2022
	€ m	€ m
Current cash	76.3	77.3
Current fixed term deposits	196.0	219.0
Non-current fixed term deposits	0.0	0.0
Cash, fixed term deposits	272.3	296.3
Current financial liabilities	9.4	8.0
Non-current financial liabilities	141.7	141.7
Liabilities under leases	8.3	8.5
Financial liabilities	159.4	158.2
Net liquidity	112.9	138.1

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

January to June	2023	2022
	€ m	€ m
Cash generated from operating activities	0.8	24.0
Cash generated from/cash used in investing activities	9.9	-49.1
Cash used in financing activities	-11.7	-1.8
Change in cash and cash equivalents	-1.0	-26.9
Cash and cash equivalents at 1 January	77.3	126.3
Cash and cash equivalents at 30 June	76.3	99.4

Compared with the balance sheet date of 31 December 2022, cash and cash equivalents decreased in the first six months of 2023 by € 1.0 million. This includes an operating cash flow generated in the amount of € 0.8 million (previous year: € 24.0 million). In addition to the decline in operating cash flow by € 23.2 million, we report a € 59.0 million increase in cash generated from investing activities as well as a € 9.9 million increase in cash used in financing activity, in each case compared with the previous year.

Investments

Aggregate investments in intangible assets as well as property, plant and equipment of € 22.8 million (previous year: € 25.6 million) in the first six months of financial year 2023 are shown in the following table:

	Use of		Total € m
	Gov't grants € m	Own funds € m	
Current investments	6.2	16.6	22.8
Takeovers	-	-	-
Total	6.2	16.6	22.8

Of these investments made in the first six months of 2023, € 6.2 million (previous year: € 8.7 million) was attributable to investments funded from grants under hospital financing legislation and deducted from total investments pursuant to the relevant provisions of IFRS.

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals from 2017 provided for further commitments for building refurbishment and extension measures at the Giessen and Marburg sites which were initially due to be completed by 31 December 2024. With the White Paper Agreement Plus (Zukunftsvereinbarung Plus) 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 Agreement 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 € 259.0 million as of 1 January 2023.

What is equally 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.

Employees

Employees	30 June 2023	31 Dec. 2022	Change	
			absolute	%
Hospitals	15,922	16,015	-93	-0.6
Medical care centres	320	329	-9	-2.7
Service companies	1,820	1,796	24	1.3
Total	18,062	18,140	-78	-0.4

On 30 June 2023, the Group of RHÖN-KLINIKUM AG employed 18,062 persons (31 December 2022: 18,140).

BUSINESS PERFORMANCE OF THE SECOND QUARTER

April through June	2023		2022	
	€ m	€ m	€ m	%
Revenues	366.7	363.9	2.8	0.8
EBITDA	22.6	32.9	-10.3	-31.3
EBIT	6.1	15.6	-9.5	-60.9
EBT	7.1	14.0	-6.9	-49.3
Consolidated result	5.8	11.4	-5.6	-49.1

With revenues up by € 2.8 million, we record a decline in EBITDA by € 10.3 million to € 22.6 million, a decline in EBIT by € 9.5 million to € 6.1 million, as well as a decline in consolidated profit by € 5.6 million to € 5.8 million in the second quarter of 2023 compared with the same period last year. The decline is attributable in particular to the

weekslong strike at the Giessen and Marburg sites, which led to massive cuts in patient care, especially in the inpatient area, and thus to economic losses. Whereas the number of patients treated on an inpatient and semi-inpatient basis declined by 2,741 patients or 5.6% in the second quarter of 2023, outpatient cases rose by 7,551 patients or 4.6%.

RISKS AND OPPORTUNITIES

The risk management system in place as well as the individual Company risks and opportunities are described in the Annual Report 2022 on pages 71 to 77. The statements there essentially continue to apply unchanged.

We see a tremendous 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 (Key Issues Paper of 10 July 2023), existing structures are expected to be changed and a fresh look taken at existing processes and solutions. With our campus approach, the continuation of ambulantisiation 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.

Bad Neustadt a. d. Saale, 9 August 2023

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Tobias Kaltenbach

Dr. Stefan Stranz

Dr. Gunther K. Weiß

Given the geopolitical risks brought about by the war in Ukraine, we continue to see financial risks arising from the general trend in price levels as seen e.g. in higher energy, commodity and material costs, inflation as well as persistent supply chain problems. Many hospitals will have to close down due to the huge cost pressures. It remains to be seen whether this will in any way be changed by the adoption of the new allowances to be received following the introduction of the gas and electricity price brake. The inpatient treatment of COVID-19 patients has become part of regular clinical operations.

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

FORECAST

For the current financial year 2023, we continue to expect revenues of € 1.5 billion within a range of plus or minus 5%. For earnings before interest, tax and depreciation/amortisation (EBITDA), we continue to expect a level of between € 103 million and € 109 million.

We point out that our outlook is further subject to considerable uncertainties in connection with the geopolitical risks brought about by the war in Ukraine and any regulatory measures impacting our remuneration structure in 2023.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

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Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January to June 2023

January to June	2023		2022	
	€ '000	%	€ '000	%
Revenues	728,162	100.0	711,192	100.0
Other income	119,484	16.4	106,438	15.0
	847,646	116.4	817,630	115.0
Materials and consumables used	237,073	32.5	213,975	30.1
Employee benefits expense	481,690	66.2	473,274	66.6
Other expenses	83,103	11.4	77,550	10.9
Result of impairment on financial assets	628	0.1	64	0.0
	802,494	110.2	764,863	107.6
Interim result (EBITDA)	45,152	6.2	52,767	7.4
Depreciation/amortisation and impairment	32,800	4.5	34,639	4.9
Operating result (EBIT)	12,352	1.7	18,128	2.5
Result of investments accounted for using the equity method	49	0.0	43	0.0
Finance income	3,562	0.5	170	0.0
Finance expenses	-2,008	-0.3	-2,274	-0.3
Result of impairment on financial investments	-30	0.0	-319	0.0
Finance result (net)	1,573	0.2	-2,380	-0.3
Earnings before taxes (EBT)	13,925	1.9	15,748	2.2
Income taxes	1,719	0.2	2,969	0.4
Consolidated result	12,206	1.7	12,779	1.8
of which				
non-controlling interests	216	0.1	1,263	0.2
shareholders of RHÖN-KLINIKUM AG	11,990	1.6	11,516	1.6
Earnings per share in €				
undiluted	0.18		0.17	
diluted	0.18		0.17	

January to June	2023	2022
	€ '000	€ '000
Consolidated result	12,206	12,779
of which		
non-controlling interests	216	1,263
shareholders of RHÖN-KLINIKUM AG	11,990	11,516
Changes in fair value through other comprehensive income (FVOCI)	-228	1,036
Income taxes	36	-164
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	-192	872
Revaluation of defined benefit pension plans	4	48
Income taxes	-1	- 8
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	3	40
Other comprehensive income ¹	-189	912
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	-189	912
Total comprehensive income	12,017	13,691
of which		
non-controlling interests	216	1,263
shareholders of RHÖN-KLINIKUM AG	11,801	12,428

¹ Sum of value changes recognised at equity.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, April to June 2023

April through June	2023		2022	
	€ '000	%	€ '000	%
Revenues	366,662	100.0	363,903	100.0
Other income	57,845	15.8	55,973	15.4
	424,507	115.8	419,876	115.4
Materials and consumables used	117,134	31.9	106,477	29.2
Employee benefits expense	242,639	66.2	240,801	66.2
Other expenses	41,795	11.4	39,681	10.9
Result of impairment on financial assets (previous year: value increase)	315	0.1	-26	0.0
	401,883	109.6	386,933	106.3
Interim result (EBITDA)	22,624	6.2	32,943	9.1
Depreciation/amortisation and impairment	16,491	4.5	17,349	4.8
Operating result (EBIT)	6,133	1.7	15,594	4.3
Result of investments accounted for using the equity method	18	0.0	33	0.0
Finance income	2,136	0.5	110	0.0
Finance expenses	-1,175	-0.3	-1,501	-0.4
Result of value increase of financial investments (previous year: impairment)	10	0.0	-238	-0.1
Finance result (net)	989	0.2	-1,596	-0.5
Earnings before taxes (EBT)	7,122	1.9	13,998	3.8
Income taxes	1,318	0.3	2,554	0.7
Consolidated result	5,804	1.6	11,444	3.1
of which				
non-controlling interests	73	0.0	928	0.3
shareholders of RHÖN-KLINIKUM AG	5,731	1.6	10,516	2.8
Earnings per share in €				
undiluted	0.09		0.16	
diluted	0.09		0.16	

April through June	2023		2022	
	€ '000		€ '000	
Consolidated result	5,804		11,444	
of which				
non-controlling interests	73		928	
shareholders of RHÖN-KLINIKUM AG	5,731		10,516	
Changes in fair value through other comprehensive income (FVOCI)	19		816	
Income taxes	-3		-129	
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	16		687	
Revaluation of defined benefit pension plans	3		37	
Income taxes	-1		-6	
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	2		31	
Other comprehensive income¹	18		718	
of which				
non-controlling interests	-		-	
shareholders of RHÖN-KLINIKUM AG	18		718	
Total comprehensive income	5,822		12,162	
of which				
non-controlling interests	73		928	
shareholders of RHÖN-KLINIKUM AG	5,749		11,234	

¹ Sum of value changes recognised at equity.

Consolidated Balance Sheet as at 30 June 2023

	30 June 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	177,500	10.2	179,319	10.5
Property, Plant and Equipment	807,637	46.5	822,495	48.3
Investment property	0	0.0	316	0.0
Investments accounted for using the equity method	562	0.0	513	0.0
Deferred tax assets	844	0.1	358	0.0
Other financial assets	13,107	0.8	13,335	0.8
	999,650	57.6	1,016,336	59.6
Current assets				
Inventories	34,869	2.0	33,318	2.0
Trade receivables	256,324	14.7	228,602	13.4
Other financial assets	341,102	19.7	332,685	19.5
Other assets	22,693	1.3	12,514	0.7
Current income tax assets	4,670	0.3	4,155	0.2
Cash and cash equivalents	76,269	4.4	77,334	4.6
	735,927	42.4	688,608	40.4
	1,735,577	100.0	1,704,944	100.0

	30 June 2023		31 Dec. 2022	
	€ '000	%	€ '000	%
EQUITY AND LIABILITIES				
Equity				
Issued share capital	167,406	9.6	167,406	9.8
Capital reserve	574,168	33.1	574,168	33.7
Other reserves	484,064	27.9	482,304	28.3
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,225,562	70.6	1,223,802	71.8
Non-controlling interests in equity	27,847	1.6	27,631	1.6
	1,253,409	72.2	1,251,433	73.4
Non-current liabilities				
Financial liabilities	141,725	8.2	141,675	8.3
Provisions for post-employment benefits	657	0.0	519	0.0
Other financial liabilities	15,067	0.9	20,234	1.2
	157,449	9.1	162,428	9.5
Current liabilities				
Financial liabilities	9,373	0.5	7,966	0.5
Trade payables	60,036	3.5	69,986	4.1
Current income tax liabilities	8,385	0.5	11,205	0.6
Other provisions	33,879	2.0	33,964	2.0
Other financial liabilities	10,933	0.6	11,576	0.7
Other liabilities	202,113	11.6	156,386	9.2
	324,719	18.7	291,083	17.1
	1,735,577	100.0	1,704,944	100.0

Consolidated Statement of Changes in Equity, January to June 2023

	Issued share capital	Capital reserve	Retained earnings	Treasury shares	Equity attributable to shareholders- of RHÖN-	Non- controlling interests in equity ¹	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
As at 31 Dec. 2021/1 Jan. 2022	167,406	574,168	456,821	-76	1,198,319	26,460	1,224,779
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-	-
Consolidated result	-	-	11,516	-	11,516	1,263	12,779
Other comprehensive income	-	-	912	-	912	-	912
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2022	167,406	574,168	469,249	-76	1,210,747	27,723	1,238,470
As at 31 Dec. 2022/1 Jan. 2023	167,406	574,168	482,304	-76	1,223,802	27,631	1,251,433
Equity transactions with owners							
Dividend payments	-	-	-10,041	-	-10,041	-	-10,041
Consolidated result	-	-	11,990	-	11,990	216	12,206
Other comprehensive income	-	-	-189	-	-189	-	-189
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2023	167,406	574,168	484,064	-76	1,225,562	27,847	1,253,409

¹ Including other comprehensive income (OCI).

Consolidated Statement of Cash Flows, January to June 2023

January to June	2023	2022
	€ m	€ m
Earnings before taxes	13.9	15.7
Finance result (net)	-1.6	2.4
Depreciation/amortisation and impairment and gains/losses on disposal of assets	32.8	34.7
	45.1	52.8
Change in net current assets		
Change in inventories	-1.6	0.5
Change in trade receivables	-27.7	-19.7
Change in other financial assets and other assets	-41.6	-21.1
Change in trade payables	-7.6	-9.9
Change in other net liabilities/ other non-cash transactions	40.1	26.6
Change in provisions	0.1	1.6
Income taxes paid	-5.5	-5.6
Interest paid	-0.5	-1.2
Cash generated from operating activities	0.8	24.0
Investments in property, plant and equipment and in intangible assets	-23.2	-27.4
Government grants received and used to finance investments in property, plant and equipment and in intangible assets	6.2	8.7
Change in investments in fixed term deposits	23.0	-35.0
Investments in financial assets	-	4.5
Company acquisitions,	-	-0.2
Sale proceeds from disposal of assets	0.3	0.2
Interest received	3.6	0.1
Cash generated from/cash used in investing activities	9.9	-49.1
Payments from finance leases	-1.7	-1.8
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-10.0	-
Cash used in financing activities	-11.7	-1.8
Change in cash and cash equivalents	-1.0	-26.9
Cash and cash equivalents at 1 January	77.3	126.3
Cash and cash equivalents at 30 June	76.3	99.4

Condensed Notes

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. Furthermore, the RHÖN-KLINIKUM Group is included in the subgroup financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, Federal Republic of Germany.

The Interim Consolidated Financial Statements will be published on 10 August 2023 on the website of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 June 2023 have been prepared in accordance with the rules of IAS 34 in condensed form applying Section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 were observed in the preparation of this Group Interim Report of the Management.

The same accounting policies as already adopted by the European Union were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2022.

With regard to new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union, we refer to the statements made in the Consolidated Financial Statements as at 31 December 2022. In the first six months of 2023 there were no new or amended Standards and Interpretations exceeding such scope to be applied as of 1 January 2023 or subsequent years and already adopted by the European Union.

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

CONSOLIDATED COMPANIES

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

	31 Dec. 2022	Additions	Disposals	30 June 2023
Fully consolidated subsidiaries	30	-	-	30
Companies consolidated using the equity method	1	-	-	1
Other subsidiaries	7	-	-	7
Consolidated companies	38	-	-	38

Company acquisitions

In the first half of financial year 2023, 0.5 doctor's practices were transferred from the Physicians Association (Kassenärztliche Vereinigung) to the MVZ subsidiary at the Bad Neustadt site without consideration. Two 0.5 doctor's practices at the Bad Berka site were returned to the Physicians Association.

In financial year 2023, one further clinical doctor's practice was acquired whose conditions of validity as per agreement will be satisfied only in the second half of 2023.

Purchase of doctor's practices valid as at 1 July 2023	Fair value post acquisition € m
Acquired assets and liabilities	
Property, Plant and Equipment	0.1
Other liabilities	0.0
Net assets acquired	0.1
+ goodwill	0.1
Cost	0.2
./. purchase price payments outstanding	-0.2
./. acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.0

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

Revenues

January to June	2023 € m	2022 € m
Fields		
Acute hospitals	700.1	684.0
Medical care centres	12.3	12.3
Rehabilitation hospitals	15.8	14.9
	728.2	711.2
Federal states		
Bavaria	148.8	147.4
Thuringia	100.7	94.8
Brandenburg	92.5	83.9
Hesse	386.2	385.1
	728.2	711.2

According to IFRS 15, revenues constitute revenues generated from the provision of services. Despite the strike at Universitätsklinikum Gießen und Marburg from the end of March to mid-April, revenues were raised by € 17.0 million or 2.4% thanks among other things to the increase in the state base rates. The revenues of the first six months of financial year 2022 include € 43.0 million of income in connection with COVID-19 legislation, which essentially related to income from relief payments for bed capacities kept available and care surcharges for extraordinary charges resulting from the Corona virus. This was countered in the same period of the previous year by the opposite effects of revenue relief obligations in connection with the full-year revenue relief for COVID-19.

Other income

January to June	2023 € m	2022 € m
Income from services rendered	100.5	92.5
Income from grants and other allowances	8.9	7.0
Income from indemnification payments/Other reimbursements	0.9	1.0
Other	9.1	6.0
	119.4	106.5

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

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

The rise in other income by € 12.9 million or 12.1% is particularly attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics. Furthermore, during the first six months of 2023 income from grants and other allowances include lump-sum allowances of the legislator in connection with compensation for higher energy expenditures paid out of the Health Fund in the amount of € 5.3 million (previous year: € 0.0 million). Also during the first half of 2023, liabilities from previous years an amount of € 5.0 million (previous year: € 1.6 million) were reversed with recognition in the income statement. During the same period of the previous year, income of € 3.7 million was recognised in connection with COVID-19 legislation.

Materials and consumables used

Compared with the same period last year, materials and consumables used witnessed a rise in the first six months of 2023, disproportionate to the rise in revenues, by € 23.0 million due to higher purchasing prices. The cost-of-materials ratio climbed from 30.1% to 32.5%.

Employee benefits expense

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

Other expenses

January to June	2023 € m	2022 € m
Maintenance	33.6	28.5
Charges, subscriptions and consulting fees	23.9	24.4
Insurance	6.5	5.9
Administrative and IT costs	5.1	4.9
Other personnel and continuing training costs	4.2	3.4
Rents and leaseholds	2.3	2.0
Travelling, entertaining and representation expenses	1.2	0.7
Secondary taxes	0.1	0.1
Other	6.2	7.6
	83.1	77.5

Result from impairment on financial assets

The result from the impairment on financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets.

Depreciation and impairment

The depreciation and impairment item declined compared with the first half of the previous year by € 1.9 million or 5.5% to € 32.8 million.

Finance result (net)

Thanks to a generally positive development of interest rates, the finance result improved from - € 2.4 million by € 3.9 million to € 1.5 million.

Income taxes

January to June	2023 € m	2022 € m
Current income tax	2.1	3.2
Deferred taxes	-0.4	-0.3
	1.7	2.9

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

SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Goodwill and other intangible assets

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2023	165.5	61.8	227.3
Additions due to changes in consolidated companies	0.0	0.0	0.0
Additions	0.0	0.9	0.9
Disposals	0.0	0.4	0.4
Transfers	0.0	-0.5	-0.5
30 June 2023	165.5	61.8	227.3
Cumulative depreciation and impairment			
1 January 2023	0.0	47.9	47.9
Depreciation	0.0	2.3	2.3
Disposals	0.0	0.4	0.4
Transfers	0.0	0.0	0.0
30 June 2023	0.0	49.8	49.8
Balance sheet value as at 30 June 2023	165.5	12.0	177.5

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

Property, plant and equipment

	Land and buildings € m	Technical plant and equipment € m	Operating and business equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2023	1,234.2	61.6	387.8	70.4	1,754.0
Additions due to changes in consolidated	0.0	0.0	0.0	0.0	0.0
Additions	1.3	0.1	6.6	7.7	15.7
Disposals	0.2	0.0	8.0	0.0	8.2
Transfers	30.1	-0.6	2.6	-26.6	5.5
30 June 2023	1,265.4	61.1	389.0	51.5	1,767.0
Cumulative depreciation and impairment					
1 January 2023	569.2	48.3	314.0	0.0	931.5
Depreciation	16.4	1.3	12.5	0.0	30.2
Disposals	0.1	0.0	7.2	0.0	7.3
Transfers	5.0	-0.4	0.4	0.0	5.0
30 June 2023	590.5	49.2	319.7	0.0	959.4
Balance sheet value as at 30 June 2023	674.9	11.9	69.3	51.5	807.6

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

In the first half of 2023, no borrowing costs (previous year: € 0.6 million) were incurred which were related to financing the acquisition or production of qualifying assets and are recognised in additions to property, plant and equipment. Furthermore, the additions include recognised rights of use pursuant to IFRS 16 in the amount of € 2.0 million (previous year: € 1.0 million) as well as depreciations on recognised rights of use in the amount of € 1.6 million (previous year: € 1.7 million). Moreover, there was a disposal of rights of use amounting to € 0.5 million (previous year: € 0.2 million). Rights of use account for € 8.1 million (previous year: € 9.1 million) of the balance sheet value as at 30 June 2023.

In future, the building hitherto reported under investment property will be used as a residence for employees. With this change in use, the carrying amounts were reclassified as property, plant and equipment.

Other financial assets (non-current)

Equity interests in the amount of € 13.1 million (31 December 2022: € 13.3 million) are reported under this item. The equity investments are the interests in the companies Inovytec Medical Solutions Ltd., Hod Hasharon (Israel), Telesofia Medical Ltd., Tel Aviv (Israel) as well as CLEW Medical Inc., Delaware (USA). The slight decline in the investment is the result of adjustments in the market value with the Israeli interests.

Other financial assets (current)

Fixed deposit investments were made in the amount of € 196.0 million (31 December 2022: € 219.0 million) with a remaining term of < 1 year. In addition, receivables according to the Hospital Remuneration Act (Krankenhausentgeltgesetz, KHEntgG) are reported under this item in the amount of € 136.8 million (31 December 2022: € 105.1 million).

Equity

The increase in equity capital compared with the reporting date of 31 December 2022 by € 2.0 million results from consolidated profit for the first half of 2023 (€ 12.2 million) and from losses recognised under other comprehensive income (OCI) (€ 0.2 million). Other comprehensive income (OCI) is attributable to losses from the change in the fair value of investments (€ 0.2 million) which according to IFRS 9 are assigned to the category of fair value through other comprehensive income (FVOCI). Moreover, a dividend distribution amounting to € 10.0 million was adopted at the Annual General Meeting in June and then paid out on time.

Financial liabilities

The nominal value of financial liabilities is unchanged as at the financial year ending 31 December 2022. A syndicated line of credit with a nominal value of € 88.0 million, a promissory note with a nominal value of € 90.0 million as well as a registered bond with a nominal value of € 60.0 million still exist. In the first half of 2023, the syndicated line of credit was not utilised.

Lease liabilities

Lease liabilities in an amount of € 5.3 million (31 December 2022: € 5.6 million) are reported under non-current other financial liabilities, and lease liabilities in an amount of € 2.9 million (31 December 2022: € 2.9 million) are recognised under current other financial liabilities.

Other liabilities (current)

This item is essentially accounted for by personnel liabilities including accruals and deferrals (€ 89.4 million; 31 December 2022: € 82.9 million), and by liabilities under hospital financing legislation as well as investment grants under the Future Agreement Plus (€ 80.9 million; 31 December 2022: € 48.8 million).

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

Additional disclosures regarding financial instruments

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

	Measurement category according to IFRS 9	30 June 2023		of which		31 Dec. 2022		of which	
		Financial Instruments		Financial Instruments		Financial Instruments		Financial Instruments	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
		€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
ASSETS									
Non-current assets									
Other financial assets		13.1	13.1	13.1	13.3	13.3	13.3		
of which investments	Measured at fair value directly in equity (fair value through other comprehensive income; without recycling)	13.1	13.1	13.1	13.3	13.3	13.3		
Current assets									
Trade receivables and other financial assets	Measured at amortised cost	597.4	597.4	597.4	561.3	561.3	561.3		
Cash and cash equivalents	Measured at amortised cost	76.3	76.3	76.3	77.3	77.3	77.3		
LIABILITIES									
Non-current liabilities									
Financial liabilities	Financial liabilities measured at amortised cost	141.7	141.7	124.4	141.7	141.7	119.6		
Other financial liabilities		15.1	15.1	9.6	20.2	20.2	14.4		
of which other financial liabilities	Financial liabilities measured at amortised cost	9.8	9.8	9.6	14.6	14.6	14.4		
of which liabilities under leases	n. a.	5.3	5.3	-	5.6	5.6	-		
Current liabilities									
Trade payables	Financial liabilities measured at amortised cost	60.0	60.0	60.0	70.0	70.0	70.0		
Financial liabilities	Financial liabilities measured at amortised cost	9.4	9.4	9.3	8.0	8.0	7.8		
Other financial liabilities		10.9	10.9	7.9	11.6	11.6	8.6		
of which other financial liabilities	Financial liabilities measured at amortised cost	8.0	8.0	7.9	8.7	8.7	8.6		
of which liabilities under leases	n. a.	2.9	2.9	-	2.9	2.9	-		
Aggregated according to measurement categories, the above figures are as follows:									
	Financial assets measured at amortised cost		673.7	673.7		638.6	638.6		
	Financial assets measured at fair value directly in equity (fair value through other comprehensive income; without recycling)		13.1	13.1		13.3	13.3		
	Financial assets measured at fair value through profit or loss		0.0	0.0		0.0	0.0		
	Financial liabilities measured at amortised cost		228.9	211.2		243.0	220.4		

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

Investments in the amount of € 13.1 million (31 December 2022: € 13.3 million) are measured at fair value directly in equity (fair value through other comprehensive income, without recycling). These investments relate to start-up equity interests whose market value was calculated based on current equity transactions between market participants in the context of additional financing rounds or applying the DCF method/multiplier method. Moreover, additional immaterial investments amounting to < € 0.0 million (31 December 2022: < € 0.0 million) are measured at fair value (fair value through profit or loss). Changes in the market valuation of investments, which are measured at fair value directly in equity (fair value through other comprehensive income, without recycling), resulted overall in losses (after tax) in the amount of € 0.2 million (previous year: gains of € 0.9 million), which are recognised directly in equity under other comprehensive income (OCI).

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

In the first six months of financial year 2023, adjustments of the impairments on financial assets and financial investments within the meaning of IFRS 9 resulted in a reduction in earnings (after tax) in the total amount of € 0.6 million (previous year: earnings reduction of € 0.3 million).

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

	Level 1	Level 2	Level 3	Total	Total
	€ m	€ m	€ m	30 June 2023 € m	31 Dec. 2022 € m
Other non-current financial assets (investments)	-	3.7	9.4	13.1	13.3
Trade receivables, other current financial assets	-	597.4	-	597.4	561.3
Non-current financial liabilities	-	124.4	-	124.4	119.6
Other non-current financial liabilities (including leasing)	-	14.9	-	14.9	20.0
Current trade liabilities	-	60.0	-	60.0	70.0
Current financial liabilities	-	9.3	-	9.3	7.8
Current other financial liabilities (including leasing)	-	10.8	-	10.8	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.

OTHER DISCLOSURES

Interests held in the Company

During the period of 1 January 2023 up to and including 30 June 2023, we received no notifications from shareholders that their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 33 et seq. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them.

Based on the threshold events notified to us, the following picture pursuant to section 33 et seq. of the WpHG in terms of shareholder structure emerges as at the relevant key date of 30 June 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 et seq. WpHG Attribution pursuant to WpHG/additional information:
Dr. Bernard große Broermann/Eugen Münch; AMR Holding GmbH	23 July 2020/ 24 July 2020	0.0005	93.37	93.38	22 July 2020	>75%	attributed (section 34 WpHG): AMR Holding GmbH

The voting interests may have changed since 30 June 2023. With regard to notifications on changes that took place as of 1 July 2023, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our website in the Investor Relations/Publications/IR News section.

As at 30 June 2023, the Company holds 24,000 treasury shares. This corresponds to 0.04% of the capital stock.

Corporate bodies

The composition of the Board of Management and the Supervisory Board has not changed since 31 December 2022. Moreover, the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 AktG jointly issued by the Board of Management and the Supervisory Board were updated on 29 March 2023 and on 15 December 2022, respectively, and published on our website. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2022.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2022.

The companies belonging to the group of related parties and the business transacted with these companies have changed in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume as well as financial receivables and liabilities compared with the Consolidated Financial Statements as at 31 December 2022. For the group subsidiaries of Asklepios Kliniken GmbH & Co. KGaA, we rendered services in the amount of € 5.8 million (previous year: € 1.1 million). During the same period, we purchased services in the amount of € 3.2 million (previous year: € 4.2 million). Services amounting to € 0.9 million (previous year: € 0.3 million) were rendered by the generally authorised representatives (Prof. Dr. Griewing, Mr. Münch) for the Group of RHÖN-KLINIKUM AG.

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

The contractual remuneration for the members of the Supervisory Board and of the Board of Management has remained unchanged compared with the reporting date of 31 December 2022. No loans were granted to members of the Supervisory Board and the Board of Management.

During the period of 1 January to 30 June 2023, RHÖN-KLINIKUM AG received no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

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

Employees

At the reporting date of 30 June 2023 the Group employed a total of 18,062 persons (31 December 2022: 18,140 persons).

Other financial obligations

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group’s university hospitals from 2017 provided for further commitments for building refurbishment and extension measures at the Giessen and Marburg sites which were initially due to be completed by 31 December 2024. With the White Paper Agreement Plus (Zukunftsvereinbarung Plus) 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 Agreement Plus (Zukunftsvereinbarung 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 provides for the granting of investment funds in the amount of € 529 million for UKGM and further investment obligations to be financed from own funds over the next ten years in the amount of € 259 million as of 1 January 2023. At the same time, the agreement provides for numerous provisions on further matters, including an obligation to reinvest profits of UKGM during this period, provisions in the event of a change in control, as well as a prohibition on outsourcing and the exclusion of redundancies. The guarantee to take over apprentices continues to apply.

What is equally 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.

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

Contingent liabilities

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

Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares

in issue during the year. Diluted earnings per share correspond to basic earnings per share, as there were no stock options or convertible debentures outstanding on the reporting date.

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

	No. of shares on 30 June 2023	No. of shares on 30 June 2022
Non-par shares	66,962,470	66,962,470
Treasury non-par shares	-24,000	-24,000
Shares in issue	66,938,470	66,938,470

Earnings per share are calculated as follows:

Non-par shares	30 June 2023	30 June 2022
Share in consolidated result (€ '000)	11,990	11,516
Weighted average number of shares outstanding, in thousands	66,938	66,938
Earnings per share in €	0.18	0.17

Statement of Cash Flows

The liquidity shown in the statement of changes in financial position continues to include cash on hand, cheques as well as cash with banks. For the purposes of the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents. As at 30 June 2023 there were no bank overdrafts.

The decline in cash generated from operations from € 24.0 million to € 0.8 million is essentially the result of the increase in trade receivables and an increase in other financial assets in connection with budget balancing measures. This was countered by the opposite effect of the increase in liabilities under the German Hospital Financing Act (Krankenhausfinanzierungsgesetz, KHG) not yet used for their intended purpose and recognised in other net debt/other non-cash transactions, and here in particular the grants under the White Paper Agreement Plus not yet used at the university hospitals for investments in the hospital.

The change in cash generated from investing activities by € 59.0 million to € 9.9 million mainly results from the reversal of fixed deposit investments during the current year (same period of the previous year: investment of fixed deposits).

The change in cash used in investment activities mainly results from the dividend payment of € 10.0 million adopted at the Annual General Meeting at the beginning of June.

Cash and cash equivalents as at 30 June 2023 include demand deposits with restricted use in the amount of € 18.6 million (30 June 2022: € 13.2 million). The cash flow statement included a total of € 1.7 million (previous year: € 5.7 million) in non-cash obligations from outstanding construction invoices as a correction to investments in property, plant and equipment as well as intangible assets.

Events after the balance-sheet date

By introducing a gas and electricity price brake in the middle of December 2022, the German Federal Parliament (Bundestag) adopted relief payments for hospitals from financial year 2023. On 23 June 2023, the German Federal Parliament (Bundestag) approved the further Act Amending the Gas and Heat Price Brake Act (Gesetz zur Änderung des Erdgas-Wärme-Preisbremsengesetzes (EWPPBG)) and the Electricity Price Brake Act (Gesetz zur Änderung des Strompreisbremsengesetzes

(StromPBG)). On 7 July 2023 the Federal Council (Bundesrat) gave its approval to the Amending Act. The law came into force on 3 August 2023. A payment claim on our part is currently being examined. For this reason, it is not yet possible to foresee the effects this will have on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

No further particularly significant events have occurred since 30 June 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.

Bad Neustadt a. d. Saale, 9 August 2023

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

Bad Neustadt a. d. Saale, 9 August 2023

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Tobias Kaltenbach

Dr. Stefan Stranz

Dr. Gunther K. Weiß

REVIEW REPORT

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

We have reviewed the consolidated condensed interim financial statements of the RHÖN-KLINIKUM Aktiengesellschaft – comprising consolidated income statement and consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and condensed notes – together with the interim group management report of the RHÖN-KLINIKUM Aktiengesellschaft, for the period from 1 January to 30 June 2023, that are part of the semi annual financial report according to § 115 WpHG (“Wertpapier–handelsgesetz”: “German Securities Trading Act”). The preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the consolidated condensed interim financial statements and on the interim group management report based on our review.

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

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

Frankfurt am Main, 9 August 2023

KPMG AG

Wirtschaftsprüfungsgesellschaft

Huber-Straßer
Wirtschaftsprüferin
(German Public Auditor)

Schrum
Wirtschaftsprüfer
(German Public Auditor)

<https://www.rhoen-klinikum-ag.com/interimreports>



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This Interim Report is also available in
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